



Energy
Transitions
Commission

ETC Pre-COP29 member briefing

5th November 2024



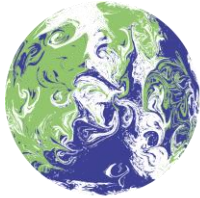
Energy Transitions Commission

- **What to expect at COP29 and beyond**
- ETC's focus: Key messages and events
- Financing the transition: NDCs and NCQG



Our engagement with the COP process has grown over the past 5 years

2021

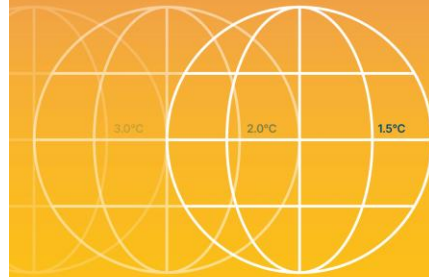


**UN CLIMATE
CHANGE
CONFERENCE
UK 2021**

IN PARTNERSHIP WITH ITALY

**Keeping 1.5°C Alive:
Closing the Gap in
the 2020s**

September 2021



Energy
Transitions
Commission



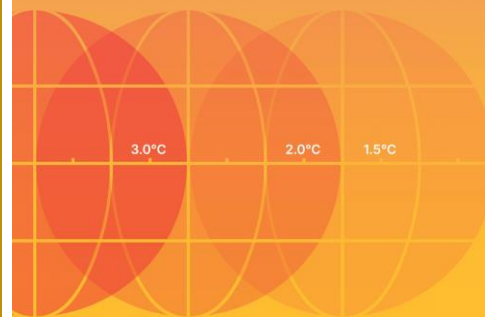
2022



The Keeping 1.5°C Alive Series

**Degree of Urgency:
Accelerating Action to
Keep 1.5°C on the Table**

November 2022



Energy
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Version 1.0

2023



**COP28
UAE**

**Fossil Fuels in Transition:
Committing to the phase
down in all fossil fuels**

November 2023



Energy

**COP28 Action Agenda:
Potential Impact to 2030**

Lord Adair Turner
Chair, Energy Transition Commission



COP28-30 Timeline – assess, enable, implement

COP28 – “Global Stocktake”

- **First stocktake under the Paris Agreement**, assessing global progress toward climate targets.
- A **focus on loss and damage**, particularly on how to implement the fund established at COP27.
- Major focus on **scaling up adaptation finance** and finalising rules for carbon markets (**Article 6**).

COP29 – “Unlocking Finance”

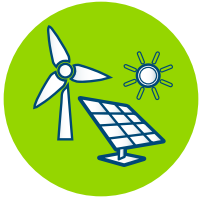
- Agree to a new global finance goal: **New Collective Quantified Climate Goal (NCQG)**. Update 2009 target of \$100bn a year by 2020.
- Increase involvement of **private finance to mobilise climate funds**, addressing the gap left by public finance.
- Push for **more robust international carbon markets**; standards to ensure real emission reductions.

COP30 – “Implementing NDCs”

- Focus on **reviewing and updating national climate commitments** (NDCs 3.0).
- Promote large-scale **clean energy transitions in line with updated climate goals**.
- Given the location, key focus will be the **intersection of climate action and biodiversity protection**.



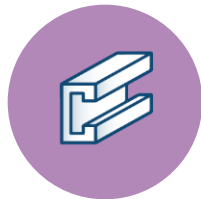
COP29, 30 & 31: 4 priorities to deliver action through future COPs



Delivering and increasing the COP28 commitments to triple renewable capacity by 2030 informed by work on barriers to clean electrification and grids.



Further progressing the global debate about moving beyond fossil fuels, seeking to gain increasingly strong and specific commitments to the rapid phase-down



Supporting the work of the ITA, which is envisaged as a multi-COP initiative. Driven by MPP but with the ETC focused on identifying, and driving action on, implications for the wider energy transition (e.g., the scale of clean electricity or H₂)



Developing more ambitious and comparable NDCs in the next NDC ratchet which act as investable plans – ensuring they reflect commitments made at COP26 and COP28, real economy action, and latest technological progress.



