



**COP29**  
Baku  
Azerbaijan



Confederation of Indian Industry

CII@

**COP29**

**NEGOTIATIONS**

**INDIAN INDUSTRY'S EXPECTATIONS**

November 2024

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# FOREWORD

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## Jamshyd N Godrej

Past President, CII  
Chairman, CII Climate Change Council  
Chairman & Managing Director, Godrej & Boyce Mfg. Co. Ltd

The vision for COP29 is anchored in two essential pillars: enhancing ambition and enabling action, with climate finance as the unifying force to support both. These pillars are interwoven to create a cycle where progress in one amplifies outcomes in the other, a framework that speaks to the urgent need for cohesive, collective efforts to tackle the climate crisis. Through rigorous consultations, the COP29 Presidency has crafted a vision that is fully aligned with the Paris Agreement and the Global Stocktake, emphasizing the necessity for all nations to push for the highest feasible climate ambition. For developing countries, enhanced support is critical to meeting these ambitious goals, making substantial increases in climate finance paramount to empowering economies in the Global South to realize their climate potential.

Enhancing Ambition is about defining actionable, inclusive plans to keep the 1.5°C target alive. It calls for Parties to lead through ambitious Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and Biennial Transparency Reports (BTRs), alongside an expansion in international cooperation. Enabling Action is the complementary pillar that emphasizes mobilizing

essential support across finance, technology, and capacity building, creating enabling conditions at all levels.

A key priority at COP29 is setting an ambitious New Collective Quantified Goal (NCQG) on climate finance, meeting the needs of developing countries through diversified and robust funding sources, operationalizing Article 6, and ensuring equitable resource distribution. Recognizing the pressing reality of climate impacts, COP29 also highlights the need to address loss and damage through initiatives like the Loss and Damage Fund.

In this context, the Confederation of Indian Industry (CII) is actively advancing climate action within India's industrial sector. Through its Centres of Excellence (CoEs) on Green Business, Water, Food and Agriculture, Sustainable Development, and Competitiveness for SMEs, CII has been instrumental in fostering business-led climate initiatives.

This includes pioneering the green buildings movement, resulting in over 14,000 projects covering nearly 12 billion square feet, and promoting climate action across Small and Medium Enterprises (SMEs)

via the CII Climate Action Charter, which offers a toolkit for measuring greenhouse gas emissions and assessing climate risks.

Furthermore, through CII Mission Net Zero, CII is focused on developing a strategy and action plan for an inclusive and expedited transition to net zero for Indian Industry. As the NCQG approaches finalization in 2025, Indian Industry is committed to contributing actively to a transparent, accountable finance structure aligned with India's sustainable development goals. By focusing on comprehensive monitoring and transparency, Industry Leaders aim to ensure that NCQG implementation reflects lessons learned and drives real progress.

Key considerations from the Indian Industry on climate finance include the need for a stable domestic policy environment, the implementation of carbon pricing and market mechanisms, increased and diversified climate finance commitments, and global cooperative funding frameworks.

In the context of India's rapid growth as a global manufacturing hub, aligning with ambitious climate targets requires an approach that balances energy security, economic development, and climate adaptation.

Indian Industry views COP29 as a strategic opportunity to advance global climate finance and foster technology-driven, resilient growth. With significant commitments to renewable energy, energy efficiency, circular economy practices, and natural climate solutions, India is poised to lead by example, driving innovation, cooperation, and sustainability. If realized, the COP29 outcomes—especially in climate finance and technology transfer—could empower India to not only meet its climate goals but also set a global benchmark for responsible and inclusive climate action. This report captures the Indian Industry's perspectives, readiness, and recommendations, looking toward COP29 as a vital step forward in the global pursuit of a sustainable future.

**“With significant commitments to renewable energy, energy efficiency, circular economy practices, and natural climate solutions, India is poised to lead by example, driving innovation, cooperation, and sustainability. If realized, the COP29 outcomes—especially in climate finance and technology transfer—could empower India to not only meet its climate goals but also set a global benchmark for responsible and inclusive climate action.”**

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# BACKGROUND

## COP28 Commitments

**“We are living through climate collapse in real time – and the impact is devastating”**

**Antonio Guterres**  
UN Secretary General  
30 November 2023

The 28th Conference of the Parties (COP28) the UN Climate Change Conference, hosted in Dubai, United Arab Emirates, from 30 November – 12 December, emerged as a crucial juncture in the global collective effort to combat climate change. COP28 set a new benchmark in the global climate action narrative, introducing ambitious pledges and initiatives across energy transition, climate finance, gender equality, inclusivity, and multi-level action. For India, a country at the crossroads of developing economic aspirations and climate action, COP28's outcomes offer both challenges and opportunities. Given below are some of these outcomes, in alignment with India's strategic interests in combating climate change and achieving sustainable development.

### Global Renewables and Energy Efficiency Pledge

COP28's pledge to triple the world's renewable energy capacity to at least 11,000 GW by 2030 mirrors India's ambitious target of installing 450 GW of renewable energy by the same year. As the global commitment reaffirms the international community's support for renewable energy, it also enhances opportunities for India in terms of technology transfer, investment, and international collaboration. Leveraging the momentum, India must accelerate renewable projects, focusing on solar and wind energy, and explore innovative financing models to attract investments.

### Sector-specific Initiatives

Introduced at COP28, the Global Cooling Pledge, and the Oil and Gas Decarbonization Charter are sector-specific commitments with direct relevance to India's industrial, energy, and transportation sectors.

### Climate Finance

#### Meeting Prior Commitments

At the onset of COP28, significant strides were made in honoring past pledges, particularly in addressing Loss and Damage. A groundbreaking agreement was reached for the operationalization of Loss and Damage, accompanied by pledges totaling nearly USD 792 million towards the fund and its financing arrangements.

Moreover, the COP28 UAE Declaration of Leaders on a Global Climate Finance Framework, endorsed by 13 leading countries, outlined a fresh vision for climate finance. Emphasizing the importance of collective action and equal opportunity, the declaration underscored the imperative of delivering impactful solutions at scale. Notably, the UAE announced plans to convene a Finance Forum in 2024 to monitor progress on COP28 commitments and assess the implementation of the global climate finance framework.

