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It will take time and energy to actually to get the carbon markets up and running: Ramakrishnan M, of Primus Partners

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*The show is through, the metal is gone
It's time to hit the road
Another town, another gig
Again we will explode
(From the song “Whiplash” by Metallica)*

These are my thoughts when I ponder about COP. COP29 ended at Baku. Depending on who you speak with, you will either hear “it was a total disaster” or “It wasn’t so bad” (and we will come to that in a while). One chapter is closed. We had thousands of people travel all over the world, made a lot of speeches, had a lot of debates, and drafted some declarations. Now, preparations have started for the next COP – COP30 – to be held in November 2025 at Belém, Brazil. And the cycle repeats.

What exactly did we achieve in COP29?

First of all, international carbon credit market for governments to buy from each other is about to be set up.

Secondly, the NCQG was set to at least USD 300 billion per year by 2035, with developed countries taking the lead in mobilising funds from a wide variety of sources.

How did we feel about it?

Indian representatives may not have done as eye-grabbing a protest as the Maori Haka incident in the New Zealand assembly. But, Secretary (MoEFCC) and Dy. Leader of the Delegation, Ms. Leena Nandan, clearly said, “We feel disappointed...” (*with COP29 outcome*). And her reasons are well known and well understood. The ask was in trillions of dollars, and even those trillions were debated to be insufficient by some scientists and forecasters. Besides, the money is earmarked towards mitigation. There are no funds available to make up for losses occurring due to climate change.

Did we start on the wrong foot?

Anyone who had read the UN’s Adaptation gap report 2024 would have automatically adjusted the aspirations from COP 29. As per this report, the Adaptation finance needs in 2022 was to the tune of USD 387 billion. What finally got paid was merely USD 27.5 billion. The committed amounts had not really come through.

There were some concerns raised with the choice of Baku in itself. Azerbaijani president Ilham Aliyev clearly called “oil and gas” as “a gift of god”. There was a natural pessimism surrounding the whole event.

The return of Trump in the US just before COP unsettled many nerves too. US representative – John Podesta – admitted that the Trump administration will try to take a u-turn on climate initiatives.

And I am not even getting into the carbon footprint coming out of the infrastructure development prior to the summit, and the results of thousands of people flying around the world.

Where do we go from here?

These are the cards we have been dealt with. Unfortunately, we cannot pack up and leave, like a typical game. After all, we have only one planet. Now, what can we do about it?

Needless to say, the first thing to do is to work further on the agreements from COP29. It will take time and energy to actually to get the carbon markets up and running, and executing carbon trades between countries. And proposals need to be developed to get funding which have been committed.

Secondly, we need to spend more energy and money on innovation. Much has been spoken about financing. Not enough attention has been paid to technology. There is climate-tech waiting to be invented or improved, due to insufficient R&D funds. This challenge also presents an opportunity for nations like India to lead as trailblazers in climate innovation. There is “risk capital” available to support such bets, however they are not sufficient.

Experts estimate that India needs USD 1 trillion investment every year to reach net-zero emissions by 2050. In 2021, the total investments into climate-tech start-ups by VC funds was USD 40 billion. There is a huge gap, and blended finance – innovative mix of philanthropy capital, government grants, capital from DFIs and MDBs, commercial capital coming together – alone can solve this.

There is technology that has already scaled beyond R&D labs to consumer usage, but may need to be supported further. Solar power and EVs are examples wherein continued government subsidies may be needed for a few more years.