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# COP preview: managing expectations

Both the COP 29 annual meeting dedicated to climate action, and its biodiversity counterpart COP 16, take place in the coming weeks.

In a year when politics and the impacts of climate change have sometimes conflicted, accelerating global coordination and finance is increasingly urgent. Expectations for both meetings are low, but the potential is huge.

Last December's COP 28 preceded confirmation that 2023 was the warmest year in history, and 2024 recorded the warmest summer ever. The UN WMO<sup>1</sup> estimates these records will be broken in the next few years, underscoring that acting to limit global temperatures remains critical.

Against this backdrop, COP 29 is being described as the "finance COP", where the hope is that earlier discussions on the role of finance and Article 6 of the Paris Agreement – where countries can transfer carbon credits to help other countries meet climate targets<sup>2</sup> – can be tightened into a clarification of a financing framework for transition to a 1.5°C world.

## Key takeaways

- COP 29 and its biodiversity counterpart COP 16 come at a time when new global temperature records have reinforced the urgency of climate action.
- COP 29 is being billed as the "finance" COP, but expectations of meaningful progress appear modest.
- Clarification on financing the transition, climate pressures on health, and the role of technology will be key topics.
- The conference will set the tone for the next wave of sovereigns' climate action plans.



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<sup>1</sup> [World Meteorological Organization, 2024](#)

<sup>2</sup> [Paris Agreement Crediting Mechanism | UNFCCC, 2024](#)

However, expectations appear modest for COP 29. The SB60 hosted in Bonn<sup>3</sup>, where technical details are discussed before the conference, was widely considered as disappointing. The UN Climate Change Secretary highlighted a “very steep mountain to climb to achieve ambitious outcomes in Baku” – the location of COP 29.

Climate finance discussions will likely centre on supporting the most vulnerable economies, seeking an agreement on a new collective quantified goal and on how to finance the Loss and Damage<sup>4</sup> Fund. At the same time harmonising almost 50 regions’ sustainability taxonomies into a single framework, and mandatory sovereign disclosures are relevant debates to channel capital flows.

With that in mind, we look forward to hearing the impact of a five-yearly series of “[global stocktakes](#)”<sup>5</sup> introduced at COP 28. The outcome of the first global stocktake will inform sovereigns’ updates to their climate action plans (known as Nationally Determined Contributions). These will be communicated in 2025 providing a 10-year plan to 2035.

The location of the conference is likely to be a talking point again, given oil and gas accounts for 47.8% of Azerbaijan’s GDP, and the President of Azerbaijan, Ilham Aliyev, has declared the intention to continue expanding developing gas activities. Meanwhile, six of the G7 countries pledged this year to phase out unabated coal power production in the first half of the 2030s. That said, the country has announced a series of initiatives to decarbonise its energy mix, especially around hydrogen, which makes sense given the country’s gas reserves.

#### Two topics that are gaining traction stand out on this year’s agenda:



**Health:** this was a central issue at COP 28, with its first dedicated day at the conference and a Ministerial Declaration on Climate and Health endorsed by over 140 member states.

As new record temperatures and impacts from climate change put further pressure on an already burdened global health system, we expect this topic to be even more prominent this year.



**Technology:** interest in financing climate solutions at COP 28 was evident, as highlighted in our [sustainability themes for 2024](#). Perhaps creating carbon capture technologies is considered easier than

achieving the behavioural change needed for a meaningfully lower footprint. Investments in climate technologies have steadily increased over the last decade through volatile markets, and now account for approximately 10% of all venture capital deal activity.<sup>6</sup> If COP 29 can further accelerate and scale up funding for climate solutions, this will help reduce a challenging funding gap. A whole day dedicated to science, technology and innovation could springboard the next wave of climate solution investments. The explicit addition of digitalisation to the agenda, for the first time, signals a clear recognition of its power and the will to leverage it as a catalyst for achieving net zero.



#### Will COP 16 complement COP 29?

Preceding COP 29 by several weeks, COP 16, otherwise known as the Biodiversity COP, will be the first since the adoption of the Kunming-Montreal Global Biodiversity Framework<sup>7</sup> at COP 15 in December 2022. Agreed by 195 countries the framework includes 23 global targets to be achieved for the safeguarding and sustainable use of biodiversity. This year’s conference will be tasked with reviewing progress of the framework’s implementation towards the goal of first halting and then reversing biodiversity loss by 2030.

Almost two years since COP 15, progress has been limited, primarily driven by voluntary actions from

3 SB60 is the Bonn Climate Change Conference which takes place in June for two weeks to work across a range of issues where progress is needed on the path to COP2, UNCC, [June UN Climate Meetings \(SB 60\)](#), June 2024

4 UNEP, [Loss and damage](#), 2024

5 [Global Stocktake | UNFCCC](#), 2024

6 PwC Analysis, [State of Climate Tech](#), 2023

7 UNEP, [15/4. Kunming-Montreal Global Biodiversity Framework \(cbd.int\)](#), December 2022

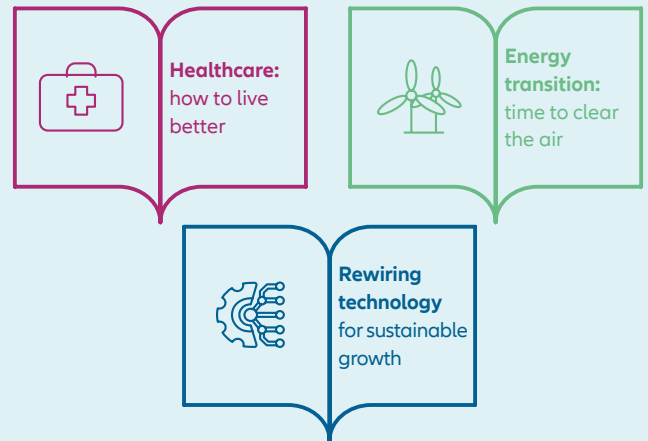


businesses, which are insufficient. Only 20 nations<sup>8</sup> have published their National Biodiversity Action Plan for 2030, and we hope that more will be announced around the conference.

That said, we have seen some advances, including, more nature pledges from companies, an increase in funding for biodiversity from USD 11.1 billion in 2021 to 15.4 billion in 2022<sup>9</sup> and establishment of the [Global Biodiversity Framework Fund](#) last year. Furthermore, additional scientific research into human impacts on nature has been announced.

Given the accepted interconnectivity between climate change and biodiversity – and the urgency of both – COP 16 has an opportunity to set the tone for COP 29.

Read more on how energy, healthcare and technology can bring solutions and may offer investment potential:



<sup>8</sup> As of 18/09/2024

<sup>9</sup> OECD [Biodiversity and Development Finance 2015-2022](#), 2024

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