Demonstrating a collective commitment to action, the long-awaited USD 100 billion goal was achieved, while pledges to the Green Climate Fund reached a

historic high of USD 12.8 billion for this year's replenishment. Additionally, cumulative contributions totaling USD 317 million were directed to the Adaptation Fund and the Least Developed Countries Fund.

The unprecedented focus on climate finance at COP28, including the operationalization of the Loss and Damage fund and the achievement of the USD 100 billion goal, offers new avenues for funding climate action in developing countries like India. India must engage actively in international forums to ensure fair and accessible climate finance mechanisms.

### Global Financial Support

Numerous innovative financing mechanisms were introduced to aid countries grappling with significant debt burdens. The support included pledges to the MF Resilience and Sustainability Trust, commitments to allocate Special Drawing Rights (SDRs) to the African Development Bank, and widespread adoption of climate-resilient debt clauses that temporarily suspend a country's debt obligations following a natural disaster.

Multilateral Development Banks (MDBs) signaled a substantial shift in programs by announcing over

USD 180 billion in additional climate finance commitments through multi-year initiatives. Additionally, MDBs pledged to maintain engagement through country platforms, establish a standardized approach for reporting climate impact, initiate a Long-Term Strategy facility to assist countries in decarbonization & climate resilience planning and introduce common principles for monitoring nature-positive finance.

The Asian Development Bank (ADB) unveiled the Nature Solutions Hub for Asia and the Pacific, aiming to attract a minimum of USD 2 billion in investment for programs integrating nature-based solutions, particularly in capital markets. The hub will implement financing mechanisms to mitigate risks in nature-based solution projects, including guarantees, impact-linked payments, and blended finance.

In a concerted effort to promote inclusive prosperity, African leaders joined forces for the launch of the Africa Green Industrialization Initiative. The initiative unveiled projects valued at over USD 4 billion aimed at leveraging Africa's abundant and high-quality resources to enhance clean energy accessibility and spur economic growth through locally driven strategies.

Table 1 – COP28 Pledges and Promises

UAE Consensus Agreement	Renewable Energy Commitments	Climate Finance Movement	Multilateral Development Banks
<ul style="list-style-type: none"> <li>First-time collective mention of transitioning from fossil fuels in a COP agreement</li> <li>Aim for net-zero by 2050, aligning with scientific recommendations</li> <li>Non-binding agreement, but a significant step for future COP initiative</li> </ul>	<ul style="list-style-type: none"> <li>Tripling of renewable energy by 2030</li> <li>Doubling energy-efficiency improvement rates</li> <li>Establishing global trade standards in hydrogen</li> </ul>	<ul style="list-style-type: none"> <li>USD 80 billion in climate finance commitments from various sources</li> <li>Launch of the USD 30 billion ALTERRA climate fund by UAE</li> <li>Establishment of the Loss and Damage Fund with USD 792 million pledged</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing reforms and over USD 180 billion in additional climate finance commitments</li> </ul>

## India's Role in COP28

**“India firmly believes that equity and climate justice must be the basis of global climate action. This can be ensured only when the developed countries take the lead in ambitious climate action.”**

**Shri Bhupender Yadav**

**Minister for Environment, Forest and Climate Change**

**9 December 2023**

Sharing about the innovative and localized solutions to tackle climate change, Prime Minister Shri Narendra Modi highlighted the Government of India's comprehensive approach to tackle climate change. He also shared about the collaborative role played by local communities and regional governments in fostering sustainable lifestyles. He also shared his concern about the need for accessible climate finance for developing nations. Shri Narendra Modi along with the President of UAE Sheikh Mohammed bin Zayed Al Nahyan, co-hosted the high-level event on 'Green Credits Programme' at COP-28, on 1 December 2023 and invited all nations to join the Green Credit initiative.

The National Statement by Shri Bhupender Yadav, Minister for Environment, Forest and Climate Change highlighted India's achievements in addressing not only emissions but also environmental conservation, ecosystem restoration, land degradation and biodiversity enrichment. In his statement, speaking about India's commitment towards enhanced climate

actions, he mentioned that India has successfully reduced the emission intensity vis-à-vis its GDP by 33% between 2005 and 2019 - achieving initial NDC target for 2030, 11 years ahead of the scheduled time. He also shared that India has achieved 40% of electric installed capacity (through non-fossil fuel sources), 9 years ahead of the target for 2030. India added around 100 GW of installed electric capacity between 2017 and 2023; of this around 80% is attributed to non-fossil fuel-based resources.

He also highlighted India's pioneering contribution towards climate action at the global stage through collaborative efforts such as the Global Biofuel Alliance, International Solar Alliance, Coalition for Disaster Resilient Infrastructure, Infrastructure for Resilient Island States, among others.

Given below are the highlights from the Economic Survey 2023-24 mapping India's progress in Climate Change and Energy Transition. The statistics were last updated as of 31 May 2024.

**Table 2 – Current Status of India's Climate Action**

<ul style="list-style-type: none"><li>▪ Cumulative installed solar capacity: 82.64 GW as of 30 April 2024.</li><li>▪ Share of non-fossil sources in installed electricity generation capacity: Reached 45.4%.</li></ul>	<ul style="list-style-type: none"><li>▪ Carbon sink (tree and forest cover): 1.97 billion tonnes of CO2 equivalent has been created between 2005 and 2019.</li><li>▪ Addition of 30 GW of solar capacity through rooftop solar under PM-Surya Ghar Yojana</li></ul>	<ul style="list-style-type: none"><li>▪ Emission intensity of India's GDP: Reduced by 33% in 2019 compared to 2005 levels.</li></ul>
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Source: PIB Press Release, 22 July 2024



## CII's Engagements at COP28

**"On the climate finance front, we all are aware about the significant monetary gap, and at COP28, countries should commit to low-cost concessional finance, in alignment with COP28 Presidency's Goal and the G20 New Delhi Leaders' Declaration to support developing countries in attaining their climate targets."**

**Jamshyd N Godrej**

Past President, CII

Chairman, CII Climate Change Council

Chairman & Managing Director, Godrej & Boyce Mfg. Co. Ltd

(Excerpt from the Foreword Contributed for the CII Publication - Priorities for COP28: Indian Industry)

The CII 2023 report 'Industry's Priorities for COP28, Dubai: Indian Industry Perspective' shared insights and outlined the anticipated actions and strategies at COP28, reflecting the perspective of the Indian Industry. Some of the key suggestions were:

- Increased access to low-cost concessional finance through substantial replenishment of the Green Capital Fund
- Capturing commitments by countries for the New Collective Quantified Goal
- Increased co-financing with the private sector
- Government-backed procurement commitments towards sustainable and clean tech solutions
- MDB reforms and setting a clean energy mandate.

