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Advancing to COP29

FOREWORD

As COP29 approaches in Baku, Azerbaijan, the urgency for concrete climate action is heightened. This Summit, dubbed the "Finance COP," aims to address gaps from the first Global Stocktake and set actionable goals aligned with the Paris Agreement. A key focus will be establishing a New Collective Quantified Goal (NCQG) for climate finance to support developing nations in adaptation and mitigation efforts.

COP29 will build on successes from previous conferences, especially COP28's milestones like the Loss and Damage Fund and the UAE Consensus on renewable energy. With a focus on "Enhancing Ambition" and "Enabling Action," COP29 seeks to accelerate climate action through transparent goals, sustainable investment, and an inclusive transition. This approach aims to unite developed and developing nations towards achieving the 1.5°C global warming limit. At Uniqus, we support this journey and promote sustainable growth and climate accountability.

We hope you enjoy reading this document that summarizes our expectations from COP29.

Happy reading!

Yours faithfully

For Uniqus Consultech Inc.

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WHAT IS COP?

The Conference of the Parties (COP) is a crucial decision-making body for global climate action, bringing together representatives from 198 parties under the United Nations Framework Convention on Climate Change (UNFCCC) annually to discuss and negotiate collective actions to address climate change. Historically, COP has achieved significant milestones, such as the Kyoto Protocol, which established binding emission reduction commitments, and the landmark Paris Agreement from COP21 in 2015, which unified nations to limit global warming to well below 2°C. COP26 in Glasgow reinforced this commitment, emphasizing the need for transparency in emissions reporting and financial support for developing nations. By facilitating collaboration and commitment, COP plays a vital role in shaping global climate policy and driving efforts toward a resilient and sustainable future.

WHAT IS COP29?

The Government of Azerbaijan will host the 2024 UN Climate Change Conference (UNFCCC COP29) from November 11th to November 22nd, 2024, in Baku, Azerbaijan, spearheaded by H.E. Mukhtar Babayev, the COP29 President-Designate. This conference will include the 29th meeting of the Conference of the Parties (COP29) of the UNFCCC, the 19th meeting of the COP as the Meeting of the Parties to the Kyoto Protocol (CMP 19), and the sixth meeting of the COP as the Meeting of the Parties to the Paris Agreement (CMA 6) to advance global climate action and implementation over this critical decade to keep 1.5°C within reach, as envisaged by the COP Presidencies Troika.

WHY IS COP29 SIGNIFICANT?

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COP29 represents a pivotal moment in the international climate agenda, set against a pressing global need to enhance climate action. As nations converge in Baku, Azerbaijan, the conference aims to address the significant gaps identified in the first Global Stocktake (GST) and to ensure that the collective effort to meet the Paris Agreement's goal of limiting global warming to 1.5°C remains within reach. This event serves as a gauge for the efficacy of the multilateral system in delivering tangible climate solutions at the required scale and speed.

The primary objectives of COP29 revolve around enhancing international cooperation and creating a robust enabling environment for the next round of Nationally Determined Contributions (NDCs) due in 2025. Through the "Roadmap to Mission 1.5," the COP Presidencies Troika—comprising the UAE, Azerbaijan, and Brazil—strives to maintain momentum from previous conferences, ensuring a seamless transition from negotiated agreements to actionable implementation. This collaboration emphasizes the urgency of strengthening commitments and facilitating accessible, inclusive climate finance as critical tools for achieving ambitious climate targets.

Central to COP29, which is referred to as Finance COP, is the introduction of a new collective quantified goal (NCQG) on climate finance. This goal will serve as a cornerstone for discussions on the support needed for countries to execute their NDCs effectively, particularly in achieving just transitions that are equitable and sustainable. The conference seeks to galvanize support from governments and various stakeholders, including regional and subnational entities, emphasizing the need for a holistic approach to sustainable development.

The COP29 Presidency launched the Baku Global Climate Transparency Platform (BTP) during a High-Level Dialogue in Baku. This initiative is designed to enhance mutual trust among Parties and assist developing countries in preparing their Biennial Transparency Reports (BTRs). The BTP aims to facilitate the implementation of the Enhanced Transparency Framework (ETF).

WHAT ARE THE COP29 PILLARS?

The COP29 Presidency established a dual-pillar framework to guide its vision and agenda: Enhance Ambition and Enable Action. These mutually reinforcing pillars will serve as the foundation for advancing action across all thematic issues, such as finance, trade and investment, energy, biodiversity, sustainable agriculture, water, science, technology and innovation, sustainable urbanization, and health, amongst other global priorities.

