

UNFCCC COP29, BAKU

Due to geopolitical tensions, Azerbaijan was only named host of COP29 at the previous years' COP in Dubai. In the 11 months which followed, the host government pulled off a very well-organised venue and logistical arrangements. The Baku Olympic Stadium became home for two weeks to an estimated 66,000 participants in the Blue Zone - the official UN negotiating space.

Baku 2024 was noted before the event to be the 'finance' COP and high on the agenda was the so-called NCQG (more below), as well as the usual business at COPs. The US election result caused concern amongst participants and then other diplomatic soap opera moments also took place: the host government made comments about France which withdrew its minister's attendance; Argentina decided to recall its delegation in the middle of the first week; and there was consternation over this being the third COP in a row to be hosted in a fossil fuel rich State.

The outcome of COP29

COP29 ran more than 33 hours past its scheduled conclusion, with some very serious areas of disagreement (including at one point a walk out of least developed country delegates) continuing until the final moments, particularly in the area of finance. Many of the outcomes were fairly technical, as expected. Although everything turns political very quickly at COPs.

Despite this, there were a couple of substantial outcomes, including: the adoption of the remaining parts of Article 6 of the Paris Agreement (which had been continuing since 2015); and, after a significant amount of diplomatic drama a new goal on climate finance of \$1.3 trillion a year by 2035, with \$300bn to come from public sources of finance. A number of developing country Parties decried this result as inadequate and voiced their objections, but by then the gavel had come down and the agreement was sealed. One area which did not make progress was the COP28 headline of 'transitioning away from fossil fuels', which was referenced but not expanded or progressed in Baku.

Participants at COP29:

- 33,158 from Parties (AKA States)
- 13,386 from observers
- 3,575 media
- 15,000 technical staff (including a significant number of very friendly and helpful local volunteers)

- » *The Guardian* overview of the outcome of COP29: <https://ataglink.org/4eMn3rA>
- » Reuters report on outcome: <https://ataglink.org/4eJz5BS>
- » UNFCCC closing press release: www.unfccc.int



Aviation's small part of the negotiations: SBTSA

After 15 years of COP meetings, I could write this section on autopilot...

The routine discussion on 'emissions from fuel used for international aviation and maritime transport', or more informally known as the 'bunkers' discussion which sits in the COP Subsidiary Body on Scientific and Technological Advice (SBSTA).

Every year, ICAO and IMO are invited to report on the work those two agencies have undertaken in this area. In most previous years, there has been a small amount of discussion from States, some praising the work, some making points about differentiation between developed and developing countries and the whole topic is wrapped up with a request for further reports from ICAO and IMO at the next session. At COP28 last year, these normally routine discussions were upset with 10.5 hours of informal and, at times, contentious negotiations about the outcomes of CAAF/3 and the ICAO Assembly.

This year, however, there seemed to be very little appetite to get into too much of a debate and after just two hours of report from ICAO and IMO, and brief discussions, the text was agreed and sent up to the SBTSA Plenary. The outcome text on bunkers is:

"The SBSTA continued consideration of this agenda sub-item. The SBSTA agreed to continue consideration of this matter at SBSTA 62 (June 2025)."

- » The ICAO statement to SBSTA can be found here: <https://ataglink.org/3AX2Dhw>
- » And its submission is here: <https://ataglink.org/30jOVbM>



Article 6

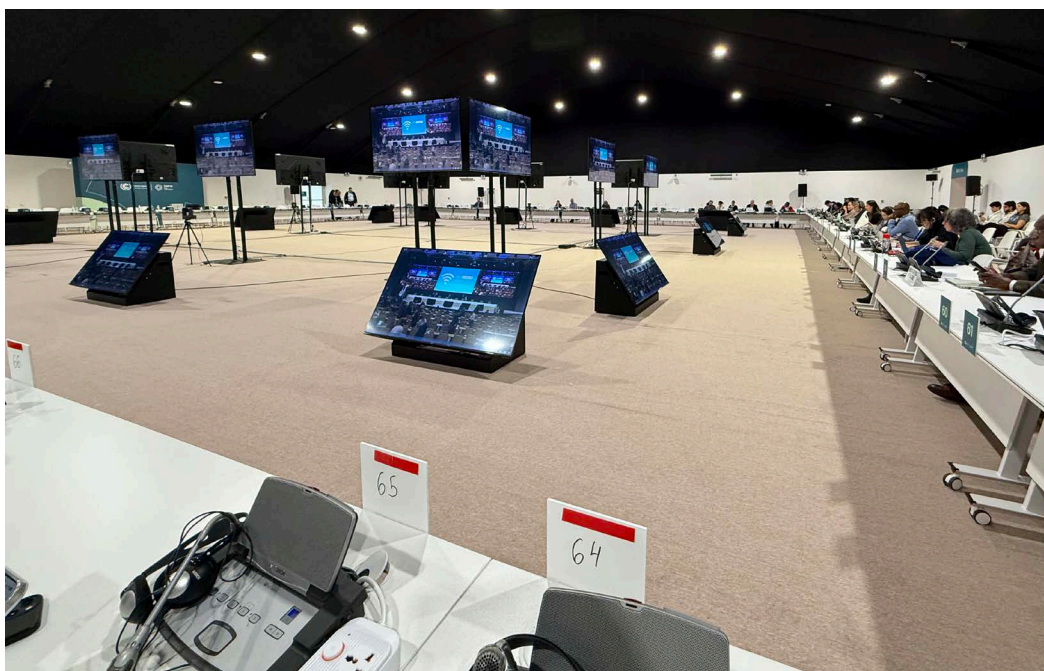
Article 6 of the Paris Agreement establishes a framework for countries to cooperate voluntarily in meeting their national climate targets or NDCs by transferring emissions reductions and removals (collectively referred to as 'mitigation outcomes').