CII played a pivotal role in representing the Indian Industry at the Conference of the Parties of the United Nations Framework Convention on Climate Change (COP28). Negotiations at COP28 hold significant relevance for Indian Industry in their journey to contribute meaningfully to economic growth, development, and climate action in India.

Climate Finance was one of the five priority areas for COP 28.

CII's involvement at COP28 was marked by a dedicated delegation of business leaders and a focused engagement strategy across various sessions. CII highlighted India's significant role in establishing resilient renewable energy supply chains, securing India's renewable energy initiatives and supporting the broader global clean energy transition.

The Indian Industry's agenda focused on innovative funding mechanisms, PPPs, access to international climate funds to mobilize the necessary financial resources and meet these ambitious targets while acknowledging the challenges in enhancing climate finance.

CII, along with the Ministry of New and Renewable Energy (MNRE) and the International Solar Alliance (ISA), discussed the industry expectations at the Round Table on Decentralized Renewable Energy for SDG7, COP 28.

COP28 laid the foundation for accelerated global climate action, offering India a unique opportunity to align its development goals with environmental sustainability, taking forward the commitments requires India to navigate complex challenges, including financial constraints, technological adaptation, and ensuring inclusive growth. However, these challenges also present opportunities for innovation, international cooperation, and leadership in the global climate agenda.

# INTRODUCTION

The 29th Conference of the Parties (COP29), scheduled between 11 and 22 November 2024, in Baku, Azerbaijan, is expected to be a landmark event in the global fight against climate change. COP29 is bringing together nations, industries, and stakeholders to define actionable solutions towards a sustainable and resilient future.

As the climate crisis accelerates, the stakes for all sectors of the economy are higher than ever. Countries are expected to set targets for a new global climate finance goal (New Collective Quantified Goal). The Conference is expected to witness ambitious pledges by economies to create green energy zones and corridors; increase battery storage capacity; expand electricity networks & global energy storage capacity and reduce methane emissions from organic waste.

At COP29, the Azerbaijan Presidency has outlined a series of critical initiatives aimed at addressing both the mitigation and adaptation aspects of climate action. One of the most anticipated initiative is the Climate Finance Action Fund (CFAF), which intends to mobilize voluntary contributions from fossil fuel-producing countries and organizations to accelerate climate finance across sectors. The Fund will also have a special focus on concessional funding to rapidly respond to natural disasters in

developing nations, underscoring the importance of financial mechanisms in translating ambition into action.

Another new initiative of the COP29 Presidency is the Baku Initiative for Climate Finance, Investment and Trade (BICFIT). Co-led by the UN Trade and Development (UNCTAD) and the United Nations Development Program (UNDP), BICFIT aims to create a platform that brings together climate finance, investment and trade. The initiative will promote green investments, enhance policy development, and foster collaboration, positioning Industry leaders to leverage these opportunities to diversify and modernize the organization's operations sustainably.

Some of the other key developments include the Hydrogen Action Declaration, which aims to unlock the potential of a global clean hydrogen market and the COP Truce Appeal, a symbolic yet significant call for peace, underscoring the interplay between conflict and climate challenges. The focus on digitalization through the Green Digital Action Declaration also reflects the role of technology in driving emission reductions and increasing accessibility to green innovations. The launch of the Baku Global Climate Transparency Platform (BTP) re-emphasizes the focus on transparency, finance, and multisectoral cooperation for all nations.





# THE TWO-PILLAR STRUCTURE OF COP29

The COP29 vision is structured around two complementary pillars: enhancing ambition and enabling action, with a strong emphasis on climate finance. These pillars are designed to strengthen each other, ensuring that progress of one supports and amplifies outcomes of the other pillar. The COP29 Presidency has shaped a strategy that aligns with the principles and commitments of the Paris Agreement and the Global Stocktake.

The approach underscores the need for every nation to pursue the highest possible climate ambition. For developing countries, enhanced support is seen as crucial to achieving ambitious goals. Therefore, a significant increase in climate finance is deemed necessary to help countries in the south of the global economy to maximize the potential in climate action.

'Enhancing Ambition' involves setting clear, actionable plans to keep the 1.5°C target within reach, with a commitment to inclusivity. It includes urging Parties to show leadership through ambitious Nationally Determined Contributions (NDCs), National Adaptation Plans, and Biennial Transparency Reports, alongside expanded international cooperation.

'Enabling Action' focuses on mobilizing essential support - through finance, technology, and capacity building - and creating enabling conditions at national, regional, and global levels. A top priority for

COP29 is establishing an ambitious New Collective Quantified Goal (NCQG) on climate finance to address the needs and priorities of developing countries.

It includes leveraging all available resources and operationalizing Article 6; strengthening multilateral financial institutions and climate funds, and mobilizing private & philanthropic contributions (also considered key to enabling effective climate action globally). Also, recognizing the pressing impact of climate change, COP29 stresses the urgency of addressing loss and damage, including through the Loss and Damage Fund.

## Pillar 1: Enhancing Ambition

### Nationally Determined Contributions (NDCs)

The first Global Stocktake in 2023 emphasized the urgency of deep, rapid, and sustained reductions in greenhouse gas emissions. Parties were called upon to contribute to these efforts, considering the national contexts, by tripling global renewable energy capacity, doubling the rate of energy efficiency, reducing methane emissions, and phasing down unabated coal power by 2030. The Stocktake also marked the first mention of fossil fuels in a COP outcome, urging Parties to transition from fossil fuels in a just, equitable, and orderly way, targeting net zero by 2050 in line with scientific guidance.