What to expect at COP29

- **Financing the transition** & agreeing the New Collective Quantified Goal (“NCQG”)
- Upcoming ratchet of **NDCs 3.0**
- Held in the **shadow of US election** (& prospect of a Trump win)
- **Limited interest in and optics** of another petro-state COP

THE
BUSINESS
STANDARD

Bangladesh to advocate for equitable climate finance at COP29



COP29
Baku
Azerbaijan

POLITICO

Wary of Trump and Azerbaijan, businesses shun COP climate talks

AFRICA DEMANDS NCQG OF \$1.3 TRILLION PER YEAR FOR DEVELOPING COUNTRIES

CARBONCOPY
MAKING CLIMATE SENSE

 **CLIMATE HOME NEWS**

For Cop29 to succeed, rich nations must get their parliaments to agree more finance now

BusinessGreen[™]

COP29: Azerbaijan Presidency confirms new climate finance goal as 'top negotiating priority'

The Guardian

Cop29 at a crossroads in Azerbaijan with focus on climate finance

Fossil-fuel dependent country hopes to provide bridge between wealthy global north and poor south at November gathering

‘You only go to the party if everyone is going’: finance bosses to skip COP29

Business expectations lowered for summit to be held in Baku next month

FINANCIAL TIMES





Energy Transitions Commission

- What to expect at COP29 and beyond
- **ETC's focus: Key messages and events**
- Financing the transition: NDCs and NCQG





COP29
Baku
Azerbaijan

11-22 November



Two pillars of COP29:
**Enhance Ambition,
Enable Action**



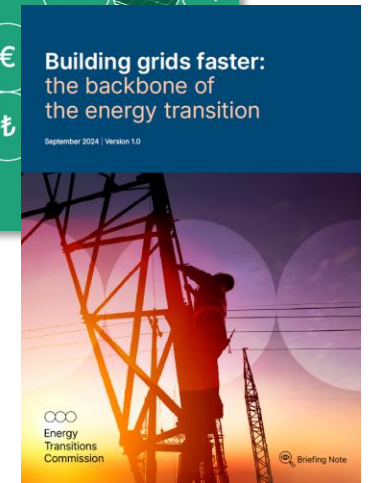
Theme days of priority to the ETC:

November 14: Finance, Investment and Trade

November 15: Energy / Peace, Relief and Recovery



ETC Chair **Adair Turner** and
Director **Ita Kettleborough** will be attending



COP29 Thematic Days




COP29
Baku
Azerbaijan

November 11	COP29 Opening
November 12	World Leaders Climate Action Summit
November 13	World Leaders Climate Action Summit
November 14	Finance, Investment and Trade
November 15	Energy / Peace, Relief and Recovery
November 16	Science, Technology and Innovation / Digitalisation
November 17	Rest Day and No Thematic Programming
November 18	Human Capital / Children and Youth / Health / Education
November 19	Food, Agriculture and Water
November 20	Urbanisation / Transport / Tourism
November 21	Nature and Biodiversity / Indigenous People / Gender Equality / Oceans and Coastal Zones
November 22	Final Negotiations



ETC plans for COP29

Inform

ETC COP29 Focus 

Nationally Determined Contributions and Financing the Transition.

MPP – Industrial Transition Accelerator (ITA).

Regional

ETC regional teams focused on country specific content.

Pre-COP29 Briefing
5 Nov 2024

Member briefing highlighting key messages.

Amplify

Event Programme 

ETC panel event - 15 November 2024

- *Supply Chains in Transition: Trade Policies, Geopolitics, and the Path to Net-Zero*

Participation in high profile events and support members events with speakers & content.

Working with Global Optimism (Groundswell), WMBC, GRA and event organisers Climate Action, World Climate Foundation.

