

REN21 Outlook for COP29

Unlocking climate finance for the energy transition

Pushing the renewables agenda at COP29

WHAT NEEDS TO HAPPEN AT COP29 TO UNLEASH THE RENEWABLES REVOLUTION



Unlocking finance for renewable energy, energy efficiency and enabling systems and infrastructure.



Closing the adaptation finance gap for renewables.



An ambitious new climate finance target to enable renewables-focussed Nationally Determined Contributions (NDCs).

The ongoing COP29 climate summit in Baku marks a pivotal opportunity to scale up finance for renewables and drive the global energy transition.

Despite COP28's ambitious goal to triple renewable capacity additions by 2030, the world invested only USD 570 billion in renewables in 2023—far short of the \$1.5 trillion required annually. Meeting energy efficiency targets demands a similar leap, with current investment at just USD 323 billion of the necessary USD 2.2 trillion.

At COP29, REN21 calls for the new

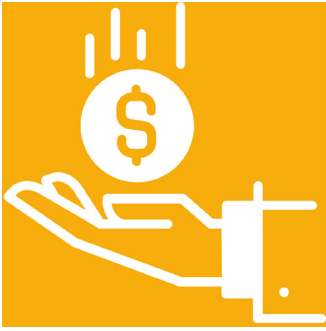
climate finance goal to address the real costs of building renewables-based economies and societies, especially in developing countries. Renewables adaptation finance, often sidelined in favor of mitigation, also needs urgent attention.

Now is the time for COP29 to set an ambitious finance goal, empowering developing nations to pursue bolder NDCs and establish a sustainable, renewables-driven future. Stronger renewable targets in NDCs could drive transformative change, creating jobs, expanding energy access, and building resilient communities.



1.

COP29 in Baku offers a window of opportunity for renewables finance. Countries must deliver on an ambitious new climate finance target to enable the energy transition.



As countries gather to agree on a new climate finance target, it's essential that this goal reflects the true cost of transitioning to renewable energy, particularly in developing nations. An ambitious New Collective Quantified Goal (NCQG) with binding commitments to financing renewable energy is critical to realising the COP28 renewables package.

The success of this transition also relies on infrastructure—such as grids and charging stations—but current investments fall far short of what is needed. In 2023, global grid investments reached USD 310 billion, only half of the annual amount required.

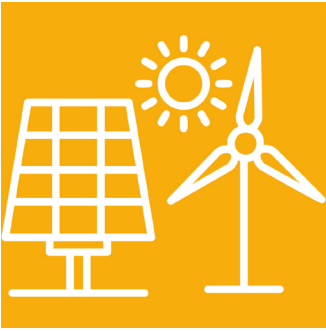
Additionally, public finance needs to play a greater role in moving the needle. REN21 research reveals that the private sector has driven

75% of energy finance between 2018 and 2023. Public financing made up about 24% of the total, with development finance institutions accounting for just 1%. Diverse financial flows are key in this respect, but considering the risk premium in investment in developing nations, it's unlikely that private finance will meet the dire climate and renewables finance needs in these countries.

Moving beyond the outdated USD 100 billion climate finance goal, countries must unlock substantially more public, concessional, and grant-based funding, while also mobilising private investment. This is essential to tackling the climate crisis and building stable, secure and resilient economies and societies.

2.

Renewable energy isn't just for mitigation—it's a vital adaptation tool. Financing must support renewables through both mitigation and adaptation channels.



In 2022, only USD 9.5 million went to renewable projects through climate-related development finance, with 86% allocated to mitigation and a mere 1%—or USD 0.13 million—to adaptation.

The reality is that many climate adaptation strategies require significant energy inputs, yet renewables are rarely recognised as vital to adaptation efforts. REN21 research underscores the potential of renewables to address diverse climate impacts, from droughts and rising temperatures to flooding and coastal erosion. Due to their decentralised nature, renewables can be tailored to specific local needs that can enable community participation.

REN21's latest report also highlights how renewables can

sustainably power adaptation solutions like air conditioning, desalination, and irrigation without undermining mitigation efforts.

However, as of mid-2024, only 50 countries had included renewables as an adaptation measure in their NDCs.

At COP29, REN21 calls for decisive action to close the adaptation finance gap. Renewables in adaptation can have powerful ripple effects, fostering low-carbon development, advancing equitable energy transitions, and supporting broader goals like the SDGs.

Seeing the energy transition through will require greater adaptation finance for renewables, alongside mitigation finance.

3.

A strong finance goal can empower countries to set ambitious, actionable renewable energy targets in their NDCs, fostering secure, stable and resilient economies and societies.



At COP29, countries need to increase financial support so as to keep the 1.5°C target alive, directing more funds toward climate action and renewable energy in developing nations. These investments will empower countries to enhance their ambitions for the next Nationally Determined Contributions (NDCs) due in early 2025.

NDCs with a strong renewables focus can unlock the myriad benefits of renewables – ranging from supporting stable, secure, resilient economies and societies, creating jobs, enhancing gender parity, and, increasing energy access and affordability.

The REN21 Economic and Social Value Creation module of the Renewables 2024 Global Status report shows:

→ In 2023, renewables and their enabling technologies accounted for 7% of global GDP growth.

→ Renewables continue to drive job creation, totalling to a record 16.2 million direct and indirect jobs in 2023 (increasing from 13.7 million in 2022), 46% of which are in China.

→ As of 2023, the total renewable power deployed globally since 2000 had saved an estimated USD 409 billion in fuel costs in the power sector.

Accordingly, REN21 calls on countries to set ambitious, specific, and actionable renewable energy targets in their NDCs to unlock the evidenced benefits of renewables.



Join us at COP29
REBOOT THE WORLD
WITH RENEWABLES.