



LIMA HIGHLIGHTS: TUESDAY, 9 DECEMBER 2014

In the morning, the opening ceremony of the joint COP/CMP high-level segment took place, and high-level statements were delivered throughout the day. In the afternoon, a ministerial roundtable on climate finance convened. Throughout the day, the ADP contact group on item 3 focused on a draft COP decision on advancing the Durban Platform for Enhanced Action. Informal consultations under the COP and CMP took place throughout the day.

COP/CMP JOINT HIGH-LEVEL SEGMENT

On behalf of President of Peru Ollanta Humala, COP 20/CMP 10 President Manuel Pulgar-Vidal, Minister of Environment, Peru, opened the high-level segment, noting the generation of a positive “Lima spirit” and stressing the need to “raise this spirit to achieve the outcome the world is expecting from us.”

UNFCCC Executive Secretary Christiana Figueres highlighted that “the Inca calendar says this is the season for planting and the science calendar warns us we are running out of time,” stressing “it is for us to plant here in Lima the seeds of a more secure, just and prosperous world for all.”

President of the 69th session of the UN General Assembly Sam Kutesa said “business as usual” is not an option and pointed to “a glimmer of hope” provided by the knowledge that taking action now and transforming to carbon-neutral, climate-resilient economies can reduce adaptation costs tomorrow.

Noting “this is not the time for tinkering but for transformation,” UN Secretary-General Ban Ki-moon emphasized that in order to keep the global temperature rise under 2°C, “all parties must be part of the solution, and all societies must be engaged.” He called on parties to, *inter alia*: deliver a balanced and well-structured draft text as a solid foundation for negotiations in 2015; reach a common understanding on the scope of INDCs; and address climate finance.

The high-level segment then continued with statements from other heads and deputy heads of state and government, ministers, and other heads of delegations. A webcast of the statements is available at: <http://unfccc6.meta-fusion.com/cop20/events>

MINISTERIAL ROUNDTABLE ON CLIMATE FINANCE

COP 20/CMP 10 President Pulgar-Vidal opened the session, encouraging parties to consider, *inter alia*: whether current institutions are working adequately; the level of transparency

and predictability of climate finance; and responsiveness to the needs of developing countries. He urged ministers to launch a concrete roadmap to build a robust climate finance architecture and achieve coherence across institutions.

Alonso Segura, Minister of Finance, Peru, identified factors for consideration, including: improved operational measures to increase access to finance; coherence of reporting to allow comparability; financial management based on the principles of transparency and predictability; participation of the private sector; and scaling up the capacity of existing financial institutions.

Hussein Alfa Nafso, SCF Member, presented key findings and recommendations from the first biennial assessment by the SCF.

Noting that the GCF is “ready to disburse,” Hela Cheikhrouhou, GCF Executive Director, identified recent milestones, such as pledges reaching US\$10 billion.

Naoko Ishii, Chief Executive Officer and Chairperson, GEF, identified climate finance as critical for the global climate agreement and catalyzing actions on the ground. Highlighting the potential to leverage funds, she noted the need to use public resources as effectively as possible.

Co-Facilitators Edna Molewa (South Africa) and Ed Davey (UK) called on parties to discuss how to move towards an articulated vision for climate finance.

Many countries welcomed the initial GCF resource mobilization, with some, including the EU, GERMANY, SPAIN and FINLAND, describing their contributions to various climate-related funds. AUSTRALIA announced her country’s pledge of AUS\$200 million to the GCF over four years.

BELGIUM announced it will contribute €51.6 million to the GCF and called for the GCF to fund transformative activities in LDCs and vulnerable countries.

The EU emphasized that the Convention’s reporting framework provides an important basis for harmonizing reporting regulations.

Saint Lucia, for CARICOM, stressed the needs to clearly define climate finance as funds aimed entirely at addressing climate change and as being new and additional to official development assistance.

Belize, for AOSIS, emphasized the need for common reporting formats and an agreement on a simple set of definitions to assess climate finance trends.

GERMANY noted the Adaptation Fund’s successful on-the-ground impacts. SPAIN emphasized monitoring as an important measure of project outcomes on the ground.



NORWAY called for further clarity on information and reporting systems and the results achieved by climate finance. Noting that all financial actors have to work together, FRANCE called for thinking about how climate and development finance can be combined.

CHINA said it was “imperative” to define in Lima a roadmap to mobilize US\$100 billion per year by 2020. MEXICO suggested finding ways to utilize the GCF for promoting technology transfer.

DENMARK highlighted the role of transparency in aiding learning. INDIA called for greater creativity from developed countries to mobilize innovative sources of finance, such as pension funds.

The NETHERLANDS called for carbon pricing, redirecting investments from “brown to green,” and highlighted activities of the Global Innovation Lab for Climate Finance.

The REPUBLIC OF KOREA urged collaboration between the GCF and SCF, and noted the role of the private sector in mobilizing finance.

The US noted, *inter alia*, activities of the donor coordination group on climate finance and ongoing work to improve access to existing financial flows. Highlighting the adaptation finance gap, MALI called for greater transparency and common methodologies.

FINLAND identified the revenue from the EU-ETS as its source of financial support. EGYPT said climate finance should be related to the global temperature goal, and called for identification of needs, priorities and necessary enabling environments.