Article 6 contains three pathways for cooperation, including bilateral carbon trading (known as Article 6.2), a centralised carbon crediting mechanism (known as Article 6.4) and non-market approaches (known as Article 6.8). Article 6.2 covers the rules for bilateral and multilateral transfer of international mitigation outcomes between countries and sectors outside NDCs, while Article 6.4 creates a centralised system to replace the Clean Development Mechanism (CDM – which sits under the Kyoto Protocol) to deliver mitigation outcomes under the Paris Agreement (these will be Sustainable Development Mechanism (SDM) credits). Both Article 6.2 and Article 6.4 have implications for aircraft operators participating under the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

Following nine years of discussions, COP29 approved both Article 6.2 and Article 6.4. Achieving “full operationalisation” of Article 6 will allow countries to cooperate voluntarily in meeting their national climate targets or NDCs by transferring emissions reductions and removals between states, and with international aviation through CORSIA. A key issue in final negotiations was the establishment of a registry under UNFCCC and ensuring interoperability with other registries through registry services to be provided as part of the agreement. As the registry services do not require or imply approval of the emissions reductions, that ensures CORSIA recognition and approval process retains its authority.

During COP29, IATA and the A6 Implementation Partnership co-developed a guidance document (endorsed by ATAG and IETA) for State Parties on the issuance of CORSIA Eligible Emissions Units and the relationship with the now fully approved and operationalised Article 6 of the Paris Agreement. It outlines the essential steps involved in issuing a letter of authorisation and applying corresponding adjustments.

- » COP29 Presidency press release: <https://ataglink.org/3V4ko5v>
- » WWF release on the Article 6 outcome: <https://ataglink.org/497GNos>
- » IETA Statement on the outcome of COP29: <https://ataglink.org/4eIZb7Z>
- » IATA and A6IP Guidance document: <https://ataglink.org/4hZwExZ>



“Where’s the money?”

COP29 was headlined as the finance COP and one of the key points of discussion was the new collective quantified goal on climate finance (NCQG). The NCQG has been under discussion for three years and is intended to replace the 2009 goal for \$100 billion in climate financing to be delivered every year. This \$100bn goal was repeated in the 2015 Paris Agreement, but is now seen as inadequate to meet the needs of developing countries to deal with climate change.

Climate finance in this sense means flows of funding from developed nations to developing nations through: a range of different international funds (such as the Green Climate Fund, Adaptation Fund, Global Environment Facility and the newly established Loss and Damage Fund); bilateral support between countries including overseas development aid; multilateral development institutions (such as the World Bank and regional development banks); philanthropic streams; and private finance. The \$100bn a year goal was first included in 2009 but only reached in 2022 when \$116 billion was available (69% of which was in the form of loans – a fact that a lot of developing nations and climate justice groups are not happy about).

Core issues under discussion for NCQG

Despite some good progress in pre-COP talks, there were a number of areas which were fairly contentious at COP29 and caused delays in the negotiations:

- **Contributor base** (expanding those countries who should pay beyond the traditional definition of developed countries – a push to try and get China, Saudi Arabia and the UAE in particular to be included as contributors: many of them already do contribute in different ways, but that has not been counted under the \$100bn goal).
- **Transparency** (both of how the flows are counted and verified, but also the very definition of climate finance and whether loans should be as important as grants, or how public money catalyses further investment from other sources).
- **Modalities for delivery** (there was a suggestion at some stage that at least 20% of the goal should flow through the global funds mentioned above – currently around 5% does).
- **Access/recipient base** (the prioritisation of LDCs, SIDs, etc as well as less obvious discussions around issues such as gender – small island states asked that a sub-goal of some \$39bn be guaranteed to flow to them, whilst LDCs insisted they should be allocated at least \$220bn).
- **The goal** (including the time horizon and the big question of “how much?” – all States agreed that it should be ‘significantly more’ than \$100bn. But throughout the process, various Parties were pushing for \$200-300bn, \$500bn, \$1.3 trillion, or even up to \$5 trillion a year, with possible sub-goals for how much would come from public sources and how much could be mobilised through other means).
- **Financial system reform** (including how the World Bank and regional development banks should be reformed to meet the needs of developing nations in a more adequate way).

