



ASEAN at COP29: Strengthening Climate Commitments and Accelerating Energy Transitions

ASEAN Climate and Energy Insight Q4/2024 by ACCEPT II

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Introduction

COP29 recently concluded in Baku, Azerbaijan. This year's conference brought together global representatives to negotiate solutions for climate challenges. [The ASEAN Joint Statement on COP29](#) reaffirmed the region's commitment to addressing climate change through collaboration, equity and shared responsibility. Building on the progress made since COP28, the statement highlights the urgency of reducing emissions and the need to finance the energy transition.

In our [Climate Insight of Q3/2024](#), we discussed the latest advancements in Southeast Asia's energy-climate investments, green financing, technology innovation and carbon pricing policies. The highlights include Cambodia's clean energy initiatives, Vietnam's first blue bond, Indonesia's solar and CCS projects, Malaysia's green investment strategy, and the Philippines' geothermal expansion and nuclear collaborations. Regional efforts are bolstered by international partnerships and frameworks. These developments, aligned with global climate goals, underscore the region's focus on decarbonisation, energy resilience and economic growth, driving progress towards a low-carbon future.

In this edition of Climate Insight, we dive into the latest global and ASEAN climate commitments and the progress showcased at COP29. We begin with “Defining Global Climate Action at COP29”, and explore key global initiatives and pledges launched during the conference, highlighting their potential impact on ASEAN’s energy and climate trajectory.

This is followed by “ASEAN’s Updated Commitments and National Progress”, which outlines how the ASEAN Member States (AMS) updated their climate initiatives and commitments at the conference. We conclude by looking at the next steps for ASEAN, focusing on the transition to cleaner energy, fostering sustainability and building a resilient future for the region.

Defining Global Climate Action at COP 29

At the opening of COP29, it was highlighted that the world is [on track for a 2.7°C temperature rise by 2100](#), exceeding the Paris Agreement’s goal of staying well below 2°C and pursuing efforts to limit warming to 1.5°C. This sobering projection highlights the urgent need for intensified global climate action. The conference responded with several notable outcomes, including a pledge to increase climate finance from USD 100 billion to USD 300 billion annually by 2035, full operationalisation of Article 6 for carbon trading, and pledges for energy storage and grids. Initiatives like Green Energy Corridors, the Hydrogen Declaration and efforts to phase out fossil fuel subsidies signal progress toward a global clean energy transition.

COP29, known as the “Finance COP”, marked a milestone with the adoption of a New Collective Quantified Goal (NCGQ) on climate finance, raising the annual target [from USD 100 billion to USD 300 billion](#) by 2035. While significant, this falls short of [the annual USD 1.3 trillion](#) projected as necessary by 2035 in a report to support developing countries combat climate change. Prior to this conference, [the Philippines and Indonesia](#) had actively pushed for higher and fairer climate finance to bridge this gap and ensure equitable and accessible funding for vulnerable regions.

The full operationalisation of [Article 6 of the Paris Agreement](#) was another key outcome, unlocking international carbon market mechanisms. Article 6.2 enables bilateral agreements for trading carbon credits through internationally transferred mitigation outcomes (ITMOs), while Article 6.4 establishes a global carbon credit registry under a Supervisory Body established by the UNFCCC. This operationalisation opens opportunities for the AMS to participate in global carbon markets and attract international investments. While the full operationalisation of Article 6 of the Paris Agreement marks a significant first step, it is [crucial to address certain caveats before its adoption](#). Key among these is the need to establish robust frameworks to prevent double counting, strengthen baselines (accurate reference points for measuring emission reductions), and ensure transparency through credible reporting mechanisms. Continued progress and clarity on these issues will be essential for the effective implementation of Article 6.

The UN Climate Change Conference presidency launched the [COP29 Global Energy Storage and Grids Pledge](#), seeking country endorsements for a significant acceleration in infrastructure to support COP28's target to triple renewable energy capacity by 2030. The proposed pledge demands ambitious goals to achieve global electricity storage capacity of 1,500 GW by 2030 and expanding grid infrastructure by 25 million kilometres by 2030, and a further 65 million kilometres by 2040. Singapore and Malaysia have already endorsed this pledge, signaling their commitment to these ambitious targets. Many existing and planned interconnection projects under the [ASEAN Power Grid \(APG\)](#) align with these objectives, aiming to enhance grid interconnection and increase the share of renewable energy in ASEAN. This raises the question: how will these ambitious pledges also support the APG in achieving its goals for regional energy integration and renewable energy advancement? Further action is anticipated to implement measures and track progress towards these targets.

COP29 introduced [Green Energy Zones and Corridors](#) for efficient cross-border transmission, driving decarbonisation, economic growth and global energy transition through advanced infrastructure and international collaboration. In alignment with this pledge, the AMS are making significant progress in renewable energy efforts. Malaysia and Singapore have endorsed this pledge. [Singapore](#), for instance, is aspiring to become the region's renewable energy hub, collaborating with neighbouring countries to import green energy, currently sourcing 100 MW of hydropower from Laos via Thailand and Malaysia.

