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At COP29, Developing Countries Were Betrayed. Global Climate Action Has Been Jeopardised

By: Harjeet Singh

The COP29 climate talks in Baku, billed as the finance COP, ended in disappointment for developing countries. It fell short of providing the financial support needed to transition from fossil fuels, to adapt to climate impacts, and to address loss and damage from climate disasters.

At the Conference of Parties (COP29), developed nations agreed to establish a new climate finance target of at least $300 billion annually by 2035 to support climate action in developing countries. While this New Collective Quantified Goal (NCQG) appears to mark progress – tripling the $100 billion pledge made at Copenhagen in 2009 – it falls significantly short of the $1.3 trillion annually demanded by developing countries.

The deficit is particularly glaring as it fails to address loss and damage and is woefully inadequate to meet the escalating costs of mitigation and adaptation. The Climate Policy Initiative estimates that annual climate finance needs will steadily rise from $8.1 trillion to $9 trillion through 2030, before surging to over $10 trillion annually from 2031 to 2050.

The inadequacy in climate finance not only undermines the ability of vulnerable people and nations to contribute meaningfully to global climate goals but also risks pushing the planet onto a dangerous trajectory of over 3°C of warming—far beyond the limits of what humanity can endure.

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The urgency of climate action cannot be overstated. According to the recent analysis by the Copernicus Climate Change Service, it is now “virtually certain” that 2024 will be the warmest year on record and that the global average temperature will exceed the 1.5ºC limit above the pre-industrial average set by the Paris Agreement. The year to date has been nearly 1.6°C warmer than the pre-industrial era, defined as 1850 to 1900. This sustained warming trend has triggered catastrophic climate impacts worldwide, from a supercharged typhoon season in the Philippines to extreme downpours increasing in Spain and wildfires in the Amazon. India faced extreme weather events on 93% of days in the first nine months of this year, marked by heat and cold waves, cyclones, lightning, heavy rain, floods, and landslides. These events claimed thousands of lives and livestock, damaged 3.2 million hectares of crops, and destroyed a quarter of a million houses.

These disasters highlight a sobering truth: the climate crisis is already here, and its effects are escalating. Climate change could cost $38 trillion annually by 2050, warns the Potsdam Institute for Climate Impact Research, with damages to farming, infrastructure, productivity, and health. This figure is expected to rise as emissions continue to grow, highlighting severe economic risks.

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For developing countries, the consequences are particularly severe. Many of these nations are situated in climate-sensitive regions where rising sea levels, extreme heat, and erratic rainfall patterns pose existential threats. Moreover, their economies, heavily reliant on fossil fuels and agriculture, are ill-equipped to cope with the cascading impacts of climate change. Without adequate financial support, these countries face an uphill battle to implement meaningful climate action.

Developed nations, responsible for the majority of historical greenhouse gas emissions, bear the greatest responsibility for the climate crisis. The failure to provide adequate financial support to developing countries undermines the trust and solidarity required for effective global climate action. It is not just a failure of responsibility, but a violation of the principles of climate justice.

Implications for global climate action

Carbon Brief reported that the new climate finance target agreed at COP29 is achievable with virtually “no additional budgetary effort” from developed countries beyond already-committed increases.

A combination of pre-existing national pledges and multilateral development bank (MDB) plans will bring climate finance up to around $200 billion a year by the end of this decade. Counting money already being distributed by emerging economies such as China – as “encouraged” under the new goal – could bring the total to $265 billion by 2030. This could mean the target is well on its way to being met by that date, with minimal extra effort. Moreover, the $300 billion target does not account for inflation. When this is factored in, its real value could shrink by around a quarter.

Much of the promised finance will be channelled through MDBs, which predominantly offer loans rather than grants. This reliance on debt-based financing exacerbates the economic vulnerabilities of developing nations, many of which are already grappling with high levels of external debt. According to the World Bank, currently, 52% of low-income countries are assessed as facing a high risk of debt distress or are already in debt distress. In 2023, low-income countries are estimated to have spent an average of 7.5% of their budgets on debt service, with interest payments reaching 20% of revenue. In 2023, ActionAid's analysis found that 93% of the countries most vulnerable to the climate crisis are in debt distress, or at significant risk of debt distress.

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The deal from COP29 utterly fails to ensure an equitable phase-out of fossil fuels or to establish adequate financial pathways for a global just transition. Wealthy Western nations – including the US, UK, Australia, Canada, and Norway – are responsible for 51% of planned oil and gas expansion through 2050, exemplifying stark climate hypocrisy.

While expanding their own fossil fuel industries, developed countries hypocritically pressured developing nations to cut fossil fuel use without offering the financial support needed for such transitions.