Social Media

Amplifying the core messages, insights and activities through social media

Engage

Member Networking 

ETC member drinks – 14th November 2024

ETC Portal – for news of member events/networking.

Media Briefing

Pre-briefings with Tier 1 media outlets.

Broadcast media push – international channels

Member Meetings

Bilateral meetings with senior execs



ETC events at COP29

Drinks reception



- **Date & Time:** November 14th, 17:30 – 19:30, local
- **Venue:** Black City Lounge & Terrace (Baku Marriott hotel Boulevard)
- **Location:** 4C Khagani Rustamov St, Baku 1010, Azerbaijan
- **Access:** by invitation only
- Opportunity to engage in member networking

* If you would like to attend please RSVP to our PMO team.

Panel event



- **Title:** Supply Chains in Transition: Trade Policies, Geopolitics, and the Path to Net-Zero
- **Date & Time:** November 15th, 10.30 – 11.30, local
- **Moderator:** Adair Turner
- **Climate Action Innovation Zone**
- **Venue:** Sustainable Innovation Forum, Baku Marriott Hotel Boulevard, Baku, Azerbaijan
- **Location:** 4C Khagani Rustamov St, Baku 1010, Azerbaijan



Adair and Ita's planned participation at other events



Non-exhaustive list – In development leading up to and during COP29

ETC Members at COP29

Confirmed participation at COP29

- Arup
- Aspen Technology
- BNEF
- DP World
- Iberdrola
- Quadrature Climate Foundation
- Longi
- Octopus Energy
- National Grid
- SSE
- Schneider Electric
- Shell
- The Energy and Resources Institute (TERI)
- Vattenfall
- World Resources Institute
- Institute of Climate Change and Sustainable Development (ICCSA)

We encourage you to share the details of your COP29 event with the broader member community **via the ETC Member Portal**.

To submit your event, log in to your account, navigate to the "Submit an Event" section in your account settings, and complete the form. Once submitted, we will be notified and ensure your event is published on the portal for all members to view.

Submit an Event

Member events can be displayed on the Events calendar. A member of the ETC team will review each submission before it is published.

Dashboard > Submit an Event

Event information

All event details submitted will be visible to all ETC members in the Events calendar.

Event Title

Start Date

10/22/2024

End Date

10/29/2024

Start Time

03:31 PM

End Time

11:31 PM

Location/Meeting Link



Fossil Fuels in Transition: Committing to the phase down in all fossil fuels

November 2023



Fossil Fuels in Transition: Committing to the phase-down of all fossil fuels (2023)

To meet the COP21 Paris Agreement targets, the world can and must rapidly phase down production and use of coal, oil, and gas by 2050. This decline must start now.

Key points:

- It is **technically and economically feasible** and required to significantly reduce fossil fuel demand across sectors. Policies are required to deliver these reductions.
- Reducing emissions from production, transport and processing of fossil fuels (scope 1 and 2) is essential, but there is a vital but limited role for point source **CCS and carbon dioxide removals**.
- Commitments must drive down the largest proportion of emissions which comes from the use of fossil fuels.
- If the world is to limit global warming to 1.5°C, 90% of all currently estimated fossil fuel resources must be **left in the ground**. Investment in fossil fuel supply must decline significantly.
- Policies and commitments from oil and gas companies, governments, COP28 and the financial sector are crucial in the short-term and by mid-century.



Energy
Transitions
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Building grids faster: the backbone of the energy transition

September 2024 | Version 1.0

Building Grids Faster: The backbone of the energy transition (2024)

In its latest briefing note the ETC recommends policymakers and industry to fast-track building grids to deliver the energy transition at the pace and scale required.

Key points:

- Clean electrification is the backbone of global decarbonisation. This means that power grids, which link the generation and use of electricity, will play a central role.
- The development of power grids should aim to optimise the system, reducing the total build required. However, even full deployment of all optimisation routes will not eliminate the need to build new grids.
- Grids have been a "laggard" in the energy transition – slow to adapt to new needs. Yet, the world risks losing out on large volumes of cheap renewables for clean electricity if systems fail to build at the speed required.
- Calls for policymakers and industry to take action now to fast-track the grid build and deliver the transition at the pace and scale required.

