



## LIMA HIGHLIGHTS: MONDAY, 1 DECEMBER 2014

On Monday, 1 December, the opening ceremony of the UN Climate Change Conference was held in Lima, Peru, followed by the opening plenaries of COP 20, CMP 10 and the 41st sessions of the SBI and SBSTA. The COP and CMP adopted their agendas and organization of work, followed by opening statements.

The SBI and SBSTA adopted their agendas and organization of work, and opened all of their agenda items addressing, *inter alia*: adaptation; mitigation; response measures; loss and damage; means of implementation (MOI), including finance, technology transfer and capacity building; market- and non-market-based mechanisms; and reporting by parties. Contact groups and informal consultations convened in the afternoon under SBSTA on a number of issues.

### OPENING CEREMONY

COP 19/CMP 9 President Marcin Korolec highlighted several significant outcomes of COP 19 and lauded early engagement by Peru and France allowing “the trio to make the road to Paris a smooth highway.”

Minister of Environment of Peru Manuel Pulgar-Vidal was elected as the COP 20/CMP 10 President by acclamation. Pulgar-Vidal said COP 20 should increase trust, create space for dialogue between state and non-state actors, and lay ground work for a new climate agreement through a draft text balancing climate action and sustainable development.

Stressing the key role of large cities in combating climate change, Susana Villarán de la Puente, Mayor of Lima, Peru, highlighted the commitment of mayors worldwide to push for a new mobility paradigm, change the energy matrix and invest in green infrastructure.

Pointing to the lines and geoglyphs of Nazca, Peru, UNFCCC Executive Secretary Christiana Figueres encouraged delegates to draw inspiration from these ancient and indelible mythological symbols to “carve crucial lines of action” towards, *inter alia*: drafting a new universal agreement; achieving progress on adaptation; and strengthening the financial capacity of the most vulnerable.

Via recorded video message, President of Peru Ollanta Humala lamented that humanity has “left behind the practice of sustainability” and said now is the time to return to the right path by taking action on climate change.

Presenting the key findings of the Synthesis Report (SYR) of the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC), Rajendra Pachauri, IPCC Chair, stressed that remaining below the 2°C target will require that GHG emissions decline by 40-70% by 2050, relative to 2010 levels, and reach zero or negative levels by 2100.

### COP 20 PLENARY

**ORGANIZATIONAL MATTERS:** Parties agreed to apply the draft rules of procedure (FCCC/CP/1996/2) with the exception of draft rule 42 on voting.

The COP adopted the agenda as proposed, with the agenda item on the second review of the adequacy of Convention Articles 4.2(a) and (b) (developed countries’ mitigation) held in abeyance. The COP also agreed to the organization of work. The COP referred to the SBI the agenda item on non-Annex I parties’ membership to the Consultative Group of Experts on National Communications from non-Annex I Parties (CGE).

COP President Pulgar-Vidal indicated that consultations on the election of officers would be conducted. Parties agreed to the accreditation of observer organizations (FCCC/CP/2014/4).

Pulgar-Vidal announced that 11 December had been designated as Lima Climate Action Day and, emphasizing a party-driven and transparent approach, urged parties to ensure timely closure of the negotiations.

### CMP 10 PLENARY

**ORGANIZATIONAL MATTERS:** Parties adopted the agenda (FCCC/KP/CMP/2014/1) with minor changes.

On the election of replacement officers, CMP 10 President Pulgar-Vidal reported that he would undertake consultations on nominations. Parties also agreed to the organization of work.

### JOINT COP 20/CMP 10 PLENARY

Bolivia, for the G-77/CHINA, called for, *inter alia*: enhanced provision of MOI by developed countries; coordination between the technology and financial mechanisms; and equal treatment of mitigation, adaptation, MOI, and transparency of action and support in the 2015 agreement.

Australia, for the UMBRELLA GROUP, outlined tasks for Lima, including: progressing on the elements for a negotiating text; setting a clear direction for further work in 2015; and providing guidance that will help countries prepare clear and transparent contributions to post-2020 action.

The EU said it expects Lima to make progress toward the adoption of a new global climate agreement in Paris, noting the group’s proposed 40% reduction in GHG emissions by 2030



relative to 1990 levels announced in October. He welcomed the IPCC AR5 SYR and the outcome of the initial capitalization of the Green Climate Fund (GCF), totaling US\$9.7 billion.

