

Greetings from Washington.

The 29th United Nations Climate Change Conference (COP29), held in Baku, Azerbaijan, from November 11 to 22, 2024, brought together global leaders to tackle the escalating climate crisis. Key outcomes included agreements on climate financing and the establishment of a Global Carbon Market Framework. While these decisions marked progress, they also underscored the gap between global commitments and the scale of action needed, particularly for vulnerable regions like the Middle East and North Africa (MENA).

A central focus of COP29 was the creation of a New Quantified Finance Goal (NQFG) to replace the \$100 billion annual commitment established in Copenhagen in 2009. Experts have projected that developing nations will need between \$1.3 trillion and \$5 trillion annually to address climate adaptation and mitigation. However, COP29 only achieved consensus on stabilizing \$300 billion annually by 2035—a figure deemed insufficient by many stakeholders. This discrepancy highlights the ongoing struggle to bridge the financial gap required to combat climate change effectively.

The MENA region faces severe climate challenge conditions, including rising temperatures, water scarcity, and desertification. Despite these pressing issues, the region has historically received a disproportionately small share of global climate finance. Between 2019 and 2020, MENA countries received just \$16 billion in climate finance, compared to \$293 billion allocated to East Asia and the Pacific during the same period.

Within MENA, the distribution of funds is uneven. Egypt and Morocco have been the primary beneficiaries, securing \$443 million and \$236 million, respectively, from multilateral climate funds. Meanwhile, 17 out of 21 MENA countries have received minimal to no climate finance, revealing significant disparities in access.

Several structural challenges hinder MENA countries from accessing climate finance. For instance, many countries lack the institutional frameworks and expertise required to design and implement projects that meet international funding criteria. Instability and ongoing conflicts in the region, such as in Iraq, Yemen, and Syria, also make it difficult to engage with international finance mechanisms and attract investment. Additionally, the lack of robust climate-related data limits the ability to develop evidence-based strategies, further complicating funding efforts, particularly in MENA's low- and middle-income countries.

COP29 also witnessed the ratification of the Global Carbon Market Framework. This framework facilitates the generation, purchase, and sale of carbon credits, enabling countries and businesses to meet emissions reduction targets more flexibly. The standards emphasize transparency, verification, and environmental integrity, aiming to boost confidence in carbon trading mechanisms.

The Global Carbon Market Framework established at COP29 provides two critical avenues for benefiting the MENA region. First, it facilitates the generation and sale of carbon credits from clean energy initiatives, offering a steady revenue stream for countries transitioning away from fossil fuels. For instance, solar farms in the UAE and Saudi Arabia, as well as wind energy projects in Morocco and Egypt, could generate verified carbon credits. These credits can be traded on the international market, attracting financing and promoting the development of renewable energy infrastructure. Additionally, as many MENA countries are exploring carbon capture and storage (CCS) technologies as part of their net-zero strategies, the framework makes CCS projects more financially viable and scalable. Projects such as ADNOC's Habshan CCUS initiative, which aims to capture and store significant amounts of CO₂ annually, exemplify how the framework can support large-scale emissions reduction efforts.

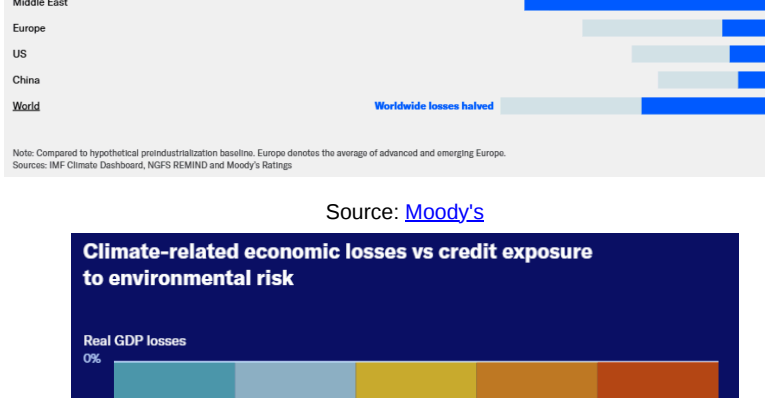
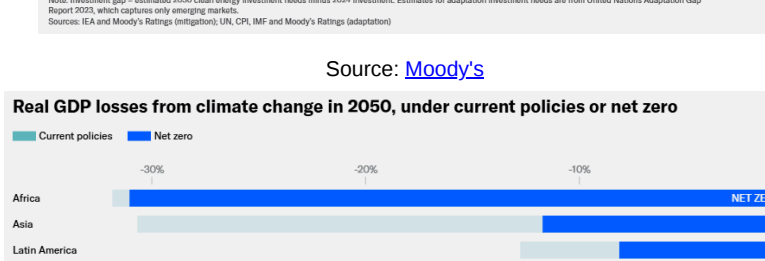
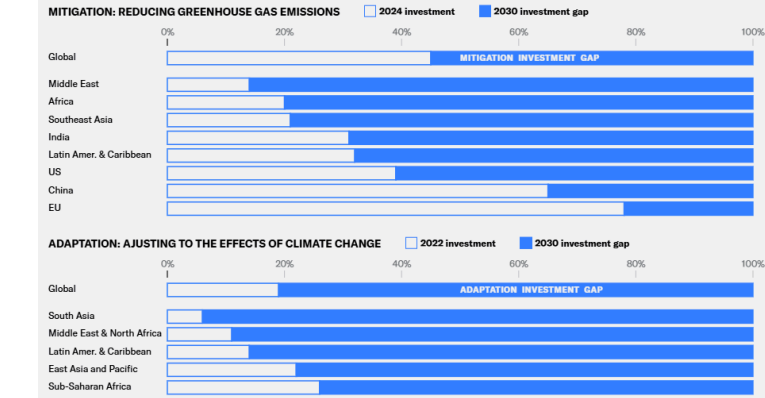
Second, funds generated from carbon markets can be reinvested in climate resilience projects that address some of the most pressing environmental challenges in the region. These include implementing advanced water management systems, such as desalination and efficient irrigation, to mitigate water scarcity; upgrading infrastructure to withstand extreme weather events; and developing climate-resilient agricultural systems to ensure food security in a region already vulnerable to desertification and rising temperatures.

