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Participants of COP29 in Baku

Hosting the landmark event raised Azerbaijan's international profile despite criticism of the country's limited climate achievements and its human rights record.

! Zum Aktualisieren der Textelemente, Zitation markieren und dann F9 drücken !

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The 29th United Nations Conference on Climate Change (COP29) wrapped up in Azerbaijan on November 24 after narrowly reaching an agreement on climate finance. The outcome of the conference was mixed: while it gave Azerbaijan an international platform, it also highlighted the country's checkered political record, and there was criticism from developing country participants about some of the deals that were reached.

While no progress was made on the pledge to transition away from fossil fuels, participants reached a hard-fought compromise on the so-called "New Collective Quantified Goal on Climate Finance," and rich industrialized nations committed to channeling \$300 billion per year in climate finance to developing countries by 2035. That amount may be triple the previous target, but it was derided as inadequate by developing countries, which had called for an annual minimum of \$1 trillion. COP29 also succeeded in adopting rules for the international carbon market under Article 6 of the Paris Agreement. This was a significant milestone that should allow a UN-backed cross-border trade in carbon credits generated by projects that reduce greenhouse gas emissions.

Beyond the global climate agenda, the summit offered Azerbaijan an opportunity to bolster its international standing, showcase its green credentials (despite its dependence on hydrocarbons), and sign a slew of deals. At the same time, the choice of fossil-rich, authoritarian Azerbaijan as COP29's host generated significant criticism.

Shortly before the event, Elnur Soltanov, the chief executive of Azerbaijan's COP29 team, was recorded discussing fossil fuel deals with an undercover investigator posing as an investor. In addition, fossil fuel lobbyists mounted a strong showing in Baku (1,773

were granted access), and Azerbaijani President Ilham Aliyev declared oil and gas to be a “gift from God” in opening remarks.

Azerbaijan’s oil and gas sector contributes over 90 percent of the country’s export earnings, as well as half of its GDP and 60 percent of budget revenues. Far from planning a fossil fuel phaseout, Azerbaijan has been monetizing its hydrocarbon wealth by boosting gas exports to the EU, and is currently planning to expand its gas production by a third through 2030. In contrast, the country’s climate targets under the Paris Agreement remain unambitious: only a 40 percent reduction in greenhouse gas emissions by 2050, and no net-zero target.

Acknowledging the protests surrounding Azerbaijan’s role as host of the climate change conference, Aliyev also used his opening speech to criticize the hypocrisy of both the United States (the world’s largest oil and gas producer) and the EU, which has trumpeted the energy transition while rushing to negotiate new natural gas deals when supply security was threatened by Russia’s full-scale invasion of Ukraine.

Azerbaijan has ambitious plans to build some of the region’s largest renewable energy facilities, including offshore wind capacity. The recaptured territories of Nagorno-Karabakh and the adjacent districts are supposed to become a “net-zero emission zone” by 2050, powered by hydropower, wind, and solar. Azerbaijan also plans to export renewable electricity, and possibly green hydrogen, to Europe via yet-to-be constructed infrastructure. At COP29, the country spearheaded a range of initiatives closely aligned with this vision, including expanding energy grids and storage, scaling up clean hydrogen production, and emphasizing the importance of green energy corridors.

The latter is particularly illustrative. Azerbaijan has positioned itself as a key player in future green energy corridors connecting Central Asia and the South Caucasus to Europe and has stepped up political engagement with neighboring countries in pursuit of this goal. On November 13, the presidents of Azerbaijan, Kazakhstan, and Uzbekistan signed a strategic partnership agreement on integrating their power grids to develop and transmit green energy.

Similarly, in the Black Sea region, Azerbaijan has partnered with Georgia, Romania, and Hungary to promote the construction of an undersea electricity cable connecting the South Caucasus to southeastern Europe. The so-called Black Sea Submarine Cable project has been praised by the EU and received a \$35 million loan for preparatory works from the World Bank. The project's feasibility study was presented in Baku during COP29.

Azerbaijan's regional partners were also able to showcase their low-carbon ambitions. Kazakhstan, for example—where a majority backed nuclear power plant construction in an October 2024 referendum—joined thirty nations in endorsing the Declaration to Triple Nuclear Energy Capacity by 2050.

The COP summit brought to the fore the rapidly growing presence of large Gulf companies in the clean energy sector throughout Central Asia and the South Caucasus. In Azerbaijan, UAE's Masdar inaugurated a 230 megawatt solar farm in Garadagh near Baku—the largest in the Caspian region—in October 2023, while Saudi Arabia's ACWA Power is constructing a 230 megawatt wind farm in Khizi-Absheron. At COP29, Masdar and ACWA signed a memorandum of understanding with Azerbaijan to develop up to 3.5 gigawatts of offshore wind in the Caspian Sea. ACWA Power also signed an agreement with Uzbekistan to develop large-scale battery storage systems, while China inked a projected \$2 billion



partnership with Kazakhstan to cooperate on renewable energy projects and emissions reduction.

COP29 was effective in putting Azerbaijan on the global climate map. It provided the country with a platform to sign important political and business agreements, while highlighting clean energy cooperation with its neighbors. Achieving a difficult compromise on climate finance, as well as on rules for the international carbon markets, was overall perceived as a success, with Central Asia and the South Caucasus countries standing to benefit from new opportunities.

At the same time, the summit highlighted Azerbaijan's ongoing attachment to fossil fuels and its poor track record on human rights. That in turn rekindled discussions about whether COP should be reformed to better address climate challenges, including through more stringent selection criteria for host countries.

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