Mexico, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), expressed support for achieving a draft of the agreement to be adopted in 2015 and further defining the tasks to be undertaken in 2015. He also emphasized the importance of implementing transparency schemes and assessing the mitigation regime in place, including commitments made under the Kyoto Protocol second commitment period.

Nauru, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), stressed financial issues as central to the success of COP 20, urging greater predictability and clarity on the mobilization by developed countries of US\$100 billion per year by 2020. She further called for: ratification of the Doha Amendment to the Kyoto Protocol; protection of the environmental integrity of existing commitments under the Protocol; and improvement of market-based mechanisms.

Sudan, for the AFRICAN GROUP, emphasized the need for: developed countries to “assure” leadership and ratify the Doha Amendment; a single decision under ADP workstream 1 (2015 agreement); and focused discussions on how to close the finance gap in the long term.

Nicaragua, for the LIKE-MINDED DEVELOPING COUNTRIES (LMDCs), emphasized textual negotiations under the ADP as crucial for narrowing differences and achieving consensus. He highlighted pre-2020 ambition, MOI and response measures as important issues.

Nepal, for the LEAST DEVELOPED COUNTRIES (LDCs), called for the international community to respond to the needs and priorities of LDCs. He described the recent pledges to the GCF as “encouraging, yet insufficient,” and called for further clarity on National Adaptation Plans (NAPs), including their form, and on the mandate and reporting of relevant support bodies.

South Africa, for BRAZIL, SOUTH AFRICA, INDIA and CHINA (BASIC), emphasized, *inter alia*, the need for: a global response to adaptation; a fully functional Warsaw International Mechanism for Loss and Damage; advancement on long-term finance and MOI; and developed countries to increase ambition, honoring their commitments under the Protocol.

Venezuela, for the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA (ALBA), with EL SALVADOR, called for, *inter alia*: textual negotiations on the new agreement; an integrated approach to mitigation and adaptation; MOI; and closing the implementation gap.

Saudi Arabia, for the ARAB GROUP, noted the desire of developing countries to diversify their economies and emphasized developed countries’ historical responsibility.

Underscoring that the Kyoto Protocol continues to be the cornerstone of a rules-based climate change system based on common but differentiated responsibilities (CBDR) and respective capabilities, Pakistan, for the LMDCs, expressed concern over the slow pace of the Doha Amendment ratification. He called for revisiting developed countries’ ambition and closing Annex I parties’ ambition gap before June 2015.

Panama, for COALITION FOR RAINFOREST NATIONS (CfRN), highlighted REDD+ as a fundamental element of the 2015 agreement and called for a REDD+ window in the GCF.

Describing Lima as a decisive moment for the future of the multilateral regime on climate change, Chile, for AILAC, called for transparent, inclusive and productive negotiations, and urged countries to contribute to the GCF.

Belize, for CENTRAL AMERICAN INTEGRATION SYSTEM (SICA), stressed the need for: acting decisively on adaptation and treating mitigation and adaptation equally; addressing loss and damage separately from adaptation; operationalizing the Warsaw Framework for REDD+; and providing clarity on the delivery by developed countries of US\$100 billion per year by 2020.

WOMEN AND GENDER called for including women as a key part of real solutions. YOUTH NGOs (YOUNGOs) asked that leaders “exceed our expectations,” and build a healthy, safe and prosperous world with zero carbon emissions.

Calling for climate action to limit the global temperature rise to 1.5°C, ENVIRONMENTAL NGOs (ENGOs) encouraged discussions to focus on pre-2020 ambition.

INDIGENOUS PEOPLES called for ensuring a human rights-based approach respecting indigenous peoples’ rights in climate change agreements.

LOCAL GOVERNMENT AND MUNICIPAL AUTHORITIES emphasized the need to link the sustainable development goals and climate negotiation tracks to effectively combat climate change.

The TRADE UNION NGOs lamented a widespread lack of ambition from world leaders, and called for supporting workers in the transition process of economic transformation towards a sustainable future.

#### **SBSTA PLENARY**

**ORGANIZATIONAL MATTERS:** SBSTA Chair Emmanuel Dumisani Dlamini (Swaziland) opened the plenary. Parties adopted the agenda and agreed to the organization of work of the session (FCCC/SBSTA/2014/3).

