**Catalysing climate action**

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The 29th annual Conference of the Parties (COP29) concluded with a renewed sense of urgency and a litany of commitments aimed at accelerating global climate efforts. Held in the vibrant city of Baku, this year’s summit underscored Azerbaijan’s rising profile as a key player in the global climate dialogue and spotlighted the pressing need for collaborative and innovative solutions to combat climate change.

At COP29, key outcomes included strengthened carbon reduction goals, with representatives from major economies pledging to achieve more ambitious targets for reducing carbon emissions. This reflects a heightened commitment to meeting the 1.5 C objective outlined in the Paris Agreement, something direly needed to deliver on the commitment.

A significant development pertained to the establishment of additional funding mechanisms aimed at aiding climate adaptation and mitigation efforts in less developed countries, especially the ones prone to climate change events. These initiatives intended to tackle existing financial shortfalls and enhance resilience in regions that are most affected by climate change.

COP29 also sparked the creation of new partnerships focused on innovative renewable energy initiatives, including efforts directed at cross-border solar and wind projects, as well as investments in green hydrogen technologies. It has also highlighted the necessity of global collaboration, advocating for technology transfer agreements designed to equip developing nations with crucial resources for sustainable growth. These agreements encompassed the exchange of best practices related to energy storage solutions and efficient grid management systems.

The inclusion of vulnerable nations was prioritised through a deliberate effort to elevate the voices of indigenous communities and representatives from the nations most affected by relevant issues. Their contributions were fundamental to the development of policies that are both equitable and sustainable. This approach ensured that the perspectives of those who are most impacted are reflected in the decision-making process, leading to outcomes that are more inclusive and just.

The recent COP29 summit underscored several emerging opportunities in global climate action. The reaffirmed commitments under the Paris Agreement serve as a testament to the summit’s achievements, with participant nations agreeing on frameworks to expedite the transition to renewable energy and contribute to an ambitious global strategy for carbon neutrality.

The summit resulted in a significant increase in funding for green technologies, including pledges to enhance infrastructure for cleaner energy sources, thereby emphasising the importance of collaborative knowledge-sharing to advance technological progress.

Economically, a salient message was the potential for growth through green initiatives, as COP29 facilitated investment opportunities in sustainable industries, thereby promising the creation of green jobs along with incentives for advancements in carbon capture technologies, renewable energy production, and energy efficiency.

At COP29, several critical challenges were addressed that underscore the ongoing complexities of climate action. The financing gap emerged as a matter of prominent concern, with discussions revealing persistent difficulties in meeting financial commitments to developing countries. Delegates underscored the necessity for clarity in the operationalisation of the newly proposed Loss and Damage Fund, which aims to provide essential support to these nations.

The alignment of national policies with international climate pledges was identified as a significant challenge, particularly for nations that remain reliant on fossil fuels. The summit highlighted the resistance encountered from certain governments and industries, emphasising the importance of accountability in these endeavors. While there was considerable enthusiasm for advanced climate technologies, less-developed regions faced considerable obstacles to their deployment, largely due to inadequate infrastructure and economic constraints.

Geopolitical tensions were a notable concern, with potential disputes over natural resources and divergent priorities between developed and developing nations. Negotiators called for a stronger consensus to ensure that geopolitical issues do not hinder progress toward effective climate solutions.

Experts at COP29 stressed the critical importance of strengthening global partnerships to facilitate equitable climate action. They advocated for the adoption of innovative financing strategies to bridge the existing investment gap and proposed enhanced capacity-building initiatives aimed at empowering developing nations. Furthermore, they recommended the establishment of monitoring mechanisms to ensure adherence to the commitments made during the summit.

Although developed nations have made a commitment to increase their financing for developing countries in their mitigation and adaptation efforts, the success of COP29 will be determined by the promptness by which these countries deliver on their commitments. Adaptation and mitigation efforts are dependent on the availability of concessional finance, as the vulnerable nations are in no position to free up resources needed to deal with the entirety of climate spectrum.

The Baku climate summit also marked a step forward in garnering support for a fair shift to renewable energy and reform of the fossil fuel subsidies. It asked countries to update their Nationally Determined Contributions (NDCs) by 2025 by integrating actionable plans for emission reduction and net zero pathways. The Baku summit also emphasised the need for strengthening corporate accountability through mandatory reporting on climate risks.

Despite increased commitment, the real challenge that can still upset the climate agenda pertains to inadequate availability of resources. According to an estimate, funding gap to the tune of $2.4 trillion per year can hinder the efforts to achieve global climate targets.

As proceedings at the Baku summit showed, the countries dependent on fossil fuel did not share clear timelines to complete the transition to renewable energy. This reluctance of these nations remains a major potential danger in the efforts to attain climate targets.

While global coordination has been identified as a key for the success of climate agenda, diversity of stakeholders with differing income groups, and political agendas and goals makes coordination truly challenging. The situation is further compounded by the lack of an accountability mechanism that is capable of monitoring actions on delivering on finance-related commitments as well as the implementation of NDCs.

The link between climate change and international trade flows is empirically established. Climate events such as floods, drought, and hurricanes are known to have caused supply chain disruptions, thus leading to global price hike.

Linked to disruption in supply chains is changing trade patterns caused by shifts in sectors such as fisheries, agriculture and energy. Higher risks posed by extreme weather events make shipping insurance and logistics more expensive. At the same time, international trade agreements and policies have the potential to affect trade flows and foster competitiveness. For countries that rely on climate-sensitive industries, there could be reduced export potential due to changing environmental conditions caused by climate threat. The loss of economic opportunities can hike inflation, and lead to unemployment with significant implications for the economy, politics and society at large.

This critique notwithstanding, the fact remains that COP29 in Baku marked a significant advancement in the global climate agenda, characterised by both progress and a realistic assessment of the challenges ahead. The summit highlighted the potential for harnessing innovation and fostering international cooperation, while also emphasizing the obstacles that must be addressed to achieve meaningful change.

As the global community looks to the future, ongoing commitment and concrete action will be vital in combating climate change and securing a sustainable future for all.

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