

LIMA HIGHLIGHTS:

WEDNESDAY, 10 DECEMBER 2014

Throughout the day, the joint COP/CMP high-level segment continued. In the afternoon, a ministerial dialogue on the Durban Platform for Enhanced Action took place. During the morning and evening, the ADP contact group on item 3 focused on a draft COP decision on advancing the Durban Platform for Enhanced Action in two parallel sessions. Informal consultations and contact groups under the COP and CMP took place throughout the day. An informal stocktaking plenary convened by the COP/CMP President met in the evening.

MINISTERIAL DIALOGUE ON THE DURBAN PLATFORM FOR ENHANCED ACTION

COP 20/CMP 10 President Manuel Pulgar-Vidal urged ministers to provide strategic direction to set the foundations for the 2015 agreement and accelerate action now.

SWEDEN noted the need for: a decision on the information requirements for INDCs; an international consultation process, informed by experts and climate science, to be undertaken in 2015; and economy-wide mitigation commitments by all parties in a position to do so.

The EU stressed the need to apply the Convention's principles in a dynamic manner in order to "reflect reality," indicating that the way forward is through nationally-determined, self-differentiated commitments.

ITALY said the 2015 agreement should: show the way to a global low-emissions economy; contain ambitious and legally-binding mitigation commitments; and include clear MRV rules to ensure the achievement of commitments.

PANAMA, for the CfRN, noted REDD+ is a central element of the 2015 agreement, and called for bridging the Warsaw Framework for REDD+ and the GCF logic framework.

NORWAY called for: a clear focus on mitigation in INDCs; a process to consider the overall effect of contributions; and gender equality in climate action.

The Seychelles, for AOSIS, called for identifying barriers and scaling up resources for pre-2020 action, particularly through the GCF.

Underscoring CBDR is the political basis of negotiations, CHINA called for balance across elements and clarity on the scope of INDCs and their alignment with national commitments.

SWITZERLAND encouraged all parties to engage in the INDCs process, and called for an equitable approach that builds on evolving circumstances and responsibilities.

AUSTRALIA called for credible emission reductions by major economies, global cooperation based on economic realities, and multilateral rules for transparent action.

FRANCE highlighted the growing sense of "hope" for an agreement in Paris but noted the need to meet conditions for success in Lima.

MEXICO underscored political parity of mitigation and adaptation, and identified short-lived climate pollutants as key for increasing ambition.

For the post-2020 agreement, JAPAN identified: quantifiable obligations on mitigation; domestic measures to support INDCs; and review of contributions and implementation.

Colombia, for AILAC, called for adoption of a draft negotiating text for the 2015 agreement, an ADP decision on INDCs that is balanced across elements, and an agreement on a pre-2020 workplan to close the mitigation gap.

The US outlined a three-part approach on the way forward: reflecting each party's choice in the INDC structure; including a principle committing everyone to move forward; and addressing CBDRRC in an "appropriate way."

Identifying INDCs as the "vehicle" for mitigation, the UK called for other approaches to address adaptation and finance, and urged agreement on an assessment phase.

The MARSHALL ISLANDS called for an agreement consistent with science and a long-term decarbonization goal, and achieving carbon neutrality by mid-century.

Highlighting mitigation as the core of the "INDCs mandate," POLAND urged participation by all parties in putting forward contributions.

INDIA, with Panama, for the CfRN, called for the new agreement to be anchored in the Convention and to include all its principles.

ENGOs, TUNGOs, WOMEN AND GENDER and YOUNGOs emphasized, *inter alia*, the need for the inclusion of "all voices and hands" to avoid the climate catastrophe, and called for INDCs on adaptation and MOI that are gender-sensitive, and include social and environmental safeguards.



NEW ZEALAND cautioned against “excessive” attention to differentiation, saying that each country will differentiate based on national circumstances and that there will be no agreement on “highly prescriptive” definitions of it.

