

# CARE ESG Ratings Limited

**COP29 – Week 1**

## Global Carbon Market

- Agreement on standards for the creation of carbon credits under Article 6.4 of the Paris Agreement.
- Full operationalisation of Article 6 as a key negotiating priority this year to incentivise low-carbon development.
- Concluding Article 6 negotiations expected to reduce the cost of implementing national climate plans by US\$250 billion annually by facilitating cross-border cooperation.

**CareEdge-ESG believes that this agreement will drive climate actions in India by boosting demand for carbon credits and ensuring the integrity of the international carbon market under the oversight of the United Nations.**

## Climate Finance Action Fund

- This fund is to be capitalised through voluntary contributions from fossil fuel producing countries and companies.
- Fund is expected to have special facilities for highly concessional and grant-based funding to rapidly address the consequences of natural disasters in the developing countries in need.

**According to CareEdge-ESG, the Climate Finance Action Fund, funded through voluntary contributions from fossil fuel-producing countries and companies, will stimulate both public and private sector efforts in mitigation, adaptation, and research and development.**

## Fund for responding to Loss and Damage

- Loss and damage has been a key priority at COP29 to drive greater ambition and action.
- Progress is expected to be advanced across all aspects of the loss and damage framework throughout the year.
- Sweden has committed an additional ~US\$19 million in Loss and Damage funding at COP29, subject to government approval. This substantial contribution raises the total funding to over US\$720 million.
- Fund is expected to start financing projects in 2025.
- A new high-level annual dialogue has been launched to enhance coordination and complementarity in funding arrangements for loss and damage, bringing together stakeholders both within and outside the UNFCCC process.

**CareEdge-ESG believes the Fund will serve as a crucial resource, providing essential and immediate support to those affected by the severe impacts of climate change.**

## Support for Small Island Developing States (SIDS)

- Provides a platform for leaders to collaborate on strategies to boost the resilience of SIDS to climate change impacts and improves their access to climate finance.
- Developed countries are expected to deliver concrete financial and technical assistance to small island states.
- The Baku Declaration on Amplifying SIDS' Voice at COP29 for a Resilient and Sustainable Future has been adopted.

**As Per CareEdge-ESG, the declaration recognises the significant scale of climate change and the urgent need for action to mitigate its adverse impacts on vulnerable population.**

- **Green Energy Zones and Corridors:** The pledge will focus on establishing green energy zones and corridors, setting targets to attract investment, drive economic growth, modernize, and expand infrastructure, and encourage regional collaboration.
- **Hydrogen Action:** The declaration will unlock the potential of a global clean hydrogen market, establishing guiding principles and priorities to overcome barriers related to regulation, technology, financing, and standardisation.
- **Energy Storage and Grids:** The pledge will aim to expand global energy storage capacity sixfold from 2022 levels, reaching **1,500 gigawatts** by 2030. Additionally, signatories will commit to significantly increasing investments in energy grids, aiming to add or upgrade over **80 million kilometres** of grid infrastructure by 2040.

CareEdge-ESG believes key technologies are essential for the energy transition. Solar power, wind energy, and electric vehicles (EVs) are driving global decarbonisation, with EVs potentially reducing oil demand by 6 million barrels per day by 2030. Heat pumps also play a crucial role in reducing natural gas reliance in heating.

CareEdge-ESG further believes that the focus on green infrastructure, energy storage, and grid expansion will facilitate and encourage investment in the green energy sector. Hydrogen action will set the tone for future of green hydrogen-based transportation and shall advance the transition towards a greener economy.

- Urge stakeholders to adopt integrated strategies for addressing the causes and impacts of climate change on water basins and ecosystems.
- Emphasise the need to enhance both regional and international cooperation on water and climate-related issues.
- Advocate for the inclusion of water-related mitigation and adaptation strategies within national climate policies.
- Baku Dialogue is expected to be launched on Water for Climate Action to promote ongoing continuity and coherence between COP meetings in tackling water and climate challenges.

**CareEdge-ESG believes that adopting integrated strategies for water management and fostering international cooperation are crucial steps towards building resilient ecosystems and effective climate policies in the face of growing water-related climate challenges. Water scarcity in India is having a severe impact, with reduced water availability affecting agriculture—the backbone of the nation's economy. This results in lower crop yields and rising food prices. Despite 1.4 billion people calling India home, 35 million lack access to safe water and 678 million lack access to a safe sanitation. Current challenges include extreme water stress, contaminated surface water, and lack of access to piped water supply. The effects from climate change like droughts and rising sea levels also affect access to safe water and sanitation for families in India. Therefore, integrating effective water management strategies is key to addressing water-related climate challenges.**

# Thank You

## Analytical Contact

Nikunj Dube

Director &amp; Head – ESG Ratings

[Nikunj.dube@careedge.in](mailto:Nikunj.dube@careedge.in)

+91 – 72191 09995

Hiba Sayed

Assistant Director – ESG Ratings

[Hiba.sayed@careedge.in](mailto:Hiba.sayed@careedge.in)

+91 – 6837 4400

## Relationship Contact

Gaurav Ketkar

Assistant Director – CareEdge-ESG

[Gaurav.ketkar@careedge.in](mailto:Gaurav.ketkar@careedge.in)

+91 – 84528 15872

## Media Contact

Mradul Mishra


Media Relations

[Mradul.mishra@careedge.in](mailto:Mradul.mishra@careedge.in)

+91 – 22 – 6754 3596

**Disclaimer:** The ratings issued by CARE ESG Ratings Ltd (CARE-ESG) are opinions about an issuer or a security, regarding its ESG profile and relative position in managing ESG Risk through disclosures policies and performance. and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE-ESG has based its ESG ratings score based on information obtained from reliable and credible sources. CARE-ESG does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities who are rated by CARE-ESG have paid a fee, based on the complexity of rating assignment. CARE-ESG or its subsidiaries/associates/promoter may also be involved with other commercial transactions with the entity. CARE-ESG is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE-ESG.

 CARE ESG Ratings Limited  
A Wing - 1102 / 1103, Kanakia Wall Street, Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400093

 +91 - 22 - 6837 4400 (Board)