It also plans to import [1 GW of clean electricity from Cambodia, 3.4 GW from Indonesia and 1.75 GW from Australia](#), contributing to its long-term objective of importing up to 6 GW of low-carbon electricity by 2035.

[The Hydrogen Declaration at COP29](#) commits global stakeholders to accelerating renewable and low-carbon hydrogen adoption to meet climate goals, decarbonise hard-to-abate sectors and drive just, sustainable energy transitions. It emphasises scaling production, setting global standards and fostering collaboration, with progress to be reviewed at COP30. Indonesia, Malaysia and Singapore have endorsed the declaration. [Singapore](#), in particular, has recently launched a national hydrogen strategy to accelerate the transition to net zero, showing the country's readiness to engage in this emerging sector.

At COP29, [the Coalition on Phasing Out Fossil Fuel Incentives](#) grew to 16 members, focusing on transparency, international agreements and national actions to phase out subsidies. The coalition aims to maintain clear records of fossil fuel subsidies, address global challenges like implementing taxes on shipping fuels, and develop actionable plans to phase out subsidies in each AMS. Building on COP28's commitment to redirect public financing from fossil fuels to clean energy, this initiative is a critical step towards tackling the USD 1.5 trillion in fossil fuel subsidies recorded in 2022. While no AMS has joined this coalition, [Indonesia](#) announcement to retire all coal and fossil fuel power plants within the next 15 years is a noteworthy pledge to achieve net-zero emissions by 2050.

ASEAN's Updated Commitments and National Progress

At COP29, the AMS demonstrated their steadfast dedication to accelerating energy transitions and strengthening climate resilience through ambitious commitments and actionable strategies. [Malaysia, having taken the lead along with four other major carbon market associations \(Indonesia, Singapore, Thailand and ASEAN\)](#), signed a Memorandum of Collaboration (MoC) to advance regional carbon market cooperation. Witnessed by Malaysia's Minister of Natural Resources and Environmental Sustainability (NRES), Nik Nazmi, the MoC aims to develop the ASEAN Common Carbon Framework (ACCF) which demonstrates the region's proactive efforts to integrate climate priorities with global carbon mechanisms. The ACCF aims to enhance regional carbon market liquidity, promote cross-border cooperation and set high standards for carbon trading.

[Brunei Darussalam](#) actively participated in the ASEAN Joint Statement on Climate Change at COP29, reflecting its strong regional collaboration in addressing climate challenges. Brunei will host the ASEAN Centre for Climate Change (ACCC) to facilitate regional cooperation and coordination on climate change initiatives among the AMS with relevant national governments, and regional and international organisations.

[Cambodia](#) has set ambitious climate goals, including achieving carbon neutrality by 2050, as outlined in its 2020 Updated NDC. At [COP29](#), the country emphasised its alignment with ASEAN, Least Developed Countries (LDC) Parties, and G77+China, advocating equity through Common but Differentiated Responsibilities (CBDR-RC).

It called for urgent fulfillment of the USD 100 billion annual climate finance commitment, simplified access to funds like the Green Climate Fund, and stronger support for loss and damage. Prioritising adaptation, Cambodia also stressed enhanced financial, technological and capacity-building mechanisms to achieve low-GHG, climate-resilient development.

At COP29, [Indonesia](#) unveiled a strategy to develop new renewable energy power plants of 75 GW in 15 years, alongside expanding new and renewable energy, using 500 GT of carbon capture and storage (CCS), and rehabilitating 12.7 million hectares of forest. Spotlighting its 577 million tons of carbon credit reserves, [Indonesia](#) also announced a groundbreaking Mutual Recognition Arrangement (MRA) with Japan for bilateral carbon credit trading, marking the first agreement of its kind under Article 6.2 of the Paris Agreement. Additionally, [Indonesia](#) secured USD 1.26bn in green financing from Germany's KfW Development Bank to support renewable power infrastructure, including pumped storage hydropower plants and transmission network development.

[Laos](#) reaffirmed its dedication to climate action by actively supporting the ASEAN Joint Statement on Climate Change. Building upon its commitments from COP28, [Laos](#) continues to push forward with its climate agenda, including the updated NDC and Low Emission Development Strategy.

[Malaysia's](#) Pavilion highlighted its seven core focus areas for achieving net-zero emissions and strengthening sustainability. These include enhancing sustainable finance through climate funding and carbon markets, integrating sustainability into trade and industry, promoting community-led biodiversity conservation, advancing green energy innovations, leveraging technology with indigenous knowledge for climate resilience, fostering adaptive urban planning, and empowering youth, women and indigenous communities. [Malaysia](#) also advocated for the implementation of a carbon tax in 2026 to drive clean technology adoption and attract sustainable investments, positioning the country as a leader in sustainability efforts.