ALGERIA, with Grenada, for the CARIBBEAN COMMUNITY, said the new agreement should be based on all the elements identified in Durban, calling for loss and damage as a separate element of the agreement.

The REPUBLIC OF KOREA urged increased mitigation efforts and parity of mitigation with adaptation.

CANADA said the new agreement should offer flexibility for countries to take actions “best suited” to their domestic circumstances.

The PHILIPPINES said any redefinition of CBDR must be treated carefully and be morally grounded.

DENMARK lamented the lack of a sense of urgency over the last nine days, and called for ambitious action from all and for clarity of efforts.

HUNGARY urged setting differences aside and working constructively.

Calling for compensation for loss and damage, BOLIVIA stressed non-market approaches, and proposed a holistic and comprehensive approach to forests.

ARGENTINA urged for legal parity of adaptation with mitigation and called for discussions on differentiation to take into account persistent poverty.

PARAGUAY called for a global agreement based on IPCC findings, with all elements being binding, and for any reference to special vulnerability to include landlocked countries.

IRAN announced its leadership of a regional center for early-warning systems in collaboration with regional institutions.

Underscoring the interdependence of adaptation and mitigation ambition, SOUTH AFRICA highlighted gaps between commitments and the demands of science.

FARMERS called for a framework to support agriculture-related mitigation and adaptation in the 2015 agreement.

BINGOs and LOCAL GOVERNMENT AND MUNICIPAL AUTHORITIES called for engagement of all actors in planning mitigation and adaptation actions, and noted the role of non-state actors in increasing pre-2020 ambition.

Highlighting a green tax reform on non-EU ETS sources, PORTUGAL called for a consultation and analysis phase to ensure actions are in line with ambition.

SINGAPORE urged parties to agree on information requirements for INDCs and on elements of a draft negotiating text in Lima, while resolving issues of differentiation in, and scope and comprehensiveness of, the new agreement in Paris.

INDONESIA called for mainstreaming maritime issues into mitigation and adaptation, and cautioned against backsliding by developed countries.

The NETHERLANDS urged strengthening adaptation action for a climate-resilient world.

COP 20/CMP 10 President Pulgar-Vidal thanked ministers for their views and assured them that Lima “will put us on track” for success in Paris.

CONTACT GROUPS

ADP Item 3: Draft Decision on Advancing the Durban

Platform for Enhanced Action: In the morning and evening, parallel sessions of the ADP contact group took place on issues relating to workstream 2 (pre-2020 ambition) and INDCs in the ‘Draft COP decision proposed by the Co-Chairs.’

In the contact group focusing on *INDCs*, paragraphs 13-23 and annex II of the draft decision (Complementary information on INDCs of Parties), discussions centered on their scope.

Parties discussed the conditionality of INDCs in a paragraph on parties reflecting, in their INDCs, efforts that they are able to make unilaterally. NORWAY, opposed by MEXICO, suggested its deletion, saying the issue was captured elsewhere.

SWITZERLAND, supported by the US, preferred replacing “unilateral” with “unconditional.” SWITZERLAND suggested specifying that parties with less capability may also communicate enhanced efforts contingent on provision of support.

The EU, supported by JAPAN, preferred referring to efforts that parties are able to “undertake,” instead of “make unilaterally.”

Noting potential use of quantitative or qualitative methodologies, BRAZIL preferred “developing countries may also clarify the extent to which enhanced efforts are dependent upon the provision of support.”

Sudan, for the AFRICAN GROUP, supported by CHINA and CHILE, and opposed by the US, preferred restating the extent to which developing countries’ implementation depends on the level of support. CHILE suggested adding reference to “countries most vulnerable to climate change impacts.”

The US emphasized the need for a component of unconditionality in parties’ mitigation contributions. He recognized that the LDCs have specific constraints, but opposed referencing any other group.

Tuvalu, for the LDCs, supported by the EU, suggested reference to Paragraph 11(a) of the draft text (communication of INDCs’ mitigation component).

