

POLICY BRIEF

Advancing a Just Energy Transition

Key Steps at COP29 and beyond

Current geopolitics are marked by the contentious struggle over the end of fossil fuels as a business model. Despite the urgency of change, fossil fuel companies and states continue to rake in billions in profits, only to reinvest them into fossil operations and lobbying to undermine climate action. However, COP28 in the United Arab Emirates (UAE) brought a breakthrough when the signatories to the Paris Agreement collectively agreed for the first time to transition away from fossil fuels. This decision included two ambitious goals: to triple global renewable energy capacity and to double the improvement rate of energy efficiency by 2030. These commitments were celebrated globally as a clear political signal that the era of fossil fuels was drawing to a close. The goal of net-zero emissions by 2050 and maintaining the 1.5°C limit seemed more attainable than ever.

Yet, just four months after COP28, we started seeing the first troubling signs of backtracking. The UAE has allocated USD 300 million from its new ALTÉRRRA climate fund for a large fossil project, a gas pipeline in North America. Meanwhile, Azerbaijan, the host of COP29, alleges that fossil fuel extraction is compatible with climate action. Adding to the confusion, Brazil, to hold presidency of COP30 in 2025, contends that each country should define for itself what aligns with the 1.5°C target.

This year marks the third consecutive COP in an oil and gas-exporting country, and the ambition appears alarmingly low. This situation highlights the precarious foundation of the achievements previously celebrated at COP28. Therefore, COP29 must send a powerful message for the ambitious, equitable, and timely implementation of the COP28 energy package (§ 28, 1/CMA.5). The focus must be on accelerating the expansion of renewable energy and the rapid phase-out of all fossil fuels – everywhere and for everyone. In the following, we will summarise the key actions needed to achieve this (see also Figure 1).

NDCs	<ul style="list-style-type: none"> – NDCs implement the outcomes of the GST including § 28, 1/CMA.5.
MWP	<ul style="list-style-type: none"> – Substantial decision building on topics of global dialogues and investment-focused events. – Commitment to implement § 18–42, 1/CMA.5. – Support development of 1.5-aligned NDCs. – Revisit topics from previous dialogues for follow-up events (e.g. energy, transport, buildings, urban systems).
Cover Decision	<ul style="list-style-type: none"> – Political signal on 1.5-aligned NDCs and § 28, 1/CMA.5: immediate end to new coal, oil, and gas projects; immediate end of fossil subsidies, phase-out of all fossil fuels; global tripling of renewable energies, and global doubling of energy efficiency by 2030. – Commitment to transition away from fossil fuels in the entire economy. – Avoid false solutions such as ‘transitional fuels’, ‘low-emission technologies’, ‘low-carbon fuels’, ‘abatement and removal technologies’, and ‘nuclear energy’. – Global target of 1,500 GW of installed energy storage capacity by 2030, global grid deployment goal of adding/refurbishing over 80m km of grids by 2040.
JTWP	<ul style="list-style-type: none"> – Commitment to just transition towards zero carbon emissions in energy sector; shifting away from fossil fuels while safeguarding rights of communities and healthy planet. – Strict and comprehensive social and ecological safeguards for energy sector, protecting biodiversity and human rights.
UAE Dialogue	<ul style="list-style-type: none"> – Call on Parties to include GST outcomes in NDCs, including § 28, 1/CMA.5.
NCQG	<ul style="list-style-type: none"> – Raise public support above USD 1 trillion annually by 2030, primarily through grants, highly concessional loans; integrate sub-targets for adaptation, mitigation, loss and damage to keep balance. – Mobilise public funds through innovative taxes and levies, redirection of fossil fuel subsidies. – Ensure the NCQG addresses barriers to climate action such as debt distress and distorted costs of capital in the Global South.

Figure 1: Demands for an ambitious energy outcome at COP 29.

Countries, particularly high-emitting, industrialised countries, should come forth with ambitious, 1.5-aligned NDCs that incorporate the COP28 energy package

As COP29 draws closer and COP30 looms large, we should deploy a bottom-up approach for a just energy transition by in a bottom-up approach that implements the outcomes of the Global Stocktake (GST) by establishing energy targets within Nationally Determined Contributions (NDCs).

