

THEMENSERVICE

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COP or drop in the ocean?

[COP29](#) is set to begin on November 11 in Baku, Azerbaijan, with global expectations running high. Will there be an agreement on the key issues, or will the outcomes of two weeks of negotiations remain just a drop in the ocean?

The UN Climate Change Conference, known as COP (Conference of the Parties), brings together delegates from around the world each year to reach agreements on pressing issues and discuss strategies to curb global warming. What challenges does COP29 pose, what positions do the EU and Germany take, and what role does corporate voluntary commitment play in achieving global climate targets? Answers to these questions can be found in the following article.

The challenges of COP29 in brief:

Climate finance and setting the New Collective Quantified Goal (NCQG) for the climate finance of states

- Challenges: Not only must a new target amount be established, but the contributors also need to be identified, along with a clear definition of the scope of relevant financial resources.

Article 6 and the strengthening of carbon markets

- Challenges: Clear rules are essential for carbon market transactions to ensure transparency and prevent greenwashing. A key aim is to create a centralised accounting system to avoid double counting.

Increase in the Loss and Damage Fund

- Challenges: Discussions are expected to focus on innovative financing mechanisms, such as climate risk insurance and catastrophe bonds, to increase the fund's capacity. Industrialised countries are encouraged to fulfil their commitments, and new donors are urged to contribute to ensure that the most vulnerable nations receive the necessary support.

Driving forward adaptation efforts

- Challenges: National planning should incorporate climate risks, alongside the promotion of nature-based solutions and community-based adaptation initiatives. Additionally, financial support for adaptation projects should be increased, especially in countries disproportionately affected by climate change impacts.

Updating nationally determined contributions (NDCs)

- Challenges: Under the Paris Agreement, countries are required to update their NDCs every five years, with the next update in 2025. These new NDCs must be more ambitious, building on recent advances in climate science, technological innovation, and a deeper understanding of climate impacts.

The topics and challenges outlined here mainly concern the international community, with EU countries representing a common position on these issues.

What is the EU's position?

The environment ministers of EU member states have agreed to advocate for compliance with the 1.5°C target at COP29. They will discuss the role of nuclear energy in achieving climate goals alongside renewable energy sources. Additionally, the EU aims to propose a new, common goal for supporting developing and emerging countries while building long-term resilience. You can read the EU's position in detail [here](#). The EU is also calling for an accelerated phase-out of fossil fuels. An initial breakthrough occurred at the end of October when G20 countries, following a meeting in Washington, agreed to [a move away from fossil fuels](#), adopting language from the final declaration of the UN Climate Change Conference in Dubai in 2023. This group includes industrialised nations and oil-producing countries such as Brazil, Mexico, Russia, and Saudi Arabia.

Germany's points of view

Although COP negotiations and resolutions take place at the national level, their discussions hold significant implications for the economy. This connection was evident at the COP briefing in Berlin, organised by the German Federal Government. Hosted by the [Federal Foreign Office](#), the [German Climate Consortium e.V.](#), and the [Climate Economy Foundation](#), this annual briefing aims to clarify Germany's stance for the upcoming COP negotiations.

On 18 October 2024, ClimatePartner joined this year's briefing for the COP29 in Berlin. The event, under the motto "Accelerating transformation for 1.5 degrees", highlighted private climate investments as a critical driver for achieving global climate targets. More details on the event are available [here](#).

Here are the key takeaways from the event regarding companies' voluntary commitment to climate action:

- Sabine Nallinger, Chair of the Climate Economy Foundation, said that climate action is not a threat to prosperity but essential for maintaining our standard of living. She highlighted the need for regulatory certainty to enable companies to invest confidently in the transition.

- In her speech, Federal Foreign Minister Annalena Baerbock spoke about how climate policy is both an opportunity and a security risk. She appealed to the fact that every degree of temperature increase that we can prevent helps alleviate poverty.
- Heiko Thoms, State Secretary at the Federal Ministry of Finance, emphasised that climate targets require large-scale investments of private capital. To achieve this, policymakers must create a secure framework with sensible incentives for the economy.