Credible Contributions: Bolder Plans for Higher Climate Ambition in the Next Round of NDCs (2024)

Credible Contributions:
Bolder Plans for Higher Climate
Ambition in the Next Round of NDCs

June 2024

Industry and government collaboration can raise the ambition of the next round of Nationally Determined Contributions (NDCs) by COP30

Key points:

- If governments reflect existing policy commitments and the latest technological progress in the next round of NDCs, **overall ambition could almost triple.**
- The next round of NDCs should be:
 - Clear and detailed roadmaps for implementation of accelerated climate action backed by strong government policy (e.g., quantitative targets for GW of renewables, phase out dates for bans on the sale of gasoline or diesel engine vehicles).
 - Measurable, comprehensive (covering all sectors and GHGs) and granular targets for emissions reductions.
 - Investable plans, especially for emerging markets, clearly stating the investment and international climate finance required to deliver stated targets.





Energy Transitions Commission

- What to expect at COP29 and beyond
- ETC's focus: Key messages and events
- **Financing the transition: NDCs and NCQG**



What is “climate finance”? – a term often vaguely and broadly used



Estimated climate finance requirements for energy transition, adaptation and loss and damage around the world

Exhibit 4.1

Average cost per year in 2030
\$ billion per year

	Category	Total Costs (\$ billion per year in 2030)	Area of the World	Sources of Finance
	Mitigation – Investment	1950	High income countries and China	Private investment, with some limited public support
	Mitigation – Investment	900	Middle and low income countries	Mix of private investment, MDB lending and additional investment catalysed by MDB actions
	Mitigation – Concessional	300	Estimate for all middle and low income countries	Primarily concessional/grant mechanisms
	Adaptation	250	Estimate for all middle and low income countries	Mix of MDB lending and concessional, grant mechanisms
	Loss and Damage	400	Estimate for all middle and low income countries	Grant payments only

Note: Mitigation investment numbers are 2026–2030 averages.



