

COP29: time for bold progress on climate finance

Greenpeace expectations for the COP29 UN climate talks in Azerbaijan, Nov 2024

Another year of record-setting temperatures, heated oceans and widespread extreme weather impacts underscore the urgency of climate action. The UN Climate Conference, now into its 29th year but a critical year, must agree on a new climate finance package. Finance is a cornerstone of global cooperation on climate change, and at the heart of the grand bargain underpinning the Paris Agreement.

World political leaders at COP29 will yet again be tasked with taking effective, concerted and transformative action for people and planet. We face twin climate and biodiversity crises and accelerated and ambitious climate action in combination with finance is urgently needed. Governments must commit to an ambitious new finance goal to support developing countries, and action to make the fossil fuel industry and other major polluters pay.

In the face of blockbuster profits, rising emissions and vast human suffering linked to climate induced extreme weather, the moral, economic and environmental case for making the fossil fuel industry and other high emitting sectors pay for the damage and destruction their products cause has never been stronger.

But more than that, we have to stop fueling more loss and damage because a safe climate and the 1.5°C limit is under siege from the world's profiting fossil fuel polluters. COP29 is the moment where bold progress on both climate action and finance must happen.

At COP29 Greenpeace is calling for:

1. A new climate finance goal, the New Collective Quantified Goal (NCQG), that commits to significantly scaled-up public finance to developing countries for action on adaptation, mitigation and loss and damage and embeds the Make Polluters Pay principle.
2. Implementation of the COP28 agreement to transition away from fossil fuels, by outlining how countries' upcoming 2030 and 2035 Nationally Determined Contributions (NDCs) will include fossil fuel phase out plans and policies in alignment with 1.5°C.
3. Preventing a poor outcome on offsets and carbon markets in order to protect and restore high integrity carbon-dense ecosystems.

In the following pages we detail our expectations.

Make polluters pay: scaled-up public finance to developing countries

COP29 must achieve a new global finance goal, called the New Collective Quantified Goal on Climate Finance (NCQG), that is ambitious in scale and scope to fund urgent climate action in developing countries. Trillions not billions of dollars are needed because the costs of inaction are mounting every

day and climate justice requires the redress of historical wrongs. Agreement on the NCQG at COP29 is critical for unlocking essential funds needed to support developing countries' urgent and rising climate finance needs of at least US \$1 trillion in public finance annually, according to Climate Action Network.

Without significant climate finance there is no Paris Agreement and without ambitious climate action there is also no Paris Agreement. As primary contributors of climate finance, developed countries need to lead in resourcing the new goal, and their contributions should in no way be conditional on the contributions of others.

A public finance goal to developing countries must be the centrepiece of the NCQG, with thematic subgoals for mitigation, adaptation and loss and damage. This is critical to address the historic neglect of adaptation and loss and damage. And in the context of growing unsustainable debt in many developing countries, commitment to grants and highly concessional public finance is also essential. The new goal must not repeat the mistakes of the previous \$100 billion commitment, where the majority of public finance provided was loans, of which a significant proportion was non-concessional.

There is not an absence of money but an absence of government action to make the fossil fuel industry and other big polluters pay. As well as enshrining the responsibilities of states, the NCQG needs to be a turning point for making the fossil fuel industry, and other high emitting sectors, pay for the harm and destruction their products cause.

The proposal for a [Climate Damages Tax \(CDT\)](#) on the extraction of fossil fuels is one example of a new source of finance based on the polluter pays principle that has the potential to generate billions of dollars for climate action. If introduced by OECD countries alone, at a low rate of \$5 per tonne of CO₂e increasing by \$5 per tonne each year, a CDT could generate \$900 billion by 2030.

Greenpeace's submission to the UNFCCC on the NCQG can be found [here](#) and our open letter to government ministers can be found [here](#).

A robust COP29 outcome on finance would include:

- An ambitious **New Collective Quantified Goal on Climate Finance (NCQG)** is agreed.
- The NCQG commits to **significantly scaled up public finance** to developing countries for adaptation, mitigation and loss and damage estimated to be at least US \$1 trillion per year.
- The NCQG embeds the **Make Polluters Pay (MPP) principle** and calls on countries to implement equitably designed domestic taxes/levies on the fossil fuel industry and other big polluters for domestic action and international climate finance as applicable, recognising developed countries responsibility to lead.

