

The Significance and Outcomes of COP29: Perspectives from a Bhutanese Negotiator

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Introduction

Negotiating finance for existential environmental threats based on a sound and proven environmental track record can be quite unsettling. It is presently a cumbersome and fluid exercise with uncertain results, despite factual proof from harmful everyday occurrences.

The world is itself upended with destructive new policies defying logic and determining direction. Sadly, the environment and genuine progress, hinged on longevity, are sidelined for immediate gains. Climate change is the casualty of the moment.

A Bhutanese delegation of 18 witnessed up close the unravelling of this change or inadvertent resistance arising from untoward and unplanned incidents at the 29th Conference of Parties of the United Nations Convention on Climate Change (COP29).

Oblivious to the abundance of existential threats but undoubtedly impacted by the backlash of climate change, the delegates met in Baku, Azerbaijan, from November 11–22, 2024 for the annual gathering.

Under the COP29 umbrella, the Bhutanese delegation negotiated financial support from the developed world to overcome their predicament, enriched by their environmental sacrifices. All their negotiations were directed at a quid pro quo status, finance for environmental backlash, to enable safer lives for their peoples.

Indeed, the delegates viewed the conference through a financial solution optic and even called it the Finance COP. At the time, the gathering earnestly sought to enhance climate finance, topically a burning and life-

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threatening issue with developing countries.

The Climate Change Context

Climate change is the defining crisis of our era. It is an existential threat that disproportionately devastates those least responsible for its cause. Developing countries, already grappling with poverty, weak infrastructure and economic instability, now find themselves on the frontlines of intensifying climate disasters. Droughts, rising sea levels, hurricanes and extreme heat waves are wreaking havoc on nations that contributed the least to global carbon emissions.

Meanwhile, promises of climate finance from wealthy nations remain grossly exaggerated and inadequate, exposing a glaring hypocrisy in global climate politics. The numbers speak for themselves.

According to the UN, climate-related disasters caused \$2.5 trillion in economic losses between 2000 and 2019, with developing nations bearing over 70% of these costs. The Caribbean alone suffered estimated damages of \$27 billion from hurricanes between 2017 and 2022. In sub-Saharan Africa, recurrent droughts are wiping out crops, leading to food insecurity for over 140 million people.

Developing countries are being forced to divert scarce resources to climate adaptation and disaster recovery. Countries like Bangladesh, facing rising sea levels that could displace over 13 million people by 2050, are struggling to fund necessary flood defences. Bhutan has been experiencing accelerated glacial retreat in the last two decades and, on average, glaciers are shrinking by 25% in terms of surface area based on data obtained from bench marked glaciers (NCHM). The glacial melt has dire impacts on agriculture and hydropower generation, both from floods and decrease in water flow.

The irony? These nations contributed less than 5% of historical carbon emissions.

Understanding Conference of the Parties (COP): Purpose, Process and Achievements

Earlier, the COPs were confined to the environmental sectors of government member countries. Today, however, there is a compelling need to demystify this prevailing status quo to wider communities, in both the developed and developing world, because of the high cost of climate change. The conference educates and informs participants about the realistic scale of climate change and its impact on all.

The COP is the supreme decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC), with 198 countries as members. It brings together nations annually to assess progress in addressing climate change and negotiate agreements to enhance global climate action.

The primary purpose of COP meetings is to facilitate international co-operation in mitigating climate change impacts. At the heart of the UNFCCC negotiations is the effort to achieve global co-operation in combating climate change by reducing greenhouse gas (GHG) emissions, adapting to climate impacts, and ensuring financial and technological support for developing countries. The seven key themes include:

- (i) *Mitigation* – Reducing GHG emissions to limit global temperature rise;
- (ii) *Adaptation* – Strengthening resilience against climate impacts;
- (iii) *Climate Finance* – Mobilising funds to help developing nations transition to low-carbon economies and adapt to climate change;
- (iv) *Technology Transfer* – Supporting the global transition to clean energy and sustainable solutions;
- (v) *Equity and Common but Differentiated Responsibilities (CBDR)* – Recognising that developed nations bear a greater responsibility due to their historical emissions, while ensuring that developing countries receive support;
- (vi) *Loss and Damage* – Addressing the irreversible impacts of climate change on vulnerable nations; and

- (vii) *Transparency and Accountability* – Ensuring that countries report their emissions and progress under frameworks like the Paris Agreement.

The Paris Agreement concluded in 2015 is the current key framework guiding these negotiations, with countries regularly updating their Nationally Determined Contributions (NDCs) to meet global climate goals. The overall objective is to keep global warming well below 2°C, ideally 1.5°C, above pre-industrial levels.

Scientific evidence forms the foundation of global mitigation efforts, and the UN Inter-governmental Panel on Climate Change (IPCC), through its Assessment Reports (AR5), has urged countries to cut CO₂ emissions by 45% by 2030.

This decisive action is essential to place nations on a climate-resilient trajectory towards achieving Net Zero by 2050, ultimately securing the 1.5°C target by the end of the century.