Delegates engaged in a lengthy discussion on a paragraph on developed countries, starting in 2019, considering annual quantitative contributions of MOI to support ambitious mitigation and adaptation action, particularly in those most vulnerable to climate change. JAPAN proposed deleting the paragraph, opposed by the AFRICAN GROUP and MEXICO, who underscored lack of agreement on the scope of INDCs.

India, for the LMDCs, with Saudi Arabia, for the ARAB GROUP, suggested: replacing “starting in 2019, should consider quantitative considerations of MOI” with “shall provide, by the first quarter of 2015, information under annex II,” and referencing the provision of MOI to developing countries for a timely preparation of their INDCs. The LDCs preferred “shall communicate their INDCs on support.”

The LMDCs proposed adding a paragraph specifying that developed countries shall also provide information on their annual quantitative provision of public financial resources for the post-2020 period to developing countries for the implementation of their post-2020 enhanced actions.

JAPAN, with AUSTRALIA, NEW ZEALAND and CANADA, opposed including specific quantitative financial commitments, with AUSTRALIA suggesting enabling environments, and not quantitative targets, motivate private

sector engagement. BRAZIL noted that including private sector involvement in the new agreement does not ensure climate finance.

The LDCs, with BRAZIL, CHINA, the ARAB GROUP, the AFRICAN GROUP and the LMDCs, emphasized that presentation of INDCs by developing countries is contingent on support.

BRAZIL, supported by Chile, for AILAC, suggested that developed countries “shall,” in their INDCs, communicate their financial support targets, and policies and measures for technology development and transfer and capacity building, taking into account national circumstances.

He also suggested that developing countries be encouraged to communicate “South-South cooperation initiatives related to MOI” in their INDCs on the basis of solidarity, common sustainable development goals and national circumstances.

The EU identified the elements text, rather than the decision on INDCs, as “the right place” to address climate finance.

Emphasizing the need to address a variety of actions by all parties in the 2015 agreement, the EU, SWITZERLAND and the US, opposed language applying only to developed countries.

Noting that the GCF capitalization resulted from the Cancun Agreements, the LDCs, with MALAYSIA, emphasized the need for a process on financial contributions beyond 2020.

On a paragraph regarding communication of INDCs, BOLIVIA called for a framework to define fairness and equity in parties’ efforts that are in line with the global emissions budget.

In the absence of these amendments, BOLIVIA, opposed by the EU and the PHILIPPINES, urged deletion of paragraphs 15-23. The EU noted that INDCs are nationally determined and called for a rules-based approach that is multilaterally determined. Noting the focus on mitigation, TURKEY, supported by BRAZIL, asked for all components, including adaptation and MOI to be included under INDCs.

In the contact group on *issues relating to workstream 2 (pre-2020 ambition)*, paragraphs 24-36 of the revised draft decision text, BRAZIL proposed inserting a new paragraph “recognizing the social and economic value of voluntary emission reduction activities and the need to consider them as units of convertible financial value,” in the context of paragraph 4 of Decision 1/CP.19 (enhancing pre-2020 ambition).

He explained this was intended: to create positive incentives for voluntary and collaborative action; to promote a “new standard of discussion”; to provide the political recognition necessary to develop related financial instruments; and not to relate to work under workstream 1 (the 2015 agreement).

The EU and Colombia, for AILAC, said the suggestion was useful and but should be analyzed later. NEW ZEALAND queried what this recognition would entail. CHINA, for the LMDCs, and the EU noted that the paragraph’s placement could suggest that the focus of workstream 2 is only on voluntary activities.

On a paragraph urging all parties to the Kyoto Protocol to ratify and implement the Doha Amendment, BELARUS suggested “calling upon” parties to consider the “possibility” of ratifying the Amendment and to “clarify all existing ambiguities that might hamper its implementation.” The EU said issues around Protocol Articles 5, 7 and 8 (methodological issues under the Protocol) should first be resolved.

NEW ZEALAND, the US, AUSTRALIA and the EU proposed deleting paragraphs on a “Forum on Accelerated Implementation of Enhanced pre-2020 Climate Action.”