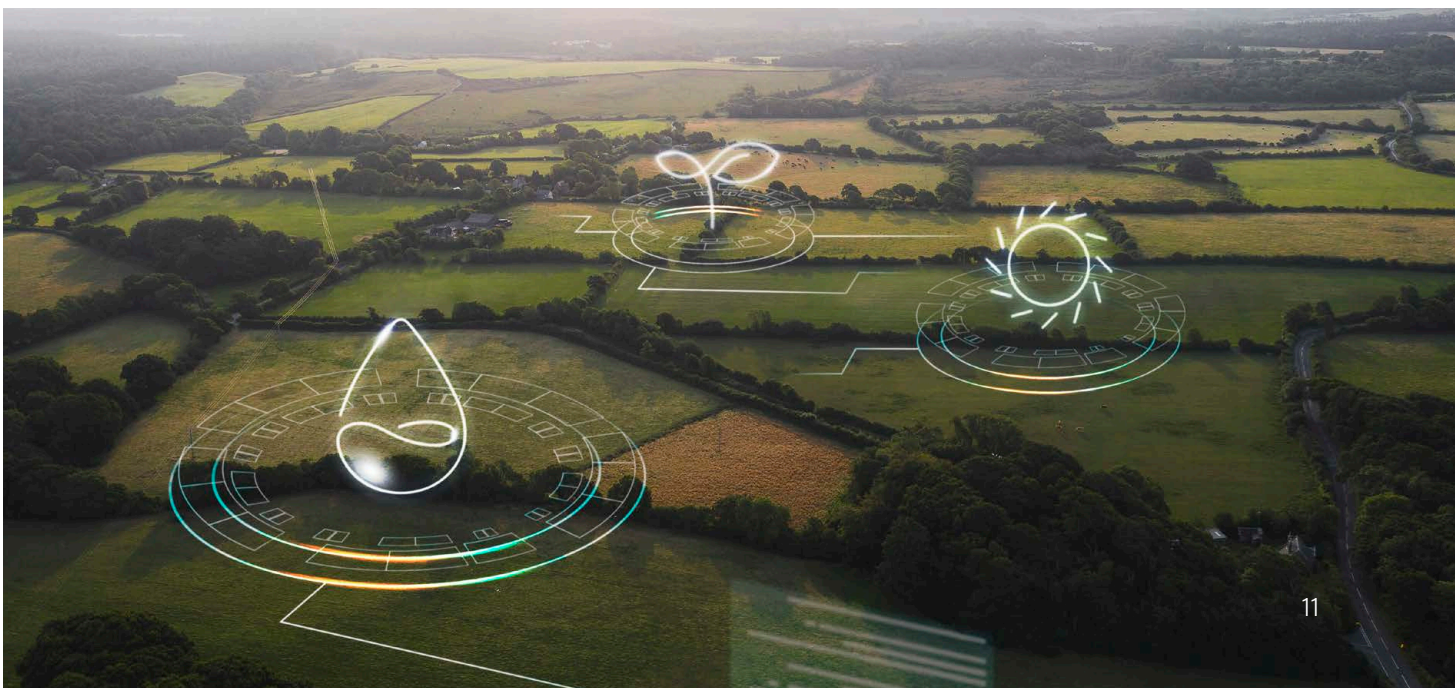


Figure 1 - Key Milestones in the Paris Agreement Timeline: 2018–2050



As the COP29 Presidency, Parties are encouraged to submit 1.5°C-aligned NDCs well before the February 2025 deadline. The Presidency, led by Azerbaijan with Troika partners UAE and Brazil, is setting an example by working on ambitious NDCs and a Long-Term Development Strategy (LTDS). The Troika is also driving international cooperation to boost ambition for future NDCs and is partnering with the UN system for support. The UNDP has launched its Climate Promise 2025 initiative in response to the Troika's call, and Parties are invited to use UNFCCC's NDC 3.0 Navigator toolkit.

National Adaptation Plans

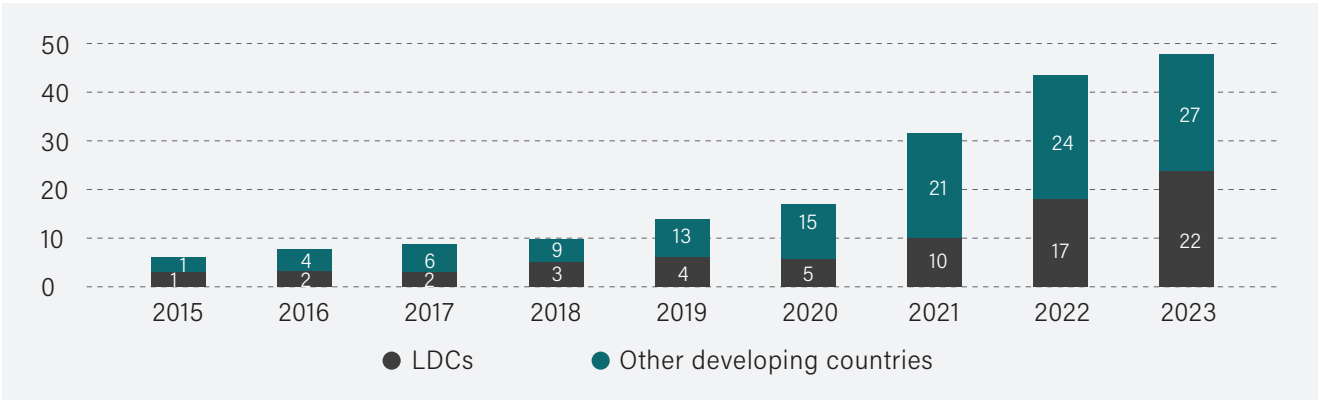
The Stocktake revealed that current adaptation efforts are falling short of long-term goals. It calls for urgent, transformational, and country-driven adaptation actions tailored to national circumstances, while recognizing the financial

barriers developing nations face in implementing National Adaptation Plans (NAPs) and Adaptation Communications.

With respect to the GST, all countries should have a NAP and related policies in place by 2025 to ensure progress by 2030. These plans will facilitate knowledge sharing, technology transfer, and collective support. Adaptation finance is critical for achieving tangible outcomes and the Global Stocktake stressed the need to significantly increase adaptation finance beyond the commitments made at COP26 to meet the urgent needs of developing countries.

The COP29 Presidency urges developed nations to demonstrate progress in doubling adaptation finance by 2025 and highlights the importance of balancing finance for both adaptation and mitigation.