**Election of Officers Other Than the Chair:** SBSTA Chair Dlamini indicated that consultations on the nominations of the SBSTA Vice-Chair and Rapporteur will be conducted by the COP/CMP Presidency.

**NAIROBI WORK PROGRAMME (NWP):** SBSTA Chair Dlamini introduced the item (FCCC/SBSTA/2014/4, INF.15 and MISC.8). Beth Lavender (Canada) and Juan Hoffmaister (Bolivia) will co-facilitate informal consultations on this issue.

The UN Environment Programme (UNEP) highlighted its Adaptation Knowledge Initiative, saying it: prioritizes and catalyzes responses to sub-regional and theme-specific adaptation knowledge needs; is consistent with the mandate of the NWP; and builds on the infrastructure and resources of UNEP’s Global Adaptation Network.

#### **MATTERS RELATING TO SCIENCE AND REVIEW:**

**AR5 of the IPCC:** SBSTA Chair Dlamini will hold informal consultations on this issue. IPCC Secretary Renate Christ provided an update on AR5 and recalled some of its key statements.

**Research and Systematic Observation:** SBSTA Chair Dlamini introduced this item. The World Meteorological Organization provided an overview of the outcomes of the second meeting of the Intergovernmental Board on Climate Services of the Global Framework for Climate Services.

The Global Climate Observing System and the Committee on Earth Observation Satellites provided progress reports on their activities.

#### **METHODOLOGICAL ISSUES UNDER THE**

**CONVENTION: Emissions from Bunker Fuels:** SBSTA Chair Dlamini introduced this item (FCCC/SBSTA/2014/MISC.9). The International Civil Aviation Organization (ICAO) reported on progress on its comprehensive strategy to address CO<sub>2</sub>

emissions from international civil aviation, stressing agreement by governments to collectively improve fuel efficiency by 2% per year and to stabilize the sector's net CO<sub>2</sub> emissions from 2020 onwards.

The International Maritime Organization (IMO) said it has been effectively addressing emissions from ships, noting the approval of the Third IMO GHG Study, which demonstrates steady improvement in shipping efficiency.

SINGAPORE and JAPAN commended the progress made by ICAO and IMO. ARGENTINA, for a group of developing countries, and CHINA said measures taken on climate change under the IMO and ICAO should respect the principles and provisions of the Convention, in particular CBDR.

**OTHER AGENDA ITEMS:** The following agenda items and sub-items were briefly considered and forwarded to contact groups or informal consultations:

- report of the Adaptation Committee;
- joint annual report of the TEC and the CTCN;
- methodological guidance for activities relating to REDD+;
- Warsaw International Mechanism for Loss and Damage;
- all sub-items under response measures;
- methodological issues under the Convention, including the work programme on the revision of guidelines for the review of reporting by developed countries, methodologies for the reporting of financial information by Annex I parties, and common metrics to calculate CO<sub>2</sub> equivalence of GHGs;
- all sub-items under methodological issues under the Kyoto Protocol;
- all sub-items under market and non-market mechanisms under the Convention;
- work programme on clarification of quantified economy-wide emission reduction targets of developed countries; and
- all sub-items under reports on other activities.

**OPENING STATEMENTS:** Bolivia, for the G-77/CHINA, stressed the need to make the Warsaw International Mechanism for Loss and Damage functional and establish a mechanism to address the impacts of response measures. He said that market- and non-market-based approaches must be addressed in a balanced manner.

The EU called for focus on priority areas, including: finalization of methodological issues for timely reporting under the second commitment period of the Kyoto Protocol; elaboration of robust accounting for market- and non-market-based mechanisms; and conclusion of the work programme on clarification of quantified economy-wide emission reduction targets of developed countries.

Australia, for the UMBRELLA GROUP, welcomed consideration of the IPCC AR5 under the Structured Expert Dialogue (SED). He noted the need to continue work on adaptation and consider rules to enhance capabilities for mitigation, including in the land sector.

Sudan, for the AFRICAN GROUP, highlighted IPCC AR5, stressing the need for high mitigation ambition. He emphasized the importance of continuing the mandates of the TEC and CTCN, and called for consistent and adequate financial support.

Belize, for SICA, said the relevance of the NWP could be enhanced if brought under the Adaptation Committee.