Bhutan, the Least Developed Country (LDC) Group and many developed countries like UK and the EU have committed to the net zero target by 2050, though other developed and large developing countries have not agreed to the 2050 timeline. The emission targets are conveyed through their NDCs which are submitted every five years.

The COP process operates through a structured framework, encompassing plenary sessions, negotiations, side events and working groups that foster consensus-driven decision-making. Since its inception in 1995, COP has marked pivotal milestones, including the adoption of the Kyoto Protocol at COP3 in 1997 and the landmark Paris Agreement at COP21 in 2015, alongside continuous progress in climate finance and emissions reductions. These agreements have established legally binding targets, secured funding mechanisms and re-inforced global solidarity in the fight against climate change.

The Challenges at COP Negotiations

The most contentious issue in the UNFCCC and the Paris Agreement centres on climate finance and equity, especially regarding the respective responsibilities of developed and developing countries.

Foremost among these challenges is the question of climate finance and loss and damage. Developing nations argue that wealthier, historically high-emitting countries must provide greater financial and technological support to facilitate a transition to clean energy, and to help vulnerable regions adapt to the impacts of climate change.

Despite a pledge of \$100 billion per year from developed countries – promised in 2009 for delivery by 2020 – this commitment remains only partially fulfilled. The concept of loss and damage, which involves compensation for irreversible climate harm, such as sea-level rise, extreme weather events and displacement, remains particularly divisive.

Although COP27 (2022) reached a breakthrough agreement to establish a Loss and Damage Fund, disputes over funding sources and implementation continue.

A second major point of contention revolves around differentiated responsibilities and historical emissions. The principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) stipulates that while all nations must address climate change, developed countries should shoulder a greater share of the burden due to their extensive historical emissions.

However, developed nations (including the United States and the European Union) contend that rapidly industrialising economies such as China and India must also accept increased responsibility given their growing emissions.

Mitigation ambition and net-zero goals constitute a third source of debate. Some fossil-fuel-dependent countries resist robust commitments to phase out coal, oil and gas, while many developing nations argue they require more time to transition before embracing net-zero targets by 2050.

Moreover, the inclusion of “low-emission energy sources”, such as natural gas, has sparked concern that it could undermine the broader shift toward renewables.

Carbon markets and Article 6 of the Paris Agreement add further complexity. Although a global carbon trading system has the potential to enhance cost-effectiveness, concerns persist over transparency, loopholes and the risk of “greenwashing”. Critics fear that weak regulations could enable double counting or allow wealthier nations to outsource emissions reductions instead of undertaking meaningful cuts domestically.

Finally, accountability and compliance remain significant hurdles. Unlike the Kyoto Protocol, the Paris Agreement lacks binding enforcement mechanisms. Countries set their own Nationally Determined Contributions (NDCs) and face no strict penalties for failing to meet them.

Many nations have been slow to update or fulfill their targets, raising doubts about the overall efficacy of the Agreement. Addressing these persistent challenges will require not only increased political will and financial commitments, but also the development of robust frameworks to ensure transparency, fairness and collective progress in the global fight against climate change.

Implementing COP Decisions

Countries operationalise COP decisions through their NDCs, which outline their commitments to reducing greenhouse gas emissions and enhancing climate resilience. NDCs are revised periodically to reflect increasing ambition, aligned with the Paris Agreement’s over-arching goal of limiting global warming to well below 2°C.

Implementation strategies include policy reforms, renewable energy investments, and climate adaptation measures. Countries must report their progress through transparency frameworks to ensure accountability and continuous improvement.

The Importance of COP29 and Its Main Agendas

COP29 holds critical significance, as it follows up on previous commitments while addressing pressing climate concerns. COP29 was expected to focus on climate finance, adaptation strategies, carbon markets and the operationalisation of the Global Stocktake – a process evaluating collective progress toward the Paris Agreement goals. The discussions also emphasised bridging gaps in finance for developing countries and ensuring equitable transitions to sustainable energy sources.

How Countries, including Bhutan, Engage in COP Negotiations

Negotiations at COP are conducted through country blocs, regional alliances and diplomatic engagement. Developing nations often negotiate as part of groups such as the G77 plus China, LDCs, and the Small Island Developing States (SIDS), to amplify their voices.

Bhutan, as a carbon-negative country and a former LDC, plays a unique role in advocating for climate finance, adaptation support and recognition of sustainable development models. Bhutan's negotiation strategy includes collaborating with like-minded countries, highlighting its climate achievements, and pushing for stronger commitments on climate finance from developed nations.

Expectations of Developing Countries at COP29

Developing nations entered COP29 with high expectations, particularly regarding climate finance and loss and damage mechanisms. They sought increased contributions from developed countries to the Green Climate Fund (GCF), clarity on financial pledges, and support for technological transfers.

Additionally, they pushed for stronger commitments to phase out fossil fuels and enhance adaptation funding, recognising their heightened vulnerability to the impacts of climate change.

Bhutan's Role in COP29 Negotiations

Bhutan served as the Chair of the LDC Group under the UNFCCC from 2019 to 2021. During its tenure, Bhutan played a crucial role in advocating for climate action, capacity building, and financial support for the world's most vulnerable nations.