Mitigation - Investment

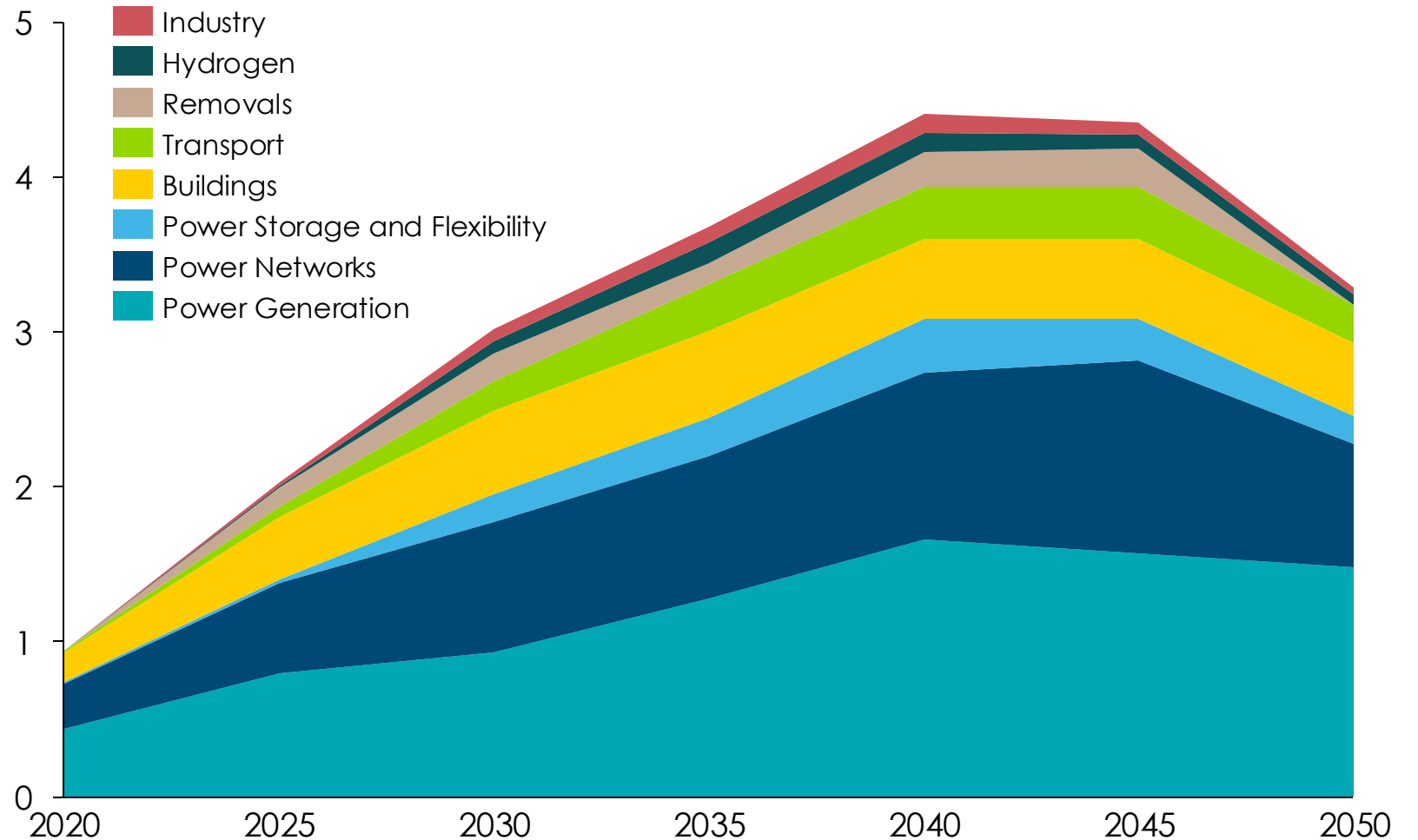
These investments average around **\$3 trillion annually until 2050**

Most of this investment will be financed by **private institutions** delivering an attractive rate of return to investors if appropriate **real economy policies** are in place

MDBs and other public financial institutions must also play a significant role to support financial flows to middle and low-income countries.

Annual capital expenditure in the energy system

Trillion \$

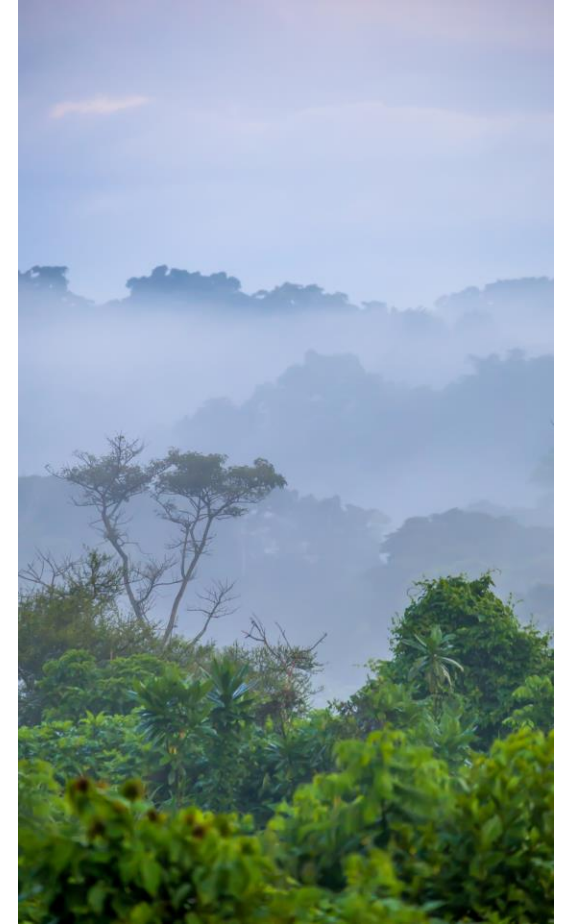


Mitigation – Concessional/grant

\$300 billion of this type of payment may be required to mitigate emissions in specific areas:

