

Bridging the Divide Between Developed and Developing Nations at COP29

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Why in News?

- The 29th edition of the UN Climate Conference (COP29) in Baku, Azerbaijan, was anticipated to conclude on November 22, but negotiations extended due to unresolved key issues.
- The conference aimed to make significant strides in addressing carbon emissions and climate finance.

Key Objectives of COP29:

- **Setting climate finance goals:**
 - Developing countries demanded at least \$1 trillion annually from 2025-2035 to meet emission targets, known as the **New Collective Quantified Goal (NCQG)**. **Current contributions stand at \$115 billion (2021-22)**.
 - **NCQG refers to** money that will be given to developing countries by developed countries to help the former meet their goals to transition away from the continued use of fossil fuels and curb greenhouse gas emissions.
 - Developed countries were expected to agree on a higher target above **\$100 billion as per the Paris Agreement**.
- **Addressing carbon emissions:** Scientific assessments indicated an expected 0.8% increase in emissions for 2023. Efforts to achieve the voluntary Nationally Determined Contributions (NDCs) could result in only a 2% global emissions reduction.

Demands of Developing Countries at COP29:

- **Financial responsibility of developed nations:**
 - Developing nations, including China, India, and the **Group of 77**, emphasised that developed countries, being historically responsible for higher emissions, should bear the bulk of climate finance.
 - Funding should cover mitigation, adaptation, and compensation for climate damage.
 - **Contributions should be proportional to historical emissions and per capita GDP.**
- **Grants and low-cost loans:** They stressed the need for climate finance to be primarily in grants or concessional loans rather than complex financial mechanisms.

Position of Developed Nations at COP29:

- Developed countries, led by the EU, **proposed a lower target of \$1.3 trillion annually by 2035**, with contributions from “various sources” (public, private, bilateral, and multilateral).
- Disagreement persists over the proportion of grants and loans, with developed nations **resisting demands for a predominantly grant-based model**.

Major Developments at COP29:

- **Carbon market agreement:**
 - A supervised UN carbon market was established based on **Article 6** of the Paris Agreement, enabling countries to trade carbon credits to meet emission caps.
 - **Sub- sections within the Article** spell out how countries can bilaterally trade carbon among themselves (**Article 6.2**) and participate in a global carbon market (**6.4**).
 - Though challenges include ensuring the authenticity and transparency of carbon credits, **India plans to leverage this agreement to activate its own carbon-trading market**.
- **Trade and climate discussion:**
 - China, as part of the BASIC group, raised concerns over the EU’s Carbon Border Adjustment Mechanism (**CBAM**), a tax on non-compliant imports, set to be fully implemented in 2026.

- This issue, though typically discussed in trade forums, highlights the intersection of trade and climate policies.

Conclusion:

- While COP29 made progress in areas like carbon markets, significant gaps remain, particularly in finalising climate finance targets.
 - Bridging the divide between developed and developing nations is crucial to achieving the conference's objectives and fostering global climate cooperation.
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Q.1. What is the EU's Carbon Border Adjustment Mechanism (CBAM)?

The CBAM is a carbon tariff on carbon intensive products, such as steel, cement and some electricity, imported to the European Union (EU).

Q.2. What is the Green Climate Fund (GCF)?

The GCF is a fund for climate finance that was established within the framework of the United Nations Framework Convention on Climate Change (UNFCCC). Its objective is to assist developing countries with climate change adaptation and mitigation activities.

Source: [Why is there a row over climate finance?](#)

Source: <https://vajiramandravi.com/current-affairs/bridging-the-divide-between-developed-and-developing-nations-at-cop29/>

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