Figure 2 - National Adaptation Plans Submitted since 2015



Source: PIB Press Release, 22 July 2024

The Monitoring and Evaluation (M&E) of NAPs has become a critical process for countries to assess and report progress on climate adaptation to the COP. According to the National Adaptation Plans 2023 report, published by UNFCCC, most developing countries have integrated M&E systems into the NAPs, with indicators, timelines, and responsible entities clearly outlined. NAP systems are essential for tracking achievements, identifying capacity gaps, and aligning support with needs. Countries are also leveraging NDCs, adaptation communications, and biennial transparency reports to communicate progress.

India has accessed approximately 530 million USD from the Green Climate Fund (GCF) as of September 30, 2023. The funding supports various climate adaptation efforts, enhancing assessments, planning, and implementation across different sectors and governance levels. India has officially initiated the process of formulating and implementing its own National Adaptation Plan, submitting it to the UNFCCC as part of its Initial Adaptation Plan. The report outlines overarching adaptation strategies and flagship programs across sectors and sheds light on implementation needs. It also stresses the significance of a multi-stakeholder outlook and suggests private sector involvement. Given the cost of inaction and the current private-public split in climate finance, particularly in adaptation, the right incentives can bring in necessary capacity, know-how and funding for significant change.

Industry's involvement can also bring in a business perspective and private capital for site-specific research and help prioritise investments based on impact and feasibility. Fostering an enabling environment for resilient infrastructure, sustainable sourcing and enhancing energy-efficiency across the value chain.

The pilot study by CII 'Building Climate Resilience for Indian Industry' highlights the industry priorities in the short and long term and the regulatory support required, thus addressing all three adaptation priorities mentioned in India's Adaptation Communication:

- Knowledge systems on climate change risks and adaptation

- Reduction of exposure to climate risk
- Building resilience and adaptive capacity.

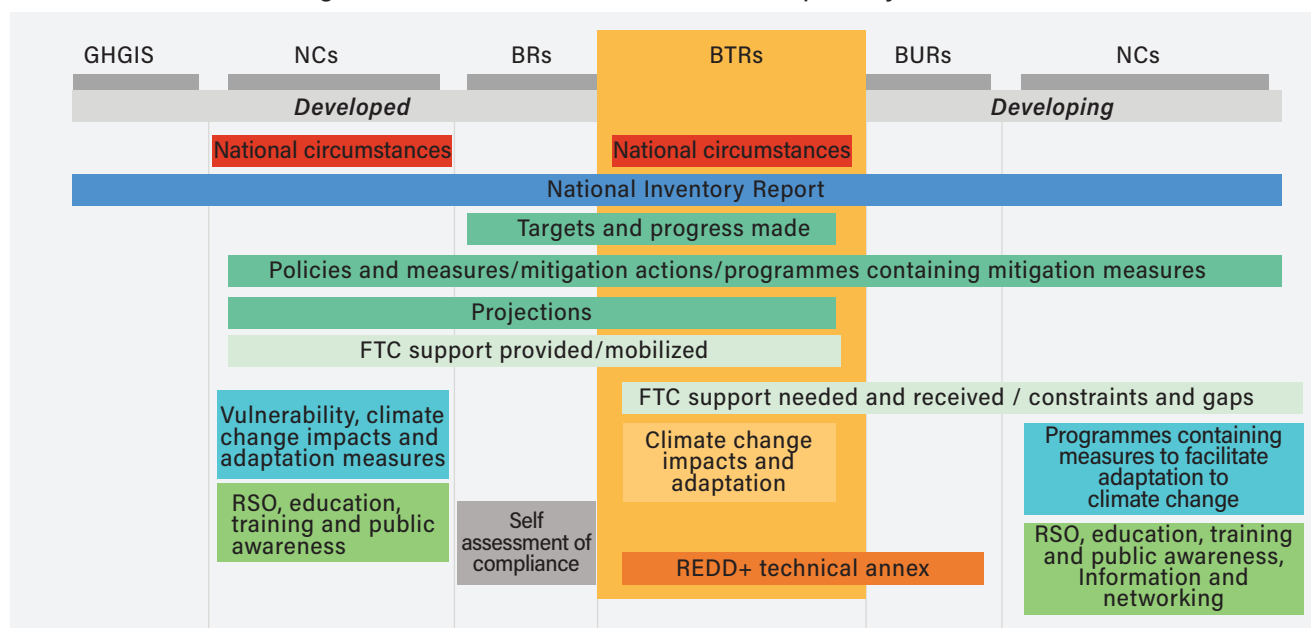
A PPP-led approach for enhancing adaptation focused policy, research and finance could bring about more efficiency to the implementation process and tangible ecosystem-level change in a shorter period. Supported by funding from the Green Climate Fund (GCF), these ongoing climate efforts are expected to pave the way for future NAP development, enhancing the country's adaptation strategies and contributing to the global adaptation goal.

## Biennial Transparency Reports

Transparency is crucial to fostering mutual trust within the UNFCCC process. The first Biennial Transparency Report (BTR) is due by 31 December 2024 and the COP29 Presidency is emphasizing the importance of transparency and the role of BTRs in tracking progress and identifying gaps and financial needs. BTRs (under the Paris Agreement) should be submitted by Parties as per the Enhanced Transparency Framework (ETF). The ETF guides parties to track and report on national climate change mitigation policies; adaptation actions; support towards achieving climate goals, and tracks the progress made towards Nationally Determined Contributions (NDCs). The UNFCCC has ensured the readiness of the ETF reporting tools. The BTR submissions will help in moving the process forward, learning from initial submissions, and improving future results.



Figure 3 - Overview under Enhanced Transparency Framework



Source: UNFCC

India, as a party to the United Nations Framework Convention on Climate Change (UNFCCC), has been actively involved in global efforts to address climate change. India has committed to submitting National Communications (NCs) and Biennial Update Reports (BURs) to the UNFCCC, which detail its actions and

progress in mitigating and adapting to climate change. The reports are crucial for transparency and for tracking progress towards the goals set under the Paris Agreement and India's Nationally Determined Contributions (NDCs).