[The Philippines](#), through its Department of Finance (DOF), is leading efforts to secure increased climate finance for vulnerable nations, calling for an annual target of USD 1.3 trillion from developed countries. It is pushing for a post-2025 global finance commitment to enhance resilience and remove barriers to climate finance, with a focus on transparent and equitable processes. [The Philippines](#) also signed the Host Country Agreement to manage the United Nations' Loss and Damage Fund, now totalling USD 720 million, to support climate recovery for impacted nations.

[Singapore](#) committed up to USD 500 million in concessional funding for green and transition projects in Asia, as part of the Financing Asia's Transition Partnership (FAST-P), which aims to raise USD 5 billion and reduce financial risks for climate action. The country also launched a new grant through the Economic Development Board (EDB) to support carbon project developers and boost the supply of high-quality carbon credits.

Singapore also reported its progress on climate goals, including net-zero emissions by 2050 and increased solar energy capacity. In line with the Paris Agreement's Article 6, Singapore is also collaborating with countries like [Zambia](#), [Peru](#) and [New Zealand](#) to establish bilateral pacts for cross-border carbon trading.

[Thailand](#) aims to enhance its climate action by targeting a reduction of greenhouse gas emissions to below 270 million tons of CO2 equivalent by 2035, compared to 2019 levels, under its NDC 3.0. A comprehensive green investment plan will support this target, along with boosting carbon sinks in land use, land-use change and forestry (LULUCF) by 120 million tons by 2037. The country has also organised the Thailand Climate Action Conference 2024 to foster climate awareness and empowerment and is advancing the Climate Change Act to develop carbon pricing mechanisms and climate funds for enhanced resilience.

At COP29, nearly USD 500 million in new grants for methane reduction were announced, with USAID contributing USD 22.15 million through its Methane Accelerator to help [Vietnam](#) reduce emissions across the energy, waste and agriculture sectors. With this grant support, international financial institutions contributed billions more to methane project investments.

The Way Forward for Strengthening ASEAN's Energy and Climate Ambition

COP29 underscored the critical role of climate finance, marked by a pivotal agreement to triple support for developing countries to accelerate the clean energy transition. These outcomes present ASEAN with a vital opportunity to tap into this momentum, advancing its energy transition and climate action agenda to build resilience and promote sustainability amidst global climate challenges. To capitalise on this, ASEAN must prioritise enhanced regional collaboration, the scaling up of climate finance and the accelerated deployment of renewable energy.

Strengthening carbon market integration, particularly through the ACCF, can attract international investments and establish robust standards for cross-border trading. A regional framework promoting cooperation and interoperability among the AMS will enhance market liquidity and cross-border investments, supporting the region's decarbonisation efforts. By harmonising regulations and standards, ASEAN can foster a unified carbon market that drives innovation, attracts green financing and accelerates the transition to a low-carbon economy.

Significant investments are needed to achieve ASEAN's energy and climate targets. COP29 marked a significant milestone in global climate action with the adoption of the updated NCQG to USD 300 billion annually by 2035. ASEAN must capitalise on this expanded funding to fast-track its renewable energy transition, strengthen disaster resilience and support adaptation efforts, especially in vulnerable sectors such as agriculture and coastal zones.

Securing international climate finance by advocating for equitable funding commitments and simplifying access to climate finance is imperative.

Achieving the global goal of tripling renewable energy capacity by 2030 requires significant scaling up of various renewable energy technologies across ASEAN. This expansion depends on transmission systems that can effectively integrate and distribute renewable energy. To achieve this, advancing cross-border grid transmission through the APG is critical, with a focus on strengthening transmission capacity and cross-border interconnectivity to facilitate efficient resource sharing, balance supply and demand, and reduce curtailment of variable renewable energy. Investments in modern grid infrastructure and harmonised regulations are essential to integrating variable renewable energy, enhancing energy security and fostering multilateral power trade.

Technology and knowledge transfer are vital for advancing ASEAN's energy transition. Collaborating with international partners can provide access to cutting-edge renewable energy technologies, such as advanced solar, battery storage and carbon capture systems. Establishing regional knowledge-sharing platforms will enhance local expertise, ensuring effective implementation of these solutions. Prioritising such initiatives will accelerate renewable energy deployment, strengthen local capacities and drive innovation across the region.

To strengthen alignment between regional energy and climate policies, the ASEAN Climate Change and Energy Project (ACCEPT) actively promotes and facilitates the adoption of sustainable energy practices across the AMS. By prioritising collaboration, innovation, capacity building and inclusive policymaking, ASEAN has the potential to set a global example in addressing climate change and advancing the transition to a net-zero future.

This insight is a product of the ASEAN Climate Change and Energy Project II (ACCEPT II)

ACCEPT II is a continuation of ACCEPT Phase 1 that was successfully accomplished on 31 March 2022. The commencement of the 48-month project officially began on 1 November 2022. This collaborative project between the ASEAN Centre for Energy (ACE) and the Norwegian Institute of International Affairs (NUI) is funded by the Norwegian Government, under the Norwegian-ASEAN Regional Integration Programme (NARIP). The project aims to support ASEAN member states and ASEAN's capacity to transition to Low-Carbon Energy System and contribute to carbon neutrality or a net zero future.

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