Under the Paris Agreement, all parties are required to submit new, ever more ambitious NDCs every five years. COP29 is a crucial step for this new generation of NDCs and must generate strong political momentum. To ensure that the commitments made in the COP28 energy package go beyond mere rhetoric, all nations must integrate the outcomes of COP28 into their NDC 3.0 submissions. This should include:

- Improved absolute reduction targets for 2030 and 2035, collectively aiming for a reduction in greenhouse gas emissions of 43% by 2030 and 60% by 2035 compared to 2019 levels, with industrialised countries taking the lead in accordance with the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC).
- Adequate contributions to the global tripling of renewable energy capacity and the doubling of energy efficiency improvement rate by 2030.
- Net-zero targets for developed countries by 2040 and for developing countries by mid-century, including the complete phase-out of fossil fuels.

- An immediate halt to new coal, oil, and gas projects, along with the elimination of fossil fuel subsidies.
- A collective reduction of methane emissions from fossil fuels by 75% by 2030.

These measures are crucial to limiting global warming to 1.5°C.

High-emitting, industrialised nations must lead by example. They should deliver robust NDCs early in the process while supporting developing countries with concrete, additional offers to help them formulate their own NDCs. Developed regions and countries, such as the EU and Germany, should send strong political signals, form broad alliances, and act as ambitious ‘early movers’ to inspire others in the global community.

Establishing energy as cross-cutting issue, achieving progress within the relevant negotiation items and action agenda

Currently, energy is a cross-cutting issue without a dedicated agenda item. It is loosely discussed within the frameworks of the Mitigation Work Programme and the Just Transition Work Programme and intersects with other negotiation items, including the UAE dialogue on implementing the GST outcome and the New Collective Quantified Goal (NCQG). Stakeholders urgently need to mainstream progressive language on energy across all relevant negotiation items and to close existing gaps in the COP28 energy package. This is required to send a strong signal for the ambitious, equitable, and timely implementation of the package.

1. **Cover decision:** At COP 29, negotiators must ensure that the discussions on the energy package remain a priority on the agenda. They will need to advocate a fair, fast, full, and funded phase-out of fossil fuels. Specifically, progress is needed on the commitment to transition away from fossil fuels. In the COP28 outcome, the commitments for transition were limited to energy systems rather than addressing the entire economy. Even more concerning is that the COP28 energy package included several explicit references to false solutions, such as ‘transitional fuels’, ‘low-emission technologies’, ‘low-carbon fuels’, ‘abatement and removal technologies’, and ‘nuclear energy’. This ambiguous terminology opens loopholes that could further delay energy transition. Therefore, negotiators at COP29 must surpass the ambition of the COP28 decision, for example through a strong cover decision. Concretely, this would need to improve sections (b) and (h) of § 28, 1/CMA.5 by including: the phase-out of all fossil fuels across the entire economy in a just, orderly, and equitable manner; an immediate end to new coal, oil, and gas projects; as well as an immediate end of fossil fuel subsidies. Ideally, sections (c) and (e) of § 28, 1/CMA.5, as well as § 29, 1/CMA.5, should be fully removed.
2. **UAE dialogue on implementing the GST outcomes:** At COP29, there will be a discussion regarding the modalities of the UAE dialogue on implementing the GST outcomes. There are significant divisions among Parties over the UAE dialogue’s scope – whether it should encompass all GST outcomes, focus solely on finance, or cover all outcomes with a specific emphasis on means of implementation. However, most importantly, the UAE dialogue serves as an opportunity to call on Parties to include the GST outcomes, including the COP28 energy package, in their NDCs.
3. **Mitigation Work Programme (MWP):** The MWP is currently the only forum to discuss mitigation in the COP29 negotiations. Unfortunately, actors from oil and gas-producing countries, as well as from China and India, have undermined the MWP and prevent new commitments. After a disappointing procedural outcome at COP28, the MWP now needs a substantial decision to stay on track. This decision should build on the topics addressed in the global dialogues, as well as addressing structural barriers to investment in terms of fiscal space and currency risk. This decision should signal the MWP’s commitment to implement § 18–42 of the GST and supporting the development of 1.5-aligned NDCs in collaboration with dialogues led by the presidency. Additionally, the MWP should revisit topics from prior dialogues, such as power, transport, buildings, and urban systems, to ensure more focused follow-up events.