Table 3 – Key Reports Released by India under NATCOM &amp; BUR

Report	Release Date	GHG Inventory Year	Key Highlights
First National Communication (NATCOM-I)	June 2004	1994	<ul style="list-style-type: none"> <li>First comprehensive climate report</li> <li>National circumstances</li> <li>Vulnerability assessments and adaptation strategies</li> </ul>
Second National Communication (NATCOM-II)	May 2012	2000	<ul style="list-style-type: none"> <li>Updated GHG inventory</li> <li>Focus on clean energy, afforestation</li> <li>Climate impacts on agriculture, water resources</li> </ul>
Third National Communication (NATCOM-III) & Initial Adaptation Communication (IAC)	March 2023	2019	<ul style="list-style-type: none"> <li>Updated GHG inventory</li> <li>Progress in renewable energy</li> <li>Emphasis on sustainable growth and resilience</li> <li>Initial Adaptation Communication</li> </ul>
First Biennial Update Report (BUR-I)	January 2016	2010	<ul style="list-style-type: none"> <li>GHG inventory update</li> <li>National and sub-national mitigation actions</li> </ul>
Second Biennial Update Report (BUR-II)	December 2018	2014	<ul style="list-style-type: none"> <li>Updated GHG inventory</li> <li>Progress in renewable energy, energy efficiency</li> </ul>
Third Biennial Update Report (BUR-III)	February 2022	2016	<ul style="list-style-type: none"> <li>GHG inventory update</li> <li>Focus on NAPCC and increased renewable energy targets</li> </ul>



## Pillar 2: Enabling Action

### Financing Climate Initiatives: New Collective Quantified Goal on Climate Finance

The New Collective Quantified Goal (NCQG) is a crucial component of the Paris Agreement, aimed at setting a new financial target to support developing countries in climate efforts. It builds on the 2009 Copenhagen Climate Summit's USD 100 billion annual commitment, which, while nearing fulfillment, raises concerns about effective, debt-free support for sustainable development.

Adopting the NCQG will be important for advancing the Paris Agreement and scaling up financial

resources post-2025 to meet the growing needs of developing nations. One of the main objectives of COP29 is to reach agreement on an ambitious NCQG that aligns with priority areas; while technical strides have been made, accomplishing it will demand stronger political commitment and high-level negotiations to address persistent challenges in climate finance.

In preparation for COP29, essential dialogues, including expert meetings and retreats, will play a key role in advancing progress, with finance ministries actively coordinating priorities. Set to finalize by 2025, the NCQG negotiations offer a critical chance to create a transparent, accessible financial mechanism to meet the urgent needs of climate action.

Table 4 - About the NCQG

Purpose	Goal	Priorities	Implementation	Negotiations	Technical Expert Dialogues
The NCQG will set the financial target for developed countries to support climate action in developing countries after 2025.	Building on a base of USD 100 billion per year, the NCQG will adjust to address the evolving needs of developing nations.	The NCQG will be shaped by developing countries' priorities, emphasizing finance accessibility, varied funding sources, transparency, and accountability.	The NCQG will fund low-carbon solutions across energy, transportation, agriculture, and other essential sectors.	Negotiations are ongoing to finalize the NCQG's target amount and determine which countries will contribute.	Technical Expert Dialogues (TEDs) provide insights for the NCQG, incorporating feedback from Parties and stakeholders, with each TED resulting in a comprehensive report.

The NCQG holds potential, but its success depends on several crucial factors. The negotiation process should be inclusive, ensuring that the needs of developing countries and the private sector are addressed.

The NCQG should also strike a balance between ambition and realism, considering the financial capabilities of developed nations while addressing the urgent needs of developing countries. Effective monitoring and accountability are essential. Without clear guidelines and transparent reporting, the

NCQG risks facing the same challenges as previous initiatives.

There should be a system to ensure fair and efficient distribution of climate finance. As a vital step toward bridging the climate finance gap, the NCQG aims to support vulnerable communities, strengthen global cooperation, and encourage private sector investment. If successfully adopted and implemented at COP29, the NCQG could significantly enhance progress toward the Paris Agreement goals.

Prioritizing Article 6:  
Key to COP29 and Paris Agreement Success

Article 6 of the Paris Agreement remains a critical pillar for global climate action, with the potential to establish high-quality carbon markets and direct finance from high emitters to sustainable, low-carbon projects. Although carbon markets have demonstrated potential as a debt-free method to support climate initiatives, they have also been contentious, often criticized for failing to drive genuine emissions reductions and, at times, for enabling greenwashing.

The framework under Article 6 aims to enhance carbon markets through reviewable bilateral agreements and a centralized multilateral system, but implementation has been challenging. Successive COPs have yet to fully operationalize Article 6, but with the COP29 Presidency prioritizing this agenda, there is renewed urgency to move forward. A fully functioning Article 6 is essential for achieving the Paris Agreement's

climate goals, as it provides mechanisms to improve the credibility, transparency, and overall effectiveness of carbon markets.

CII's 2023 report 'Priorities for COP 28: Indian Industry Perspective', underscored the need for discussions around Article 6 to focus on evaluating progress, identifying remaining challenges, and ensuring alignment with national policies and Paris Agreement targets. Key priorities should include advancing Internationally Transferred Mitigation Outcomes (ITMOs) that are compatible with local contexts, ensuring fair and transparent market mechanisms, and enhancing collaboration with the voluntary carbon market. COP29 offers a pivotal moment for negotiators to address critical issues, including project eligibility, transparency, and data confidentiality, which will help translate Article 6 into real action and accelerate global climate efforts.

Table 5 – Article 6 – Key Areas under Deliberations

Aspect	Details
Purpose of Article 6	<ul style="list-style-type: none"><li>Enables international cooperation to reduce greenhouse gas emissions, allowing countries to meet climate targets collectively through carbon credits</li></ul>
Mechanisms	<ul style="list-style-type: none"><li>Article 6.2: Cooperative approaches using ITMOs</li><li>Article 6.4: Centralized global carbon market overseen by UN</li></ul>
Key Benefits	<ul style="list-style-type: none"><li>Enhances flexibility and ambition in mitigating climate change while providing cost-effective pathways for emissions reductions</li></ul>
Timeline	<ul style="list-style-type: none"><li>2015: Article 6 adopted with Paris Agreement</li><li>COP26 (2021): Breakthrough on rules for emissions trading and cooperative activities</li><li>COP28 (2023): Further clarifications but no conclusion</li><li>Bonn Conference (2024): Key issues such as emission avoidance and market centralization remain unresolved</li></ul>
Outstanding Issues	<ul style="list-style-type: none"><li>Role of emission avoidance in carbon credits, extent of centralization in the global carbon market, double counting, and sustainable development.</li></ul>



## Accelerating Action for the Loss and Damage Fund

The Loss and Damage Fund was established to provide financial support to developing countries hit hardest by climate-related disasters. Agreed upon at COP27, the Fund has seen pledges totaling USD 700 million - an encouraging start, but a mere fraction of the estimated USD 400 billion required to meet global needs. Despite progress, major uncertainties remain about how the fund will operate, its primary funding streams will be, and whether the distribution of finance will be community-driven and free from corruption.