Panama, for Cfrn, called for finance to start implementation of REDD+ on the ground.

Nepal, for the LDCs, stressed the need for deep cuts in GHG emissions to avoid irreversible impacts of climate change, mostly suffered by LDCs, and called for prioritization of MOI.

## SBI PLENARY

SBI Chair Amena Yauvoli (Fiji) opened the session, urging parties to focus on finding consensus in an efficient manner.

**ORGANIZATIONAL MATTERS:** Parties adopted the agenda (FCCC/SBI/2014/9) with the item on information in non-Annex I national communications held in abeyance. The SBI also agreed to consider under other matters the item on non-Annex I parties' CGE membership as referred to it by the COP.

Parties agreed to the organization of work as presented.

**Multilateral Assessment Working Group Session Under the International Assessment and Review Process:** Describing SBI 41 as an historic session that will demonstrate that the SBI is at the heart of implementation of the Convention, Chair Yauvoli explained that several developed countries' quantified economy-wide emission limitation and reduction targets will be assessed during this session.

**Election of Officers Other Than the Chair:** Chair Yauvoli indicated that consultations on the nominations of the SBI Vice-Chair and Rapporteur will be conducted by the COP/CMP Presidency.

**OTHER AGENDA ITEMS:** The following agenda items and sub-items were briefly considered and forwarded to contact groups or informal consultations:

- matters related to the LDCs;
- Warsaw International Mechanism for Loss and Damage;
- NAPs;
- all sub-items under development and transfer of technologies;
- some sub-items under reporting from and review of Annex I parties to the Convention;
- some sub-items under reporting from non-Annex I parties;
- work programme to further understanding on the diversity of nationally appropriate mitigation actions (NAMAs);
- some sub-items under matters relating to the mechanisms under the Kyoto Protocol;
- report of the Adaptation Committee;
- all sub-items under matters related to finance;
- capacity building under the Convention and the Kyoto Protocol;
- all sub-items under response measures;
- 2013-2015 Review;
- gender and climate change;
- arrangements for intergovernmental meetings; and
- administrative, financial and institutional matters.

The SBI also took note of: the status of submission and review of sixth national communications and first biennial reports (FCCC/SBI/2014/INF.19); the report on national GHG inventory data from Annex I parties for the period 1990-2012 (FCCC/SBI/2014/20); the annual compilation and accounting report for Annex B parties under the Kyoto Protocol for 2014 (FCCC/KP/CMP/2014/7 and Add.1); the report of the administrator of the international transaction log under the Kyoto Protocol (FCCC/SBI/2014/INF.18); the report on the expert meeting on an information hub (FCCC/SBI/2014/INF.13); and the summary report on the second Dialogue on Convention Article 6 (FCCC/SBI/2014/15). The SBI also requested that the Secretariat establish an information hub on the results of developing countries' mitigation actions in the forest sector.

**OPENING STATEMENTS:** Many parties, including Bolivia, for the G-77/CHINA, Australia, for the UMBRELLA GROUP, Sudan, for the AFRICAN GROUP, and Nauru, for AOSIS, noted the need to finalize procedures of the Warsaw International Mechanism for Loss and Damage.

The G-77/CHINA highlighted, *inter alia*, that compliance with emission limitation or reduction commitments under the first commitment period of the Kyoto Protocol is paramount for building trust under the ADP negotiations. He emphasized the group's proposals to establish a capacity-building committee and a mechanism on response measures. With the AFRICAN GROUP, he lamented lack of concrete activities on MOI from developed countries.

The UMBRELLA GROUP underlined the need to deliver technical work and maintain broader awareness of implementation progress and make progress on institutional mechanisms for mitigation, adaptation and capacity building.

The AFRICAN GROUP called for the establishment of a framework, including a two-year work programme, on gender and climate change that goes beyond participation of women.

The EU stressed the need to improve MRV systems for all parties, taking into account national capacities, and emphasized the use of markets as a key element of the new agreement.

Nepal, for the LDCs, called for full implementation of the LDC work programme and integration of recommendations of the 2013-2015 Review in the ongoing ADP discussions.

The Republic of Korea, for the EIG: attached high priority to the multilateral assessment working group; urged the SED to start discussing detailed review methodologies; and called for discussions on the frequency of COP sessions, including the possibility of biennial COPs after 2015.

