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Climate Land Ambition and Rights Alliance

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COP29 Launches Dangerous Market Mechanisms; ‘Paltry’ Finance Adopted After Bitter Fight and Fast Gavel

From CLARA, the Climate Land Ambition and Rights Alliance

COP 29 in Baku, Azerbaijan, reached agreement this evening on the Paris Agreement’s market mechanisms (Articles 6.2 and 6.4) after failing to do so in 2022 and 2023, while heated negotiations on the new collective quantified goal (NCQG) on finance finally yielded a wholly inadequate sum of \$300bn per year by 2035.

Dubbed the ‘finance COP,’ the Azerbaijani Presidency was determined to achieve Article 6 outcomes and, on the very first day of the conference, rushed to adopt the Article 6.4 Supervisory Body recommendations on removals and methodologies.

CLARA members are disappointed that parties failed to provide any additional guidance in the past two weeks to the Article 6.4 rules, now known as the Paris Agreement Crediting Mechanism. Governments have instead outsourced their responsibilities to ensure human rights and environmental integrity to the handful of people sitting on the Supervisory Body.

Text governing internationally traded mitigation outcomes (ITMOs) under Article 6.2 also worsened throughout the conference. The rules lack transparency, risk double counting and will fail to prevent human rights abuses.

The fight over the new collective quantified goal dragged into early Sunday morning after divisions and angry outbursts not seen in years. Then, a quick gavel from the COP President prompted cries of disappointment and distrust. India called the end game “stage managed.” Nigeria lamented, “At 3 am we are going to clap our hands and say this is what we’re going to do? I don’t think so.” But the result stands – an amount not even close to what developing countries really need.

CLARA Members had this to say:

Kelly Stone, CLARA Coordinator and Senior Policy Analyst with ActionAid USA

“This COP was supposed to deliver on climate finance, but developed countries insisted on ducking their climate finance obligations in favor of greenwashing. Carbon markets enabling offsetting - which are essentially permits to continue polluting - are not climate action. Nothing in the rules developed here will prevent carbon markets from repeating their history of harming communities and failing to deliver meaningful climate action.

It is not a coincidence that carbon markets were delivered at what was supposed to be the climate finance COP. When you talk to developed countries about climate finance, they throw up their hands and point to carbon markets and anything other than what’s needed and owed:

public finance. Carbon markets and other greenwashed tactics will not deliver the climate action that is desperately needed right now. And they certainly do not fulfill the climate finance obligations of rich and developed countries with huge emissions.”

Isa Mulder, Policy Expert, Carbon Market Watch

“The outcome of Baku leaves the framework for Article 6.2 dangerously loose and opaque, tailor-made for those pushing to turn it into a free-for-all. Instead of strong measures to ensure accountability, we’re left with minimal guidance that puts all the chips on name-and-shame rather than meaningful oversight. Meanwhile, the adoption of Article 6.4 rules on removals risk repeating the inadequate measures of the voluntary carbon market that guarantee permanence in name only. And thus, the question emerges whether Article 6 carbon markets will help to achieve our climate goals at all.”

Erika Lennon, Senior Attorney, Center for International Environmental Law (CIEL)

“With the adoption of lax rules for transparency and accountability, governments now face the real possibility of having created a Paris-sanctioned carbon market that could be worse for people and the planet than the scandal-ridden voluntary carbon markets. With the gaveling of standards on methodologies and removals on the opening day of the COP, the Paris Agreement Crediting Mechanism has flung open its doors to removal activities that are nothing more than a dangerous distraction and then failed to ensure additional controls are put in place to keep it from causing harm. Going forward it will be essential to ensure this mechanism enforces its standards and, as the text says, considers other relevant environmental agreements that place a moratorium on geoengineering. Paying to pollute will never be a climate solution, and carbon markets will never be climate finance, but rather a climate disaster.”

Souparna Lahiri, Senior Climate and Biodiversity Policy Advisor, Global Forest Coalition

“While rich countries ensure that Article 6.8, even in its first phase of implementation, moves with a snail’s pace, not allowing developing countries to enable access to finance for non-market approaches, they meanwhile throw crumbs to the Global South as their climate finance obligation, derailing a deal in the NCQG, and have rammed through an otherwise unacceptable carbon market agreement as a mechanism supposed to be financing climate action. Global Forest Coalition joins civil society to reject carbon markets and restate that carbon market finance is not climate finance. In order to keep up the pressure on rich countries to fulfill their climate finance obligation and ensure immediate and rapid emission, GFC calls upon Parties and civil society to call for a Moratorium on carbon markets.”

An Lambrechts, Biodiversity Policy Expert, Greenpeace International

“The carbon market mechanism agreed at COP29 is not a climate finance solution and will only provide a lifeline to the polluting fossil fuel industry, allowing it to offset emissions. This mechanism is a climate scam and polluters should be made to pay to clean up the mess they’ve caused, but instead they’re winning a get out of jail free card. Baku is infamously now an offsets COP, delivering carbon markets with loopholes and a lack of integrity. But all is not lost. We see momentum on aligning global climate and biodiversity action and in building bridges between the two. At COP30 in Belem, it’s time to connect the climate and biodiversity fights together.”

Jannes Stoppel, Political Advisor for Biodiversity and Climate Policy, Greenpeace

“Expanding the potential to compensate for continuous climate destroying emissions here at COP29 is a slap in the face for those surviving increasing extreme weather events around the world. Leaders can’t offset themselves out of the climate crisis and their responsibility to reduce emissions now in all sectors to mitigate breakdown of climate tipping points. A new study shows that very few of the so far issued carbon credits constitute real emission reductions. And nobody

knows what the weak fossil fuel compensation rules here developed under the influence of thousands of fossil fuel and abatement technology lobbyists, will really help reduce emissions. Really, the time for offsets is over. Trading carbon budgets instead of reducing emissions is a dangerous gamble against the time - time we do not have to address increasing runaway climate change.”

Linda Schneider, Senior Programme Officer International Climate and Energy Policy, Heinrich Boell Foundation

“It’s very worrying that under the agreement reached here on the Article 6.4 carbon market mechanism, carbon markets have been expanded to include carbon removals, such as dangerous geoengineering proposals for removing carbon dioxide from the atmosphere. These as-yet-unproven technologies come with large-scale risks for people and ecosystems, and are yet another escape hatch for the fossil fuel industry. The carbon trading schemes agreed here might facilitate the commercial roll-out of high-risk geoengineering technologies for the purpose of offsetting. Governments must work to exclude geoengineering approaches at the next COP as they will only add to climate chaos and make already flawed carbon markets even more problematic.”

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CLARA (the Climate Land Ambition and Rights Alliance) is a global civil society alliance with more than 40 members from conservation, agroecology, land-rights, faith-based, and forest restoration organizations and communities.

This briefing does not necessarily express the opinions of all CLARA members.