On a paragraph on convening such a forum, to review progress made in the implementation of paragraphs 3 and 4 of Decision 1/CP.19 (implementation of BAP and enhancing pre-2020 ambition), in conjunction with SB 42, SB 44 and SB 46, SOUTH AFRICA preferred SB 43, SB 45 and SB 47. Bangladesh, for the LDCs, opposed holding it in conjunction with the COP. The LMDCs, favored “in conjunction with each session of the ADP in 2015.” BRAZIL said there may not be enough time to deliver “increased” results on pre-2020 ambition.

The LMDCs proposed launching an accelerated implementation “mechanism” and that it provide recommendations to COP 21 on how to further enhance pre-2020 ambition through the ADP.

On enhancing the understanding of the status of implementation of mitigation commitments to accelerate pre-2020 mitigation ambition, the LMDCs suggested text on facilitating: the increase in developed countries’ quantified economy-wide emission reduction targets under the Convention and the Kyoto Protocol to 40% below 1990 by 2020; and the removal of conditionalities associated with such targets.

On a paragraph on accelerating activities under the ADP workplan on enhancing mitigation ambition by undertaking an in-depth technical examination process from 2015-2020, CANADA preferred technical examination from 2015-2017. The LMDCs requested referencing the “workplan on adaptation with the leadership of developed countries.”

The EU proposed adding a reference to limiting the global temperature increase to below 2 or 1.5°C, consistent with IPCC AR5. Nauru, for AOSIS, opposed 2°C.

The AFRICAN GROUP, supported by the LMDCs, proposed that the technical examination process be facilitated by co-facilitators representing Annex I and non-Annex I parties, appointed by the ADP Co-Chairs for 2015-2017. Nauru, for AOSIS, opposed a review of the ADP workplan that would allow for its curtailment in 2017.

The LMDCs and the AFRICAN GROUP, opposed by AOSIS, called for identifying opportunities for actions with high adaptation potential, in addition to mitigation, and, opposed by AUSTRALIA, for text differentiating between mitigation opportunities in developed and developing countries.

BOLIVIA, opposed by AUSTRALIA, proposed adding reference to information sharing on the global emissions budget. SOUTH AFRICA, opposed by AUSTRALIA, suggested developing reporting guidelines for initiatives and actors outside the Convention.

On a paragraph requesting the Secretariat to organize a series of in-session TEMs in 2015-2017, AOSIS, supported by many parties, called for the process to be organized “at least twice a year during the period 2015-2020 in areas with high mitigation potential.” BRAZIL suggested adding “options and instruments” to “areas.”

The LMDCs, opposed by the EU, suggested that a paragraph on identifying policy options differentiate between implementation in developed countries and support to overcome barriers to implementation in developing countries.

On engagement of experts, the AFRICAN GROUP called for reference to observer organizations. The US, supported by NORWAY and CANADA and opposed by Panama, for the CfRN, requested removing a reference to the Warsaw Framework for REDD+, saying it is not a body under the Convention.

SAUDI ARABIA, opposed by the EU, proposed that the TEMs also identify the negative impacts of response measures.

The LMDCs called for emphasizing that TEMs should stay under the ADP. The EU said it did not “imagine” the ADP continuing beyond Paris.

AOSIS proposed an additional paragraph on assessing the implementation of the TEMs and making recommendations on increasing their effectiveness at COP 23. The US called for the TEMs’ review in 2016. The LMDCs preferred 2015.

On a paragraph requesting the Secretariat to update a technical paper on mitigation benefits of actions and develop a synthesis on thematic areas relating to mitigation opportunities, and options for cooperation and accelerated action, BRAZIL suggested referring to “mitigation potential, opportunities, options and instruments.” Colombia, for AILAC, requested that a synthesis be “compiled into a summary and presented at the annual high-level forum.” AOSIS proposed disseminating the summary through a “web-based manual on policy options.”