4. **Just Transition Work Programme (JTWP):** As we expand climate change mitigation technologies, we must be mindful of the potential risks to ecosystems and human rights. The extraction of materials such as lithium for batteries can come at a high environmental cost, while large solar and wind farms may lead to land use conflicts. A socially compatible just transition requires strict and comprehensive social and ecological safeguards for the energy sector, ensuring the protection of biodiversity and human rights. These safeguards should be binding and integrated into the JTWP. Ultimately, COP29 presents an opportunity to affirm our commitment to a just transition towards zero carbon emissions in the energy sector – one that not only shifts away from fossil fuels but also safeguards the rights of communities and the health of our planet. Now is the time for our decisive and collaborative action to pave the way for sustainable energy.
5. **Pledges and initiatives:** Every COP has seen the emergence of numerous new initiatives and pledges. At COP28, nearly 200 countries made commitments related to energy. However, many of these initiatives have failed to close the emissions reduction gap and do not adequately address equity and funding for the energy transition. As COP29 approaches, we anticipate again inflated promises that will turn out to be green window dressing. However, one promising initiative is the Energy Storage and Grids Pledge, which builds on an existing G7 commitments.¹ Endorsing parties are asked to contribute to a global target of 1,500 GW installed energy storage capacity by 2030 and to a global grid deployment goal of adding or refurbishing over 80 million kilometres of grids by 2040. A recent analysis by the International Energy Agency² found that such measures are essential for realising the goals of tripling renewable energy capacity and doubling energy efficiency by 2030, significantly bolstering energy transition. Albeit a step to political momentum, it will not suffice on its own. The proposed global targets for storage and grid infrastructure will need to be formalised in COP29 decisions such as the cover decision or the MWP. Furthermore, to ensure the Energy Storage and Grids Pledge goes beyond lip service, progress must be publicly reported through the UN Climate Change Global Climate Action Portal. Transparency will enable public scrutiny and accountability, which in turn allows assessing whether the pledge is effective.

COP 29 must deliver a strong NCQG that mobilises climate finance and supports the renewable energy transition

At COP29, signatory states are set to adopt the New Collective Quantified Goal (NCQG) on climate finance, a crucial step towards enhancing global climate finance. However, the current atmosphere of climate finance is marred by mistrust. The commitment to provide USD 100 billion annually in climate funding by 2020 and up to 2025, and pledges to double adaptation funding by 2025 compared to 2019 levels, have so far not been delivered with consistency. In their own reports, industrialised countries claim to have finally met this target in 2022. This is two years later than promised and can be attributed at least partially to self-servingly generous accounting. The mistrust this has engendered is further exacerbated by the fact that much of financing has been provided as debt. Approximately half of these loans are non-concessional and have thus placed additional strain on the financial capacities of developing countries.

The NCQG is vital for rebuilding trust among nations and empowering developing countries to transition to sustainable energy systems, adapt to climate impacts, and achieve their climate commitments. Rich, industrialised countries have a critical role to play in this endeavour, in light of historical responsibilities and greater financial capacity.

1. **Governments must commit to establishing the NCQG, ensuring that annual public support exceeds USD 1 trillion annually by 2030, primarily through grants and highly concessional loans,**

¹ The White House, 14 June 2024, [G7 Apulia Leaders' Communiqué](#) (accessed 4 November 2024).

² International Energy Agency, 2024, [From Taking Stock to Taking Action: How to Implement the COP28 Energy Goals](#) (accessed 4 November 2024).

while also integrating sub-targets for adaptation, mitigation, and loss and damage to create a balanced approach.

To effectively support developing countries, the NCQG should be rooted in their actual needs and priorities, and be regularly reviewed and adjusted to reflect that needs change constantly. The Goal must embody the responsibility of industrialised nations independently of an expansion of its contributor base. By 2030, public support for developing countries should ideally surpass USD 1 trillion annually, primarily in the form of grants – especially for adaptation and loss and damage – and highly concessional loans. Additional support avenues can be identified by exploring guarantees and equity investments. To ensure balance moving forward, we will also need sub-targets for adaptation, mitigation, and addressing loss and damage. With a comprehensive strategy, we will not only foster meaningful climate action but also lay the ground for a more equitable, resilient, and sustainable future.

2. Governments must mobilise additional public funds through innovative taxes and levies, alongside redirection of fossil fuel subsidies.

The call for USD 1 trillion of public support annually may seem outlandish but, in fact, there is no shortage of public money available for rich countries to pay their fair share for climate action at home and abroad. In fact, Global North countries can mobilise over USD 5.3 trillion per year³ for the NCQG. To effectively raise public funds, rich countries can implement a range of strategies, such as progressive taxation and redirection of fossil fuel subsidies.