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Enhancing Ambition

The COP29 Presidency encourages all Parties to present 1.5°C -aligned Nationally Determined Contributions (NDC) with notable GHG reductions critical for achieving a climate-resilient future as emphasized in the Global stocktake. Responding to developing countries' challenges in climate adaptation, the COP29 Presidency has urged Parties to submit their National Adaptation Plans (NAPs) by 2025 and to enhance contributions to adaptation funds such as the Green Climate Fund and the Adaptation Fund. Additionally, the COP29 Presidency has prioritized the timely submission of Biennial Transparency Reports (BTRs) to track progress and assess gaps. Over 70 countries will submit their first BTRs by no later than 31 December 2024.

Enabling Action

COP29 prioritizes the establishment of a fair and ambitious New Collective Quantified Goal on Climate Finance (NCQG) that addresses the needs of developing countries. This goal is essential for bridging the climate finance gap highlighted in the outcomes of the Global Stocktake. Another critical action for COP29 is establishing Article 6 of the Paris Agreement, which will facilitate capital markets and effectively channel financial resources, particularly to developing nations. Building on the progress made at COP27 and COP28, the COP29 Presidency emphasizes the pressing need to operationalize the Loss and Damage Fund fully.

LEARNING FROM COP28

The COP28 UN Climate Change Conference in Dubai, UAE, was marked by the UAE Consensus, which emerged from the conclusion of the first-ever global stocktake of the world's efforts to address climate change under the Paris Agreement. This stocktake revealed that progress was too slow across all areas of climate action, prompting countries to commit to accelerating efforts by 2030 to keep 1.5°C within reach. Held from 30 November to 13 December 2023, the event brought together representatives from national delegations, civil society, business, Indigenous Peoples, youth, philanthropy, and international organizations, making it the most inclusive COP to date.

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SIGNIFICANT ACHIEVEMENTS OF COP28

Conclusion of the first global stocktake

The first global stocktake, finalized at COP28, revealed that the international community must reduce greenhouse gas emissions by 43% by 2030 from 2019 to maintain the critical temperature threshold of 1.5°C. However, the Parties are currently off track in fulfilling their Paris Agreement commitments.

A significant outcome of COP28 was the unprecedented formal acknowledgment that fossil fuels are the primary drivers of climate change, marking the "beginning of the end" of the fossil fuel era. This recognition sets a new standard for Nationally Determined Contributions (NDCs) and encourages countries to adopt economy-wide emission reduction targets. The Stocktake calls for urgent actions, including tripling renewable energy capacity and doubling energy efficiency improvements by 2030, phasing down unabated coal power, and eliminating inefficient fossil fuel subsidies, all while ensuring a just transition led by developed nations.

Key achievements of the Action Agenda include the Global Decarbonization Accelerator (GDA), which aims to expedite the energy transition, and the Global Renewables and Energy Efficiency Pledge, endorsed by 132 countries. The pledge targets at least 11,000 gigawatts of renewable energy capacity and over 4% annual energy efficiency improvement by 2030. Additionally, the Oil and Gas Decarbonization Charter (OGDC) commits 54 companies responsible for over 43% of global oil production to achieve zero methane emissions and end routine flaring by 2030, aiming for net-zero operations by 2050.

Loss and Damage Fund

At COP28, a historic agreement was reached to operationalize the Loss and Damage Fund, with commitments totaling USD 702 million to support developing countries affected by climate change-related disasters. The fund aims to assist vulnerable nations in managing impacts that exceed their adaptive capacities, marking a significant step toward international climate justice. In addition, an agreement was reached that the UN Office for Disaster Risk Reduction and the UN Office for Project Services will host the secretariat of the Santiago Network for loss and damage, which will provide technical assistance to those countries most at risk.

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Global Goal on Adaptation

At COP28, a significant achievement was made with the agreement on targets for the Global Goal on Adaptation (GGA) and its comprehensive framework. This framework outlines essential areas where resilience to climate change must be enhanced, including water, food, health, ecosystems, infrastructure, poverty eradication, and cultural heritage. For the first time, the GGA emphasizes a future-oriented approach to measuring adaptation progress, focusing on aspiration and ambition rather than solely on past efforts. The GGA aims to guide adaptation planning and strategies at all levels, facilitating the alignment of necessary finance, technology, and capacity-building support.

Climate Finance

At COP28, strengthened climate financing emerged as a critical achievement, marked by the launch of ALTÉRRA, the UAE's USD 30 billion catalytic private finance vehicle aimed at mobilizing USD 250 billion for global climate action. The conference spotlighted the critical role of climate finance as the "great enabler of climate action." Notable pledges included a record USD 12.8 billion for the Green Climate Fund from 31 countries, alongside commitments exceeding USD 174 million for the Least Developed Countries Fund and nearly USD 188 million for the Adaptation Fund.