This requires transparent and robust market structures, especially for private investments in the voluntary carbon market. An agreement on Article 6 is therefore eagerly anticipated in Baku.

Will an agreement on Article 6 be reached?

The Paris Agreement established frameworks for international cooperation on climate action, with Article 6 providing guidelines for intergovernmental efforts on emissions reduction and mechanisms for CO₂ certificate trading and transnational climate initiatives. We have previously discussed the importance of Article 6 in detail in this [article](#). While it primarily supports the growth of carbon markets under the UNFCCC, decisions related to Article 6 also significantly impact the Voluntary Carbon Market (VCM). The operationalisation of Article 6 is crucial to create more certainty in the VCM, enabling greater private finance for climate action in the Global South.

Progress has already been made on Article 6 in recent months. In mid-October, the Article 6.4 mechanism oversight body agreed on two important standards for carbon removal and for the development and assessment of Article 6.4 projects at the pre-COP supervisory meeting. Maria AlJishi, Chair of the oversight body, stated that "the introduction of these standards as an important step forward towards a robust, flexible and evolving carbon market". The recent progress made by the Article 6.4 oversight body is promising and should accelerate negotiations in Baku.

Corporate volunteering as opportunity

As outlined, experts agree that voluntary climate action investments by companies, and thus the VCM, are essential for accelerating global climate action. There is great opportunity here that is far from being exhausted. However, meaningful incentives and a clear, legally secure framework are required for companies willing to invest. This need has not been sufficiently addressed at a political level. It would therefore be a strong political signal to pay more attention to the VCM in the negotiations and to recognise the opportunity it offers at the political level. The voluntary commitment of companies is important for achieving national and international climate action targets, especially promoting climate projects in developing countries and CO₂

reduction projects such as reforestation and the protection of ecosystems. You can read about the resolutions of COP29 and what they mean for companies [here](#).

Our subsidiary [ClimatePartner Impact](#) will be organising a panel at COP29 by bringing the two markets closer together. The [panel](#), entitled "Contribution to Global Net Zero - Leveraging Carbon Markets for Public-Private Partnerships", will explore how public-private partnerships can help close the gap in climate finance through voluntary carbon markets. The focus will be on joint strategies to develop climate projects in areas where the host country is facing challenges, with an aim towards enabling both host countries and the private sector to engage in carbon markets to advance climate action together. In addition to experts from ClimatePartner Impact, panellists will include representatives from the Gold Standard, the Wuppertal Institute, and the Science Based Target Initiative (SBTi). **If you are on site, please visit us and join the discussion.**

COP29 is expected to be a milestone in the global climate agenda. The world is looking at Baku and the results will show how effectively we can mobilise resources, implement solutions, and support those most affected by climate change. With regard to the Loss and Damage Fund, and the need to define a new NCQG, this year's negotiations will see a struggle for closing the financial gap between countries. The pressure on wealthy nations, which bear responsibility for climate-damaging emissions, to meet their moral obligations and contribute accordingly has never been greater.

About ClimatePartner

ClimatePartner supports companies on their journey towards net zero. For around 20 years, the pioneering organisation has been developing solutions that enable its clients to make voluntary climate action commitments, anchored in their corporate strategy in the long term. With its flexible approach combining software, consulting, and reduction solutions, ClimatePartner helps its clients make an active contribution to climate action both within and beyond their own value chains – regardless of whether companies are just starting out or are already far along their climate action journey. ClimatePartner's industry-specific solutions cover the entire process, from calculating carbon footprints to setting reduction targets and implementing reduction measures. ClimatePartner also supports companies in financing global and regional climate projects and providing detailed and transparent communication on their climate action commitments. This includes labels that confirm the comprehensive and strategic approach of a company's voluntary climate action measures. For this, ClimatePartner's experts work every day on practical and sustainable approaches to contribute to global efforts to reach net zero by 2050.

ClimatePartner was founded in Munich in 2006. Around 500 employees in Barcelona, Berlin, Boston, Essen, Frankfurt, London, Milan, Munich (HQ), Paris, Stockholm, The Hague, Vienna, and Zurich support more than 6,000 companies from over 60 countries.

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