As a result, no agreement was reached on implementing the COP28 Global Stocktake outcomes, including the critical decision to phase out fossil fuels. This vital issue has been deferred to COP30 in Brazil. With real climate finance, a rapid shift to clean energy could have been achieved, accelerating the fossil fuel industry's decline. Instead, COP29 leaves the industry propped up by subsidies, ensuring it profits while the planet suffers.

The next round of Nationally Determined Contributions, or national climate plans, due in February 2025, is critical for aligning global action with the Paris Agreement’s goals. However, the lack of adequate climate finance undermines the ability of developing nations to enhance their climate ambition. For countries like India, this means limited resources to scale up renewable energy, decarbonise key sectors, and implement large-scale adaptation projects, while recovering from rising climate impacts.

If developing countries are forced to prioritise short-term economic survival over long-term climate goals, global efforts to limit warming will falter. A trajectory of 3°C or more is not just a possibility but a looming reality, with devastating consequences for ecosystems, economies, and human livelihoods.

A fractured multilateral process

The COP29 negotiations not only failed to deliver an ambitious outcome but also lacked transparency and inclusivity. Countries such as India and Nigeria, along with representatives from the Association of Small Island States and the Least Developed Countries, have already criticised both the deal and the negotiation process.

As I told CNN, “The dismal outcomes of COP29 […] have raised serious concerns about the integrity of the global climate negotiation process,” and to succeed, the whole system needs to be reoriented “to serve the interests of the most vulnerable, rather than those of fossil fuel lobbyists and polluters.”

The failure of COP29 to address the climate finance deficit followed by the global plastic treaty talks stalling over disagreement on production cuts have broader implications. The persistent gap between rhetoric and action undermines trust in the multilateral framework.

The return of Donald Trump to the US presidency further complicates the global landscape. Trump's pro-fossil fuel policies and rejection of climate science during his previous term eroded international climate cooperation. His return could embolden other nations to backslide on their commitments hiding behind the U.S., further derailing global climate action.

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Yet, we cannot afford to abandon this critical UN platform, which remains one of the few designed to ensure all nations, regardless of size or economic power, have an equal voice. However, the influence of large, wealthy nations continues to overshadow the voices of smaller, frontline countries, perpetuating the same power imbalances that have driven the climate crisis.

Complementary processes, such as a new Fossil Fuel Treaty and an Advisory Opinion on climate change from the International Court of Justice, are essential for strengthening the global climate regime. These measures can provide a more comprehensive framework grounded in genuine international cooperation and equitable commitments.

The way forward

COP29's outcomes are nothing short of a betrayal, protecting fossil fuels, polluting the planet, and disregarding the needs and suffering of those already on the frontlines of the climate emergency. Accepting this deal and hoping to 'build upon it' is not a pathway to progress. It is a recipe for failure.

The climate crisis demands bold, immediate action, not half-measures that shield polluters while leaving vulnerable communities to bear the brunt of devastation. On the road to COP30 in Brazil and during the summit itself, the world must seize the opportunity to renegotiate the climate finance goal. The Baku to Belém Roadmap, a hard-fought concession by developing nations, outlines the need for a $1.3 trillion annual climate finance target, an ambition grounded in both reality and urgency. This must become the cornerstone of global climate finance, replacing hollow promises with concrete commitments.

The new finance goal must be transformative, funded primarily through public finance from developed nations. Grants – and not loans – must form the backbone of this support, ensuring that climate-vulnerable nations are not further burdened by debt. Predictable, transparent, and accessible finance is essential to empower developing countries to lead the way in a global just transition, shifting economies from fossil fuels to renewables while safeguarding lives and livelihoods from the accelerating impacts of climate change.

Equally critical is the restoration of trust and credibility in the multilateral process. The principles of equity and historical responsibility demand that developed nations honour their obligations and deliver on their promises. Without this, the fragile trust that underpins international cooperation will collapse, jeopardizing the very foundation of collective climate action.

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The stakes could not be higher. Global temperatures are rising faster than anticipated, driving unprecedented disasters that imperil ecosystems, economies, and lives. From scorching heat-waves to devastating floods, storms, and rising seas, the planet's warning signs are unmistakable. Yet, in the face of this existential challenge, hope remains.

We stand at a crossroads. The year 2025 marks a decisive moment in the global fight against climate change. With a renewed focus on climate finance and updated Nationally Determined Contributions, it offers an opportunity to course-correct. Developed nations must rise to this occasion, scaling up equitable climate action and recognising that supporting vulnerable nations is not an act of charity. It is a matter of justice.

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