Governments can, for example, introduce taxes on Ultra-High-Net-Worth-Individuals, levies on air and maritime transport, and taxes for fossil fuel majors, for example via a climate damages tax. This tax is a fossil fuel extraction charge, levied on each tonne of coal, barrel of oil, or cubic litre of gas and could cumulatively raise up to USD 900 billion by the end of the decade.⁴ In addition, by phasing out fossil fuel subsidies, wealthy nations can redirect funds to climate action initiatives. This approach not only reduces emissions but also frees up significant resources for renewable energy projects and adaptation strategies.

3. Governments must ensure that the NCQG addresses barriers to climate action, including debt distress and distorted costs of capital in the Global South.

Many countries in the Global South, particularly in Africa, are grappling with unprecedented levels of debt. Currently, 20 African countries are at acute risk of debt distress, with an increase of public debt by 240% from 2008 to 2022.⁵ Alarming, in over half of African nations, spending on debt servicing surpasses investments in health care and education. The implications of this vicious cycle of debt and developmental distress are dire: as nations prioritise debt payments over essential services, they become increasingly vulnerable to the adverse effects of the climate crisis. Compounding the issue, the constrained fiscal space significantly hinders vital investments in renewable energy and energy efficiency, jeopardising the Global South's participation in the global transition to renewables once more.

To pave the way for sustainable development, Global South countries urgently need substantial debt relief to create the fiscal space necessary for investments in resilient infrastructure and renewable

³ Tucker, B., 2024, [We Can Pay for It: Measures for Rich Countries to Raise Public Funds for the New Climate Finance Goal and Other Domestic and International Public Interest Priorities](#) (accessed 4 November 2024).

⁴ Sharma, S., Hillman, D., 2024, [The Climate Damages Tax: A Guide to What It Is and How It Works](#) (accessed 4 November 2024).

⁵ Kenewendo, B., Njoroge, P., Dryden, A., 2024, [Giving Voice to The Silent Debt Crisis: How Debt Relief Can Unlock Green Growth Pathways for Africa](#) (accessed 4 November 2024).

energy projects. Access to fair debt relief, debt payment pauses, and comprehensive debt restructuring – engaging all relevant state, private, and multilateral creditors – is crucial for this goal. Given that many Global South countries face increasingly devastating climate catastrophes, the need for debt payment pauses seems ever more pressing. For instance, Dominica experienced damage equivalent to 253% of its annual GDP⁶ following hurricane ‘Maria’, despite contributing minimally to global climate change. Vulnerable countries such as Dominica urgently need extensive debt restructuring. Yet, existing mechanisms such as the Common Framework fall short due to lengthy processes and lack of participation from all relevant creditors. Therefore, the NCQG should not only directly address debt issues but also advocate a comprehensive UN-coordinated sovereign debt relief framework, including instruments such as an international sovereign insolvency procedure to ensure timely and equitable debt solutions.

Beyond addressing debt, the NCQG must also tackle the distorted cost of capital that disproportionately affects emerging and developing countries. Interest rates for financing renewable energy projects in these regions are significantly higher than those in wealthier nations, creating substantial barriers to mobilising the funds needed for effective climate action. While Western donors emphasise private sector involvement, often through risk alleviation measures designed to attract private capital, this approach clashes with on-the-ground realities. Structural issues, such as credit rating agencies that primarily operate out of Western countries, hinder progress and perpetuate these financing disparities. A reformed global financial architecture must aim to equalise access to affordable financing, balancing risk management strategies with structural support.

Conclusion

COP29 is pivotal for advancing a just energy transition against a backdrop of geopolitical tension and economic disparity. The commitments at COP28 to transition away from fossil fuels and expand renewable energy capacity were significant milestones, yet recent signs of regression remind us how fragile these achievements are. As we approach this critical summit, negotiators must prioritise the ambitious, equitable, and timely implementation of the COP28 energy package. This includes robust NDCs that align with the goals of the GST, a firm commitment to phase out fossil fuels, and the establishment of a comprehensive NCQG that addresses the urgent needs of developing nations.

Furthermore, we must ensure that the expansion of renewable energy is socially and ecologically just and safeguards the rights of communities and the health of ecosystems. By mobilising the necessary financial resources and fostering international co-operation, COP29 can pave the way for a future of sustainable energy that not only meets climate goals but also promotes resilience and equity for all. The time for decisive action has come; let us seize this opportunity to drive meaningful change and affirm our commitment to a just energy transition.

⁶ UNDP, n.d., [After the Rain: The Lasting Effects of Storms in the Caribbean](#) (accessed 4 November 2024).

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