While initial pledges are welcome, significantly more resources and clarity are essential. COP29 will be crucial in fully operating the Fund, ensuring it can begin disbursing funds quickly and effectively. Stakeholders should also demonstrate urgency, transparency, and inclusiveness.

Appointing an Executive Director within the next 100 days is critical, as the role will drive funding efforts

and high-level discussions. The involvement of the private sector is also very crucial. The Loss and Damage Fund can maximize its impact by opening to private and innovative sources of finance, as recommended by the Transitional Committee (set up by the UNFCCC for operationalization of the new funding arrangements and fund).

The COP29 Presidency is urging more pledges and greater coordination between financial mechanisms to improve the delivery of funds. Enhancing coherence between the Warsaw International Mechanism (established in 2013), the Santiago Network (established in December 2019 at COP25) and the Loss and Damage Fund is essential. Additionally, efforts are underway to fully operationalize the Santiago Network, ensuring technical assistance reaches those on the frontlines of climate change. With the needs of vulnerable communities, the international community should act swiftly and decisively to ensure the Fund meets its ambitious goals.

**Table 6 - History of Loss and Damage in UN Climate Negotiations**

Year	Milestone
1991	Vanuatu proposed an insurance scheme for countries impacted by sea level rise; rejected.
2007	Loss and damage included in the Bali Action Plan.
2013	Formation of the Warsaw International Mechanism (WIM) on Loss and Damage.
2015	Article 8 on Loss and Damage included in the Paris Agreement, but without financial obligations.
2021	COP26: Glasgow Dialogue established to discuss loss and damage finance; SNLD funded with €30 million pledged.
2022	COP27: Historic decision to establish a "Loss and Damage Fund" and operationalize the Santiago Network.
2023	COP28: USD 700 million pledged to the Loss and Damage Fund; World Bank selected as fund host.
2024	COP29 preparations include confirming World Bank's role and securing further financial commitments.
2030	Vulnerable countries expected to face up to USD 580 billion in climate-related damages.

# RECOMMENDATIONS AND WAY FORWARD

For Indian Industry, COP29 is a significant opportunity for amplifying climate ambition; addressing adaptation needs; strengthening international cooperation toward a sustainable and resilient future and engaging with developed countries to honor financial commitments and technological support. At COP29, CII aims to emphasize a balanced approach that incorporates both mitigation and adaptation, acknowledging that substantial support from developed nations is vital to close the climate finance gap and facilitate climate-resilient growth.

## NCQG Adoption and Implementation

With the New Collective Quantified Goal (NCQG) set for finalization by 2025, Indian Industry looks forward to playing a proactive role in creating a transparent and equitable finance structure that aligns with India's sustainable development goals. The NCQG's emphasis on bridging the climate finance gap, fostering global cooperation, and spurring private sector investment aligns with Indian Industry's vision of a sustainable future. If adopted and effectively implemented, the NCQG could provide the financial and technical resources essential for India's climate resilience and net-zero ambitions.

The NCQG should be equipped with effective monitoring and accountability mechanisms to ensure its success, as well as clear guidelines for tracking progress. Indian Industry emphasizes that lessons from past initiatives underline the need for robust reporting systems to safeguard NCQG implementation and prevent setbacks due to inefficiencies or lack of transparency. By anchoring the NCQG in an inclusive, accountable, and accessible framework, Indian Industry believes that COP29 can drive unprecedented progress toward a sustainable global economy and help India to not only achieve its climate goals but also lead by example in the fight against climate change.

**Some of the key considerations on Climate Finance within the NCQG Framework are given below:**

### Carbon Pricing and Market Mechanisms

The adoption of carbon pricing mechanisms and expansion of international carbon markets are viewed as pivotal by Indian Industry. These mechanisms would create a level playing field across industries, lower emissions costs, and incentivize companies to invest in sustainable technologies. For the Indian market, expanding the reach of carbon pricing could encourage Industry to further accelerate decarbonization and actively participate in international carbon trading, potentially unlocking additional revenue streams while contributing to emissions reduction.

### Increasing and Diversifying Climate Finance Commitments

Indian Industry call on developed nations to honor and strengthen their USD 100 billion annual climate finance commitments, with a focus on funding for adaptation and mitigation in developing countries. India sees this support as vital for enabling widespread adoption of clean technologies and adaptation practices that are critical to protecting vulnerable communities and enhancing economic resilience. The Industry also supports calls for more concessional and grant-based funding, which would increase the viability of high-impact climate projects without adding to the debt load of developing economies.

### Scaling Cooperative Funding and Building Global Partnerships

The NCQG negotiations offer a vital platform to promote a multidimensional approach to climate finance, where international partnerships can drive large-scale transformation. Indian industries favor efforts to build durable financing frameworks that reflect regional priorities and encourage private sector engagement. By fostering partnerships among governments, NGOs, investors, and financial institutions, India can play a central role in shaping a climate finance ecosystem that supports long-term sustainability and economic inclusivity.



## NAP-The Foundation for Indian Industry's Resilience

Adaptation, long under-prioritized relative to mitigation, is becoming increasingly vital as climate impacts intensify. The National Adaptation Plan (NAP) framework provides a structured approach to develop industry-focused adaptation strategies, addressing vulnerabilities in sectors like manufacturing, agriculture, infrastructure, and supply chains. As climate risks grow—ranging from extreme weather events to water scarcity—Indian Industry needs targeted adaptation measures to secure their assets, workforce, and operations.

For Indian Industry, COP29 presents a crucial opportunity to bring adaptation to the forefront, fostering resilience across sectors to protect businesses, communities, and the economy from the inevitable effects of climate change. At COP29, efforts should be made to strengthen support for NAP development and implementation, with an emphasis on financial and technical assistance to assist countries, including India, in building adaptive capacity.