To summarize, the outcomes of COP29 highlight both the opportunities and challenges for the MENA region. The establishment of the Global Carbon Market Framework provides a crucial tool for attracting investments in renewable energy and other sustainable projects, while simultaneously addressing the financial and technological barriers to emissions reductions. Yet, COP29 also underscored the immense work still required to meet climate financing goals. The \$300 billion annual commitment is a step forward, but it falls far short of the trillions needed to adequately tackle global climate challenges. As the world moves toward implementing these commitments and setting new targets, MENA must play an active role in advocating for equitable access to climate finance and investing in sustainable solutions. This proactive engagement is essential to secure a resilient future for the region's people, economies, and ecosystems.

Sincerely,

Racha Helwa
 Director, empowerME
 Rafik Hariri Center for the Middle East
 Atlantic Council

Big Data



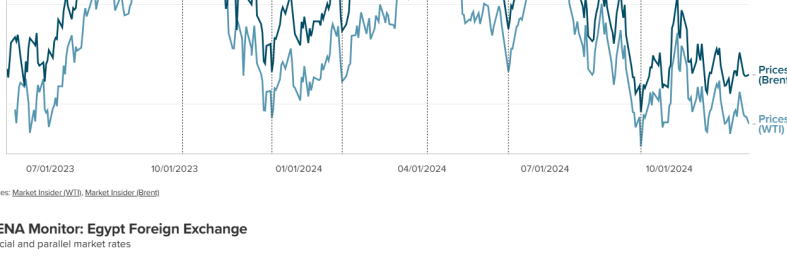
MENA Monitors: Oil & Foreign Exchange

Check out our latest updates to the [MENA Monitors](#), which track the fluctuations in the oil and foreign exchange markets in select MENA countries, considering the escalating geopolitical crisis in the region:



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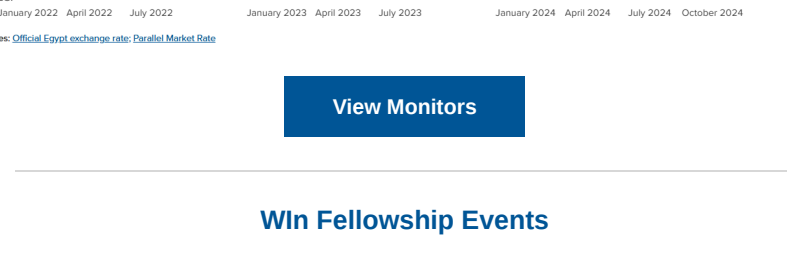
Win Fellowship Events



Global Women's Forum

The Win Fellowship launched its UAE Win Fellowship cohort during its participation throughout Dubai's Global Women Forum. The Win team organized a [public panel](#) which featured keynote remarks from HE Ambassador Martina Strong, which discussed the role sustainability and entrepreneurship will have on the state of entrepreneurship in the UAE. The Win team also hosted two private workshops on how to incorporate SDGs into startups, and on the power of networking in entrepreneurship and how to pitch to investors.

[Watch Here](#)



Jordan Launch

The Win Fellowship launched its Jordan fellowship through a [public event](#) hosted in partnership with Jordan Space (an initiative by the Ministry of Digital Economy and Entrepreneurship). The event featured a number of experts on entrepreneurship and investment from the private and public sectors, who discussed the state of entrepreneurship in Jordan and the role of alternative investments in spurring the Kingdom's startup scene.

[Watch Here](#)

The MENA Economic Digest

- [The climate finance conundrum](#) (Moody's)
- [Assessing Climate Adaptation Plans in the Middle East and North Africa](#) (Carnegie Endowment for International Peace)
- [Making sense of the COP29 outcome](#) (The Financial Times)
- [COP29 countries endorse global carbon market framework](#) (Reuters)

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