1.5C aligned NDCs must include a just transition away from fossil fuels

Ahead of next year's 10-year anniversary of the Paris Agreement, COP29 must prove that countries **will** move ahead with the historic COP28 agreement to transition away from fossil fuels.

Consider the reality: halfway through this critical decade of action, emissions are continuing to rise and most governments still have wildly inadequate 2030 climate action plans, despite acknowledging in the Global Stocktake at COP28 in Dubai that global greenhouse gas emissions must be cut by around [43 percent by 2030 and 60 percent by 2035 from 2019 levels](#), aiming for net-zero CO₂ emissions by 2050.

We are severely off track from this trajectory and political leaders need to respond at COP29 and signal they will get to work in cutting emissions.

Ending the age of coal, oil and gas and fulfilling the COP28 decision to transition away from fossil fuels will require the adoption of new 2035 Nationally Determined Contributions (NDCs) that are 1.5°C-aligned and outline countries' plans for phasing out fossil fuel production and consumption. That means a commitment to immediate, dramatic and consistent emissions reductions.

The 2035 NDCs must be submitted by February 2025 and will be evaluated one month before COP30 in Brazil in the UNFCCC's NDC synthesis report. COP29 looms as a significant marker along that road.

A robust COP29 outcome on climate action would include:

- COP29 advances the implementation of the COP28 agreement **to transition away from fossil fuels.**
- Countries detail their plans and needs for delivering **1.5°C-aligned 2030 and 2035 NDCs** that include fossil fuel phase out plans and a just transition to renewable energy.
- Countries' advance the global goal to **triple renewable energy capacity and double energy efficiency gains by 2030.**

Protect and restore high integrity carbon-dense ecosystems

At COP29, Article 6 is up again for discussion. This contentious section of the Paris Agreement has been in the negotiations spotlight for all the wrong reasons for almost 10 years. Greenpeace interprets Article 6 as promoting cooperation between countries to slash emissions while most countries and industries say Article 6 should create a global market in carbon offsets. But offsetting is a dangerous scam; it doesn't work and will only delay real action.

However, Articles 6.2 and 6.4 have been negotiated by governments to develop a credits trading and carbon market architecture. In Baku it is crucial that governments find the highest quality agreement on what constitutes transparency and integrity in Article 6.2, especially since countries are already trading credits under Article 6.2 without full rules in place.

Ultimately, countries that are obstructing transparency and a clear review process are only confirming one of the key problems with nature-based carbon credits. A market without transparency and environmental integrity risks placing Article 6 at odds with the Paris Agreement itself, by facilitating greenwashing rather than climate action.

Political leaders cannot get distracted by industry-driven plans to open a global market in carbon offsets, which is bad for both climate and biodiversity. The significant progress needed at COP29 is to protect and restore high integrity carbon-dense ecosystems.

At COP29 Greenpeace will support synergies between the climate and biodiversity agenda including through the development of non-market and community-led solutions and ensure a robust implementation of the Article 6.8 framework for non-market approaches (NMA), the only part of Article 6 which promotes international cooperation for meaningful and community-driven climate action.

At COP29, Greenpeace is working towards the following:

- **Avoiding a weak agreement on carbon markets** that promotes false expectations around carbon markets' role in generating climate finance.
- **Preventing loopholes for trading credits** and avoiding bad rules for carbon markets to avoid the worst possible outcome.
- Ensuring a COP29 outcome on Article 6 that **puts the emphasis on community-led non-market solutions and does not undermine the integrity of climate commitments** or pretend to plug gaps in climate and biodiversity finance.

How we get there:

The world needs less talk and more leadership and it's time to turn policy into action. What's needed is a commitment to embed in the new 2035 NDCs the COP28 decision to transition away from fossil fuels.

The Troika of COP28, COP29 and COP30 Presidencies have committed to lead by example and submit 1.5°C-aligned NDCs in line with agreements reached at COP28. How they will stop expansion and transition away from fossil fuels is a non-negotiable element.

Political leaders from across the globe must now act boldly by agreeing to unlock urgently needed finance for climate action and enforcing accountability by making polluters pay. Profiting polluters must pay up and stop producing misery. Our future, our collective fate, depends on it and demands a robust finance agreement at COP29 in combination with a full, fair fossil fuel phase out.

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