Besides the above-mentioned key achievements, COP28 saw several major announcements, such as the signing of the UAE Climate and Health Declaration by 151 parties, which mobilized an initial USD 1 billion for climate and health solutions. The Declaration calls on governments to protect communities and strengthen health systems against climate impacts like extreme heat and infectious disease spread. Additionally, 160 Heads of State endorsed enhancing food systems transformation in their national climate plans through the COP28 UAE Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action, which included financing commitments of USD 2.6 billion for regenerative agriculture and climate-food innovations.

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MAJOR SHORTFALLS

While COP28 made strides in climate negotiations, some challenges persist that raise concerns about the effectiveness of its outcomes. Many countries sought a solid commitment to phasing out fossil fuels. Still, the final agreement only called for a "transition away from fossil fuels in energy systems" without a definitive phase-out. As Samoa stated on behalf of the Alliance of Small Island States, this represents "an incremental advancement over business as usual" when an "exponential step-change" is needed to keep the goal of limiting global warming to 1.5°C alive.

Additionally, the commitment to "transitional fuels," notably natural gas, represents a significant loophole for fossil fuel interests, allowing continued reliance on carbon-intensive energy sources. The UAE and Saudi Arabia's charter for net-zero emissions by 2050 only pertains to their operations, neglecting the substantial emissions from the fuels they sell, which account for up to 95% of their climate impact.

Financial commitments also fell short, with only about USD 700 million pledged to the loss and damage fund—paling compared to the estimated USD 580 billion in climate-related damages that vulnerable countries could face by 2030. On adaptation, COP28 established global time-bound targets but failed to quantify these or provide necessary financial backing for developing nations. Most finance-related issues were deferred to COP29. The conference also left unresolved critical questions regarding carbon markets under Article 6 of the Paris Agreement, with significant aspects, such as emissions reduction authorization and eligible activities for carbon markets, pushed to next year.

EXPECTATIONS FROM COP29

As we gear up for COP29, there is increased anticipation for the opportunities. This conference will facilitate cooperation among nations, businesses, and communities to achieve global commitments. COP29 will be an essential moment for countries to signal their intent to set a more ambitious emissions reduction target, strengthen their action on adaptation, demonstrate progress on previous pledges, and commit more financial support to countries affected by loss and damage from climate impact. Below are some key expectations from this edition of the COP:

Strengthening Global Climate Finance:

COP29 will work toward setting a new climate finance target beyond 2025, building on the current USD 100 billion commitment. This target will address both the quantity and quality of climate finance, ensuring fair contributions and promoting private sector involvement to close the climate finance gap.

Elevating National Climate Ambitions:

With the 2025 deadline for Nationally Determined Contributions (NDCs) fast approaching, countries must set ambitious climate targets within the Paris Agreement framework. COP29 leaders are expected to drive commitments to phase out fossil fuels and triple renewable energy capacity by 2030, setting a higher bar for future climate action cycles.

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Enhancing the Loss and Damage Fund:

This year saw advancements for the Loss and Damage Fund, including the Philippines' appointment as board host and new collaborations with the World Bank. At COP29, negotiators will work to strengthen the Warsaw International Mechanism (WIM), align it with the Loss and Damage Fund, and streamline assistance through the Santiago Network to aid vulnerable nations effectively.

Driving Action on Adaptation:

COP29 will support countries in progressing from National Adaptation Plans (NAPs) to concrete implementation. Additional funding pledges are anticipated, especially for adaptation and loss and damage initiatives, further supporting vulnerable countries in addressing climate impacts.

Integrating Climate, Nature, and Land Goals:

As part of the "triple COP" year, COP29 coincides with significant conferences on biodiversity and desertification. This alignment highlights the need for interconnected solutions to climate change, biodiversity loss, and land degradation. The World Urban Forum (WUF) outcomes, which precede COP29, will also inform discussions, emphasizing the role of urban resilience in climate action.

Establishing a Unified Climate Finance Taxonomy:

As the host of COP29, Azerbaijan will introduce a set of unified standards developed in collaboration with over 100 countries to facilitate sustainable investments. This new taxonomy addresses the need for consistent guidelines that help reduce the confusion investors face due to fragmented rulebooks. By establishing unified principles for national taxonomies, COP29 will improve clarity in green finance, promote effective emissions reduction, and simplify the issuance of green loans. Azerbaijan is committed to allocating substantial resources to green projects until 2030, demonstrating its dedication to aligning its financial systems with sustainable goals.

CONCLUSION

As we prepare for COP29 in Baku, an intense sense of urgency exists to advance the climate agenda. Building on the discussions from COP28, this conference presents a vital opportunity to translate commitments into concrete actions. We anticipate that the collaborative spirit among nations will encourage innovative approaches to address climate challenges and enhance resilience. By prioritizing impactful partnerships and financial mechanisms, COP29 can pave the way for a more sustainable and equitable future for all.

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