A key focus should be on closing the adaptation finance gap. Indian Industry urges COP29 to ensure

that donor countries meet their commitments and explore innovative funding mechanisms, such as blended finance and partnerships, to mobilize private sector investments. Leveraging these resources can support businesses in implementing climate-resilient infrastructure, diversifying supply chains, and adopting nature-based solutions. These actions will help safeguard industry operations and communities in India's most climate-vulnerable regions.

## Increased Climate Finance and Equitable Access

Enhanced access to climate finance, particularly grant-based funding, is essential for developing countries to advance their adaptation and mitigation goals without adding financial burdens.

## International Cooperation and Partnerships

Indian Industry emphasizes the value of international partnerships and cooperative funding frameworks that address regional priorities and encourage private sector engagement.

## Transparency and Accountability in Climate Finance

To safeguard NCQG implementation, clear guidelines and robust monitoring are essential to ensure effective and transparent resource distribution.





## Recommendations to Strengthen Industry's Resilience

Indian Industry's stance at COP29 is built on its long-standing commitment to sustainable practices and climate resilience. Industry leaders aim to work closely with policymakers to enhance climate ambition through a balanced approach that supports India's rapid economic growth while addressing climate risks. To support these priorities, Indian Industry suggests the following recommendations.

### Honoring Prior Finance Commitments

Indian Industry emphasizes the need for a stable policy environment that encourages climate finance. Industry leaders call on developed nations to honor their annual climate finance commitments, emphasizing that concessional and grant-based funding is essential for meaningful climate action without increasing debt burdens for developing countries. Furthermore, Indian industry supports the implementation of robust monitoring and accountability mechanisms within the NCQG framework to prevent inefficiencies and ensure progress is effectively tracked.

### Scaling Renewable Capacity

Indian Industry supports the goal of tripling global renewable energy capacity by 2030. India has already made significant strides in renewable energy, but achieving this target requires policy frameworks that incentivize investments, such as tax benefits, subsidies, and streamlined permitting processes. The Indian Industry also advocates for a diverse energy mix, incorporating wind, solar, biofuels, and hydroelectric power, supported by a robust storage and grid infrastructure. These steps will enhance India's capacity to meet its growing energy demand sustainably.

### Grid Modernization and Infrastructure Investment

With renewables becoming central to the energy portfolio, India should prioritize investments in grid modernization to handle higher renewable penetration. Indian Industry urges global leaders at COP29 to support policies that enable such

upgrades, including digital grid technologies and smart solutions to optimize energy supply and demand. Increased infrastructure investment by 2030 will be crucial for India to maintain energy security while expanding its clean energy footprint.

## Energy Efficiency and Circular Economy

### Improving Efficiency

Energy efficiency offers a significant, cost-effective pathway to reducing emissions in India's industrial sector. Indian industry endorses the call to double global energy efficiency rates by 2030, which can be achieved by implementing stricter standards, encouraging energy-efficient technology adoption, and fostering resource-efficient practices. Enhancing efficiency will allow Indian companies to reduce operational costs and improve competitiveness while contributing to climate goals.

### Adopting Circular Economy Practices

The Indian Industry is increasingly integrating circular economy principles to minimize waste and reduce resource extraction. COP29 should support policies that promote the reuse and recycling of materials, offering substantial economic and environmental benefits. The Indian industry believes that circular practices not only aid emission reductions but also strengthen resource security and create job opportunities, particularly in recycling and waste management sectors.



## Technology Innovation and Support for Decarbonization

### Developing Clean Energy Technologies

Indian Industry sees technology as a critical enabler for decarbonizing hard-to-abate sectors.

Technologies like carbon capture, utilization, and storage (CCUS); clean hydrogen; and second-generation biofuels hold promise, particularly for India's heavy industry and transport sectors. However, scaling these technologies requires substantial R&D investments, risk-sharing measures, and credit support to foster innovation. The industry urges COP29 to support these efforts through funding and policy incentives to accelerate their adoption.

### Expanding Electrification

Expanding electrification in transportation, industry, and residential heating is key to reducing reliance on fossil fuels. The Indian industry calls for policies that support electric vehicle (EV) adoption, encourage electrification in manufacturing processes, and provide incentives for cleaner residential heating solutions. For India, expanding electrification will not only lower emissions but also support energy resilience and economic growth.

### Energy Storage and Battery Solutions

As India increases its renewable energy capacity, energy storage solutions are essential for reliability.

Indian industry endorses the expansion of battery storage and long-duration energy storage (LDES) to manage the variability of renewable energy sources. Policies supporting R&D and deployment of energy storage solutions will be critical for ensuring a stable and sustainable energy supply in India.

## Natural Climate Solutions

### Biodiversity and Carbon Sequestration

The Indian Industry recognizes the value of natural climate solutions, such as reforestation and soil carbon sequestration, in offsetting emissions and enhancing biodiversity. COP29 should facilitate the expansion of markets for these solutions and promote public-private partnerships to finance nature-based projects. Indian companies view such initiatives as beneficial for achieving climate goals and strengthening India's ecosystem resilience.

### Leveraging Bioenergy

Sustainable bioenergy, including biofuels and biomethane, can play a major role in decarbonizing India's transport and industry sectors. The Indian Industry supports bioenergy expansion but emphasizes that it should be developed sustainably, ensuring food security and focusing on advanced biofuels. With the right policy frameworks, bioenergy can significantly contribute to India's energy security while supporting low-carbon growth.



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## Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 365,000 enterprises from 294 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Through its dedicated Centres of Excellence and Industry competitiveness initiatives, promotion of innovation and technology adoption, and partnerships for sustainability, CII plays a transformative part in shaping the future of the nation. Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

For 2024-25, CII has identified "Globally Competitive India: Partnerships for Sustainable and Inclusive Growth" as its Theme, prioritizing 5 key pillars. During the year, it would align its initiatives and activities to facilitate strategic actions for driving India's global competitiveness and growth through a robust and resilient Indian industry.

With 70 offices, including 12 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with about 300 counterpart organizations in almost 100 countries, CII serves as a reference point for Indian industry and the international business community.

## Confederation of Indian Industry

The Mantosh Sondhi Centre  
23, Institutional Area, Lodi Road, New Delhi – 110 003 (India)  
T: 91 11 45771000  
E: [info@cii.in](mailto:info@cii.in) • W: [www.cii.in](http://www.cii.in)

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