



**COP
29
BAKU
AZERBAIJAN**



**GLOBAL EYE
INTELLIGENCE**

**GEOPOLITICS & GREEN GOALS :
A STRATEGIC ANALYSIS OF COP 29**

EXECUTIVE SUMMARY

The 29th Conference of the Parties (COP 29) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Baku, Azerbaijan, in November 2024, marked a pivotal moment for international climate policy. Delegates prioritized advancing the Paris Agreement's implementation, with a particular focus on revisiting Nationally Determined Contributions (NDCs), scaling up climate financing, and promoting energy transition initiatives. While significant commitments were made toward renewable energy and financial assistance for vulnerable nations, geopolitical challenges and uneven commitments among member states underlined key risks. This report provides a strategic analysis of COP 29's outcomes, assessing implications for global climate action, business sustainability, and geopolitical stability.



INTRODUCTION

COP 29 convened amidst rising global temperatures, extreme weather events, and growing demands for accelerated climate action. Hosted in Baku, a city symbolic of energy transformation given Azerbaijan's oil-based economy, the conference sought to reinforce global cooperation on climate goals. This report analyzes the strategic implications of the decisions taken, focusing on their alignment with the Paris Agreement, financial commitments, and sectoral transformations.



BACKGROUND

COP 29 took place in the context of:

- 1. Rising Global Temperatures:** 2024 has been projected as one of the hottest years on record, exacerbating calls for immediate action.
- 2. Geopolitical Tensions:** The Russia-Ukraine conflict, strained US-China relations, and global economic slowdown posed challenges to cohesive climate agreements.
- 3. Energy Transition:** The growing adoption of renewable energy is shifting global energy markets, but reliance on fossil fuels persists in several economies.
- 4. Climate Financing:** While the \$100 billion annual commitment to climate finance has seen progress, demands for increased funding for adaptation and loss and damage remain unmet.



Welcome to COP29
Entrance

STRATEGIC ANALYSIS

1. Progress on NDCs:

- Several nations announced updated NDCs with enhanced targets for emission reductions by 2030. However, significant disparities remain in the ambition and timelines of commitments.

- Emerging economies emphasized the need for developed nations to lead in emissions reduction, citing historical responsibilities.

2. Loss and Damage Fund:

- COP 29 operationalized the Loss and Damage Fund agreed upon at COP 28, with contributions from developed nations and innovative funding mechanisms (e.g., carbon taxes).

- However, pledges fell short of expectations, raising concerns about the fund's adequacy.

3. Energy Transition Commitments:

- Stronger commitments to phasing out coal and scaling up investments in renewable energy were made.

- Azerbaijan announced plans to transition a portion of its oil revenue to fund green infrastructure, positioning itself as a leader in energy diversification





4. Private Sector Involvement:

- Significant private sector pledges were made, particularly from technology and energy companies. However, accountability mechanisms for private commitments remain weak.

5. Geopolitical Dynamics:

- Developing nations, particularly in Africa and South Asia, emphasized the inequity of climate impacts and the need for just transitions.
- The role of major emitters like the US, EU, and China was scrutinized, with expectations for stronger leadership.



STRATEGIC IMPLICATIONS

1. Global Climate Goals:

- The commitments made at COP 29 indicate progress, but the world remains off-track to meet the 1.5°C target, necessitating more ambitious actions from key economies.

2. Economic Shifts:

- Investment in renewable energy is expected to accelerate, creating opportunities for green jobs but also risking disruptions in fossil fuel-dependent regions.

- The financial sector faces increasing pressure to divest from fossil fuels and scale up green financing.

3. Geopolitical Stability:

- Climate-related migrations and resource conflicts may intensify, especially in regions most vulnerable to climate change.

- The uneven burden of climate actions could exacerbate North-South divides, complicating future negotiations.

4. Corporate Accountability:

- Businesses face heightened scrutiny to align operations with net-zero goals. Transparent reporting and actionable sustainability plans will be critical.



SCENARIO ANALYSIS

1. Optimistic Scenario:

All nations implement their commitments, accelerating the transition to renewable energy, reducing global emissions, and mitigating climate impacts.

2. Pessimistic Scenario:

Failure to meet financial commitments and uneven action among major emitters lead to a widening gap in climate action, increasing the likelihood of surpassing the 2°C threshold.

3. Status Quo Scenario:

Incremental progress is made, but geopolitical and economic challenges hinder the achievement of transformative goals.



STRATEGIC RECOMMENDATIONS

1. Enhanced Collaboration:

Strengthen multilateral platforms to address climate inequities and improve collaboration between developed and developing nations.

2. Accountability Mechanisms:

Establish stronger monitoring frameworks to ensure transparency and compliance with NDCs and private sector pledges.

3. Innovation in Climate Financing:

Expand innovative financing mechanisms such as green bonds, climate taxes, and blended finance to bridge the gap in adaptation and mitigation funding.



4. Focus on Adaptation:

Prioritize investments in climate-resilient infrastructure, particularly in vulnerable regions, to mitigate the impact of extreme weather events.

5. Geopolitical Engagement:

Utilize climate diplomacy to address geopolitical challenges, fostering cooperation between major emitters like the US, EU, and China.

COP29 BAKU





CONCLUSION

COP 29 underscored the urgent need for accelerated climate action, particularly in implementing enhanced NDCs and scaling up financial and technological support. While progress was made in some areas, significant gaps remain, particularly in climate finance and equitable burden-sharing. A strategic focus on accountability, innovation, and collaboration will be essential to translating commitments into tangible outcomes. This pivotal moment in global climate policy calls for sustained leadership and collective action to ensure a sustainable future.





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