CMP: Issues Relating to JI: In the morning contact group, parties considered draft decision text paragraph-by-paragraph and exchanged views on, *inter alia*: the synthesis of voluntary technical approaches that could inform discussions under the SBI on review of JI guidelines; evaluation of national regulatory projects and related financial implications for JISC; and collaboration between the CDM Executive Board and the JISC on joint accreditation. Parties agreed to forward the draft decision, as amended, to the CMP for adoption.

Report of the Adaptation Fund Board: A CMP contact group, co-chaired by Suzanty Sitorus (Indonesia) and Ana Fornells de Frutos (Spain), met in the afternoon. Parties considered text consolidated by the Co-Chairs based on parties’ proposals.

Discussions focused on, *inter alia*: urging developed countries that have not completed the process of responding to the initial fundraising target to do so at the earliest opportunity; encouraging Annex I parties to provide funding to reach the target of US\$80 million per year in 2014-2015, and scale up funding from resources additional to the share of proceeds from CDM project activities, first international transfers of assigned amount units and the issuance of emission reduction units; the bidding process for the selection of a permanent trustee for the Adaptation Fund; and who to direct the request for further support for the readiness programme to.

The draft decision has been forwarded to the CMP for adoption.

COP/CMP JOINT STOCKTAKING PLENARY

In the evening, COP 20/CMP 10 President Pulgar-Vidal opened the informal stocktaking plenary.

ADP Co-Chair Runge-Metzger outlined a newly updated version of the text on elements for a draft negotiating text. He said that parties were deeply engaged in line-by-line negotiations on the text, and that the ADP would continue this exercise throughout the evening. He expressed optimism that closing the ADP on Thursday afternoon would be possible.

President Pulgar-Vidal encouraged the ADP to continue and intensify its work ahead of its closing. He also noted progress on unresolved SBI and SBSTA agenda items under his authority.

SBSTA Chair Dlamini noted that parties have reached agreement on unresolved aspects of the Warsaw International Mechanism for Loss and Damage, including the composition of its Executive Committee. He reported that, on Protocol Articles 5, 7 and 8, technical consultations had concluded with provisional agreement on text, and said that consultations continue on national inventory reviews.

SBI Chair Yauvoli reported on response measures, noting good progress on all issues except institutional arrangements and that consultations continue.

Pulgar-Vidal reported on progress under all COP and CMP items, highlighting as the most challenging guidance to the GCF and long-term finance.

The RUSSIAN FEDERATION, BELARUS and UKRAINE objected to the characterization of technical consultations under Protocol Articles 5, 7 and 8 as “practically ready,” stressing that the interests of economies in transition have not been addressed. Pulgar-Vidal said consultations would continue, as appropriate.

TUVALU called for clarification on the work of the ADP, asking for further consideration of the elements text to ensure it is “mature” for negotiations next year. ADP Co-Chair Runge-Metzger clarified that consideration of the elements text would continue.

IN THE CORRIDORS

With the People’s Climate March flooding the streets of Lima on Wednesday, negotiators inside the UN perimeter experienced a different kind of “deluge” as the draft negotiating text kept ballooning to incorporate what one delegate described as “everyone’s pet issues.” Many suggested that INDCs had become the “crunch issue,” with one participant describing them as “an opportunity to take hostages on the train.”

Reflecting lack of trust, which many felt underpinned the differences on the issue of INDCs, one negotiator suggested that “if discussions on climate finance can be moved to a later date, so can discussions on mitigation.” Another high-level delegate saw a solution looming on the horizon. “In Lima,” he said, “we have the task of separating out issues that need to be resolved here from those that can be discussed in 2015.”

The day did not end early for negotiators under pressure to make tangible progress on “slimming down” the draft decision text which, by the evening COP stocktaking plenary, with all alternatives proposed by parties, had swelled to 58 pages. Delegates heading into what was expected to be a late night ADP session remarked: “we have become too used to negotiating at the last minute. Let’s hope we can get enough from the remaining hours to work with ahead of Paris.”