- **close coal plants early,**
- **end deforestation, and**
- **finance carbon removals**
– which may not generate a return on investment.

but actual flows are unlikely to reach this magnitude, necessitating other measures, such as **strong policy**



Adaptation & Resilience

The Songwe-Stern 2022 report suggested these might reach **\$250 billion per annum** in middle and low-income countries

A significant part will be financed from **domestic resources** (especially in middle-income countries) but there is a major essential role for loans provided by **MDBs** and for **concessional payments or grants** from high-income countries.



THE WORLD BANK

IsDB 

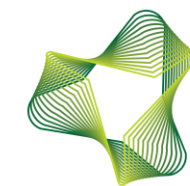
البنك الإسلامي للتنمية
Islamic Development Bank



ASIAN DEVELOPMENT BANK



European Bank
for Reconstruction and Development



**New
Development
Bank**



IDB Inter-American
Development Bank



AIIB ASIAN INFRASTRUCTURE
INVESTMENT BANK



Loss & Damage

The Songwe-Stern report estimated that these costs in middle and low-income countries might reach **\$200-\$400 billion per annum by 2030.**

At COP27 in 2022, the **principle was agreed that higher-income countries should contribute** towards meeting these costs.



NCQG beliefs and debates

Quantum

India calls for \$1 trillion per year climate finance from next year, submits its proposal to the UNFCCC

THE TIMES OF INDIA

Donor Base

G7 to demand wealthy developing nations pay up on climate change

FINANCIAL TIMES

Timeframe

New Climate Finance Goal: Too many options, too little time?

DownToEarth

Target Coverage

TRACKING LOSS AND DAMAGE IN THE NEW COLLECTIVE QUANTIFIED GOAL ON CLIMATE FINANCE

The
Loss &
Damage
Collaboration

Sources of Funding

Quality - not just quantity - matters in the new climate finance goal



Reporting

Lessons from the \$100B target can shape the next climate finance goal



Wider financial system alignment

Delivering on climate finance and long-term alignment of financial flows: NCQG and 2.1.c



4 key priorities for the NCQG

The NCQG conclusions will have the best impact on **global mitigation efforts** if they include:

1. **Clarity on the types of finance flows required** and what is covered by any NCQG commitments.
2. **Strong focus on the very large-scale financial flows required** to support mitigation and adaptation in middle- and low-income countries.
3. **Expansion of the definition of contributing countries** to include at least China and high-income oil and gas producers such as Saudi Arabia, United Arab Emirates and Qatar.
4. **Strong support for new sources of funds** to support climate. E.g.,
 - Global carbon taxes on aviation and shipping as proposed by the Nairobi Declaration.
 - The allocation of revenues arising from CBAMs to support climate finance flows to low-income countries



4 recommendations for the next round of NDCs

1. **Set more ambitious emission reduction targets** to reflect technological progress and cost reductions, and bring NDC objectives in line with policy commitments already made.

2. **Define strong links between targets and supporting policy**, acting as comprehensive roadmaps for implementation.

3. **Contain absolute or equivalent emissions targets** for specific sectors and cover all greenhouse gases.

4. **Identify the investments required** to deliver emissions reductions and the broad balance of financing sources envisaged



Comms Campaign: before and during COP29

Collaborating with ETC members and partners ahead of and during COP29



COP29
Baku
Azerbaijan



Global
Strategic
Communications
Council

Energy & Climate
INTELLIGENCE UNIT

NDC
PARTNERSHIP



Targeting Tier 1 International Media



REUTERS

العربية



S&P Global

alarabiya



The
Guardian



FT
FINANCIAL
TIMES

Environmental
Finance

We encourage members to get involved with the campaign across digital, media and events



General Discussion