Nauru, for AOSIS, called for a permanent seat for AOSIS on the Executive Committee of the Warsaw International Mechanism for Loss and Damage, and cautioned against "negotiation by exhaustion."

Belize, for SICA, emphasized the importance of the CGE work programme and the need for updated training materials on non-Annex I parties' national communications, and called for progress on adaptation with a focus on implementation, noting that adequate and sustainable progress cannot be made without adequate and sustainable funding.

Panama, for Cfrn, highlighted coordination of support for REDD+ activities and REDD+ results-based payments.

Costa Rica, for AILAC, emphasized the need for: accelerating work on, and making funds available for, NAP implementation; ensuring sustainable funds for the Adaptation Fund; strengthening capacity-building institutions and networks; and undertaking a science-based review of the global long-term goal.

Speaking for AOSIS on matters relating to the mechanisms under the Kyoto Protocol, Jamaica stressed the need to generate greater confidence in the CDM, including identifying how net mitigation can be built into the mechanism.

Iran said it has been excluded from enjoying Global Environment Facility (GEF) and CTCN support, and informed it was unable to submit its first biennial update report under the Convention.

Paraguay underscored the importance of strengthening the CDM modalities and procedures, and cooperation activities and frameworks under the Warsaw International Mechanism for Loss and Damage.

Climate Action Network, for ENGOs, called on parties to ensure in Lima that adaptation becomes an integral element of the new agreement. Climate Justice Now!, for ENGOs, called for attention to the Warsaw International Mechanism for Loss and Damage, including related MOI.

INDIGENOUS PEOPLES called for the rights of indigenous peoples to be guaranteed in all mitigation actions.

WOMEN AND GENDER looked forward to strong outcomes on gender-related considerations, and said a new decision on gender and climate change would strengthen gender-responsive climate policy.

YOUNGOs said ambition is only effective if implemented and called for ensuring that countries' commitments under the 2015 agreement include the principle of non-regression.

Business and Industry NGOs said private sector expertise should inform the formulation of INDCs, and called for establishing recognized channels for business engagement and consultation under the Convention.

### CONTACT GROUPS

**SBSTA: Work Programme on the Revision of the Review Guidelines for Developed Country Parties:** This contact group, co-chaired by Riitta Pipatti (Finland) and Samuel Adeoye Adejuwon (Nigeria), met in the afternoon. Parties began paragraph-by-paragraph consideration of the text on UNFCCC Annex I inventory review guidelines prepared by the Secretariat.

**Implications of the Implementation of Decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8:** Co-Chair Anke Herold (Germany) provided an update on the November 2014 technical workshop. Parties addressed issues including tables of conservativeness factors for adjustment.

AUSTRALIA proposed simplifying the conservativeness factor system to a single factor applicable to all adjustments regardless of the source of emissions. NEW ZEALAND noted the large number of technical issues that must still be resolved to provide parties with certainty heading into the second commitment period of the Kyoto Protocol.

**Clarification of the Text in Section G (Article 3.7ter) of the Doha Amendment to the Kyoto Protocol:** Co-Chair Herold introduced the contact group, which continued consideration of this issue from SBSTA 40, taking into account options for elements of a draft decision text (FCCC/SBSTA/2014/L.18), as well as an additional submission by Australia.

### IN THE CORRIDORS

As negotiations opened on Monday morning, delegates immediately found themselves in the hot seat as IPCC Rajendra Pachauri challenged delegates to "come to terms" with the fact that staying below the 2°C target requires zero or negative emissions, relative to 2010 levels, by 2100. The literal heat of the venue prompted one delegate to exclaim "this is just like a greenhouse and this is exactly what's happening to our planet." "Last October, those of us who were at the Convention for Biological Diversity COP in Pyeongchang, South Korea, were subjected to cold temperature extremes; now we're being tried by fire," complained another.

Yet, while many took off their jackets following the COP President's exhortation, one observer lamented that "the generic opening statements did not signal that delegates were ready to roll up their sleeves." Some participants suggested that Lima's success will hinge on the "long overdue fulfillment of promised leadership roles," with others pointing to "positive signals" of emission reduction or limitation targets announced by the EU, the US and China, and the pledges of US\$9.7 billion for the GCF. "The heat is on," said a long-time observer, "we'll see if these signals will restore trust and facilitate progress toward an agreement in Paris over the next two weeks."