Following a lot of acrimony, particularly over the quantum of the goal, how much of it would be from public sources and how much from private and ‘mobilised’ finance, the NCQG talks ended with the following goals:

- a. \$300 billion a year provisioned from developed countries to developing, normally through public sources of finance.
- b. A total flow of \$1.3 trillion, some of which is mobilised by the catalytic effect of the \$300bn, some of which is private financing and investment, or possibly from alternative and innovative sources (see the aviation question below).
- c. That developed countries should ‘take the lead’, but it encourages developing countries to also make contributions as part of the \$1.3trn.
- d. Launches a “Baku to Belém Roadmap” to scale up and identify the sources of the \$1.3 trn.

» The final text on the NCQG is available here: <https://ataglink.org/4hVPtCl>

Aviation as a source of finance?

So how does this discussion impact aviation? Air transport, alongside a range of other options, has long been seen as a potential ‘innovative source’ of climate finance, through a levy on fuel or air tickets. This has come up a number of times in the past 15 years and never been able to break through into a solid proposal. In the current environment, it probably has more chance to become a reality, but is still a very political discussion and an implementation challenge.

The **Global Solidarity Levies Task Force** was established by France and Kenya at COP28 and has a work programme to identify various options for raising finance from innovative sources. In a progress report released in Baku, the potential sources (and amounts that could be raised) include:

- Marine Shipping Levy: potentially up to \$127bn a year.
- Aviation Levy: potentially up to \$121bn a year.
- Fossil Fuel Levy: potentially up to \$3.5trn between 2024 and 2030.
- Financial Transactions Levy: potentially up to \$419bn a year.

» Global Solidarity Levies Task Force: <https://globalsolidaritylevies.org/>

» Task Force progress report released at COP29: <https://ataglink.org/491HSOv>

The Task Force plans to continue its work over the next year with a final recommendation to be presented at COP30 next year. In particular, they want to pull together potential champions for each of the ideas. Understanding the difficulty in reaching a UN-level agreement for all countries to implement a tax, it also proposes that such levies and taxes be agreed by 'clubs' of States working together with the hope that this will spread as an idea, rather than waiting for all 195+ countries to agree. These steps will be undertaken over the coming months in the lead up to COP30.

In addition, the **International Monetary Fund** also released a report in the lead-up to COP29, calling strongly for an aviation levy which it says could raise \$200bn a year by 2035.

A new edition of a report on raising finance for climate action was launched in the first week of COP29. The **Independent High-Level Expert Group on Climate Finance** makes a number of recommendations for where financing can come from (public sources, etc), but also refers to an aviation levy and the work of the Global Solidarity Levies Task Force

And the **UN Secretary General** also called for an aviation and shipping levy in his speech at COP29: "Five elements are critical to success [of climate finance]... Third, tapping innovative sources, particularly levies on shipping, aviation, and fossil fuel extraction based on the principle that polluters must pay."

- » IMF report: <https://ataglink.org/4i5Y2uq>
- » IHLEG Report: <https://ataglink.org/3ZjaZJS>
- » Secretary General's speech: <https://ataglink.org/3Z0L34d>

Outcome on aviation as a source of finance

The first drafts of the NQCG text included reference to levies on 'high-emitting sectors' which includes aviation and shipping. A number of governments were unhappy for this to be in there and worked to have it removed, which it was on the penultimate day of the COP. There remains a few mentions of using 'alternative' and 'innovative sources' of financing to make up the gap between public finances and the total amount foreseen in the NQGC, but no specific mention of those sources. Pressure will grow to identify those in the coming months, so there should be more focus on this by the industry.

Aviation delegation

A small but dedicated group from the industry attended some 45 aviation-relevant side events over the two weeks (and a number of others of relevance). Some of these have recordings available a selection of which is here:

- » IMF report launch on aviation levies: <https://ataglink.org/4fSqnSW>
- » UN DESA/ICAO event on green aviation: <https://ataglink.org/3CJCnba>
- » World Bank / IATA event on CORSIA implementation: <https://ataglink.org/4fXVsVe>
- » Singapore Pavilion session on scaling up SAF: <https://ataglink.org/3ZjHreW>
- » Sustainable Skies by Topsoe in the We Mean Business Pavilion: <https://ataglink.org/3CACF3R>

The global interest in SAF has been fascinating to see. Years of advocacy from all of us in aviation have seemingly paid off: the number of discussions on SAF (and CORSIA, actually) that are happening from other players is impressive. German pharmaceutical giant Beyer made a strong push on SAF at COP29, sponsoring a number of roundtables and side events. Beyer are keen to promote crop-based SAF options (they have a significant crop science business and obviously see the opportunity to sell seeds) but it shows that the SAF space is gaining traction amongst a much wider group of stakeholders.

COP30

Will be held on 10-21 November 2025 in Belém, Brazil.

If COP29 was the 'finance COP', then COP30 is pegged as the 'NDCs COP', with Parties required to submit their new Nationally Determined Contributions ahead of the meeting.