Bhutan has been a progressive negotiator pitching for high mitigation ambition and climate action with higher levels of climate finance. Bhutan played an influential role at COP29 negotiations, by emphasising the importance of maintaining carbon neutrality, securing financial support for vulnerable countries, and advocating for nature-based solutions.

Bhutan, along with Panama, Surinam and Madagascar, launched G-ZERO - a group of carbon negative and net zero countries - to demonstrate achievement of net zero targets with political will and commitments. Bhutan's delegation highlighted its successful environmental policies, urging global leaders to adopt ambitious climate actions. The country also contributed to discussions on sustainable development, underscoring the need for integrating climate action with socio-economic growth.

Key Outcomes of COP29

At COP29, despite disappointments and breakdown of negotiations at various points in time, several contentious climate issues were addressed, leading to both progress and ongoing debates.

Climate Finance Commitments – A central outcome was the agreement to mobilise at least \$300 billion annually by 2035 to assist developing nations in combating climate change. This pledge, however, fell short of the \$1.3 trillion target deemed necessary, leading to dissatisfaction among many developing countries. Groups like the Alliance of Small Island States (AOSIS), LDCs and several other climate-vulnerable states, criticised the amount as being insufficient for addressing their needs.

Among the various finance-related outcomes, the delivery of the \$100 billion goal has raised serious concerns regarding its reliance on loans rather than grants, unmet pledge targets, and inconsistent progress reports.

Similarly, despite renewed commitments, the Adaptation Fund, the Green Climate Fund (GCF) and the Fund for Responding to Loss and Damage (FRLD) continue to receive insufficient resources. Contributions to the FRLD from 27 donors amounted to \$745 million, falling well short of the funding required to meet developing countries' needs.

Although COP29 produced additional pledges, these measures still do not align with the expectations of developing nations, nor do they adequately address the financial challenges associated with adaptation and loss and damage.

Operationalisation of Carbon Markets – COP29 finalised rules for international carbon credit trading under Article 6 of the Paris Agreement, to facilitate emissions reductions through market mechanisms. While this development was seen as a step forward, concerns lingered about the effectiveness of the system in genuinely reducing emissions and preventing potential misuse.

Transition Away from Fossil Fuels – The conference saw commitments from 25 countries to refrain from opening new coal-fired power plants without carbon capture technology. Notably, major emitters like China, India and the United States were absent from this pledge, highlighting ongoing divisions over fossil fuel dependency and climate action.

Loss and Damage Fund – A significant achievement was the establishment of a fund to address loss and damage associated with climate impacts, providing financial support to the most vulnerable nations. However, debates continue over the fund's adequacy and the criteria for contributions and disbursements.

Revised NDC Commitments – Many countries announced more ambitious emission reduction targets to align with the 1.5°C goal.

In summary, while COP29 made notable strides in addressing climate finance, carbon markets and support for vulnerable nations, many contentious issues remain unresolved or only partially addressed, reflecting the complex and evolving nature of international climate negotiations.

How the COP29 Outcomes Contribute to Paris Agreement Targets

The outcomes of COP29 play a crucial role in accelerating progress toward the Paris Agreement targets. Enhanced climate finance facilitates the implementation of NDCs, ensuring that developing countries can pursue sustainable development without compromising their climate goals.

The loss and damage fund addresses the needs of nations facing the most severe climate disasters, promoting resilience and equity. Furthermore, the updated NDC commitments push global efforts closer to the necessary emission reductions required to limit global temperature rise.

Implications of COP29 Outcomes for Bhutan

Bhutan, a member of COP since 1995, is not bereft of environmental woes. It faces complex development challenges because of exposure to increased weather variability, extreme weather events and long-term hazards.

For instance, rainfall variability has resulted in the drying of water resources – especially springs which supply 67.6% of water for domestic and agricultural needs. Between 1980 and 2010, the number of glacial lakes in Bhutan increased by 8.7%, while the glaciers shrank by 23% (ICIMOD 2016). The increase in risk of GLOF's (glacial lake outburst floods) and shrinking of glaciers has major implications not only on flood risks and base flow of rivers but also on its main economic sectors – agriculture and hydro-power generation.

For Bhutan, COP29's outcomes hold significant promise. Increased climate finance commitments can support Bhutan's continued carbon-neutral development, allowing for enhanced renewable energy projects, forest conservation efforts, and community-based adaptation programmes.

The operationalisation of the loss and damage fund ensures that Bhutan receives support in addressing climate-induced disasters such as glacial lake outburst floods. Additionally, the strengthened carbon market mechanisms provide Bhutan with opportunities to leverage its environmental assets for sustainable economic growth.

Conclusion

COP29 has re-inforced the global commitment to tackling climate change, while addressing the specific concerns of developing and vulnerable nations. Bhutan's active engagement in the negotiations reflects its dedication to maintaining carbon neutrality and advocating for equitable climate solutions.

The agreements reached at COP29 offer new opportunities for Bhutan to access financial and technical support, ensuring that it continues to serve as a model for sustainable and climate-resilient development. Moving forward, the implementation of these decisions will be crucial in achieving the collective goals of the Paris Agreement and securing a sustainable future for all.