GRENADA called for simplified access to climate finance, strong standards and safeguards, and milestones to reach the US\$100 billion goal. ETHIOPIA called for clear communication by developed countries on the amount and sources of their finance commitments.

INDIGENOUS PEOPLES called for, *inter alia*, ensuring direct access to financing for indigenous peoples.

BINGOs and LOCAL GOVERNMENT AND MUNICIPAL AUTHORITIES underlined that improving MRV of financial flows is necessary to reach the level of finance required to address climate change.

LUXEMBOURG emphasized that public finance at the national and local levels has a vital role to play in mobilizing private investment.

BOLIVIA supported introducing a “compound index of country participation,” based on historical responsibilities, ecological footprint, capabilities and state of development.

INDONESIA outlined her country’s “small” contributions to the GCF in the context of South-South cooperation and encouraged other developing countries to make pledges as well.

COLOMBIA emphasized that ensuring linkages between financial institutions under the Convention will be crucial in the new climate agreement. ZAMBIA called not only for pledges but also that they be “honored, timely, transparent and predictable.”

CANADA supported innovative climate finance, and that transparency apply both to donors and recipients.

EL SALVADOR noted the need for greater coordination among all players in the financial architecture of the Paris agreement.

ARGENTINA called for greater predictability of the provision of MOI for developing countries to allow them to adopt a low-carbon pathway.

MONACO supported better identification of developing countries’ needs, as well as evaluation and verification of developing countries’ use of funds.

JAPAN noted the need for developing countries to improve their investment environments.

On institutional linkages, the PHILIPPINES called for harmonization and for integrating a monitoring system with monitoring indicators and feedback mechanisms.

YOUNGOS, also for ENGOs, WOMEN AND GENDER and TUNGOs, called for political assurance that money “will actually flow,” including for loss and damage, but cautioned against funding “dirty and harmful” energy sectors.

CONTACT GROUPS

ADP Item 3: Draft Decision on Advancing the Durban Platform for Enhanced Action: In the morning and afternoon contact group sessions, parties continued discussions on the ‘Draft COP decision proposed by the Co-Chairs.’

On a preambular paragraph on strengthening and scaling up adaptation action, Sudan, for the AFRICAN GROUP, supported by EGYPT, suggested adding references to the elements of Decision 1/CP.17 (establishing the ADP) and vulnerability of developing countries. The PHILIPPINES called for referencing the ability to recover from extreme weather events and to biodiversity conservation. PAKISTAN called for a reference to water security.

SINGAPORE, opposed by Tuvalu, for the LDCs, suggested deleting “scaling-up,” and the EU suggested replacing it with “enhancing.” Many preferred the original formulation. The US, with the REPUBLIC OF KOREA, JAPAN and NEW ZEALAND, suggested a shortened formulation making reference only to the 2015 agreement.

BRAZIL, supported by SINGAPORE and the US, said a reference to sustainable development should remain in the paragraph. BRAZIL and INDIA also said that food security and poverty eradication are important elements that should remain, and, with CHINA, called for specifying that poverty eradication relates to developing countries.

On a preambular paragraph regarding the ultimate objective of the Convention requiring “strengthening the multilateral, rules-based regime” and implementation of existing commitments, the AFRICAN GROUP, supported by PAKISTAN and opposed by the EU, preferred “multilateral, rules-based regime under the Convention.”

CHINA, opposed by AUSTRALIA, proposed a new preambular paragraph noting “the agreed outcome pursuant to the BAP and the Doha Amendment.”

On an operative paragraph welcoming the progress by the ADP on the implementation of all elements of Decision 1/CP.17, SAUDI ARABIA, with others, supported the Co-Chairs’ text. AUSTRALIA, supported by the US, NEW ZEALAND, JAPAN and others, proposed deletion of the reference to the implementation of all elements of Decision 1/CP.17, preferring progress by the ADP “to advance its work.” The US, with AUSTRALIA, the PHILIPPINES, CANADA, the EU and others, opposed by the LDCs, proposed progress made “pursuant to Decision 1/CP.17.”

The AFRICAN GROUP, supported by the LDCs and opposed by CHINA, suggested replacing “elements” with “components.” The LDCs, with TURKEY, preferred “provisions.” The AFRICAN GROUP agreed.

On a paragraph on welcoming the further elaboration of elements for a draft negotiating text in response to previous COP decisions, the LDCs, opposed by the US, AUSTRALIA and the EU, requested referencing Decision 2/CP.19 (Warsaw International Mechanism for Loss and Damage) and, opposed by SAUDI ARABIA and INDIA, further elaboration of elements “as included in annex I” to the decision.

On a paragraph on preparing a negotiating text on the basis of annex I of the draft decision text, CUBA, supported by Malaysia, for the LMDCs, proposed “acknowledging” the work of the ADP and “deciding that the ADP continue its work in 2015 to finish the elaboration of the draft negotiating text.”

AUSTRALIA, supported by SWITZERLAND, JAPAN, NORWAY and NEW ZEALAND, and opposed by the LDCs, suggested replacing “on the basis of” with “by furthering the consideration of” annex I, and, supported by the LDCs and opposed by the LMDCs and BRAZIL, including reference to the ADP preparing “any related decisions.” SWITZERLAND and NORWAY proposed adding “without prejudice to” the “structure” or “content” of the final outcome. The AFRICAN GROUP suggested “drawing on” annex I and “submissions received from parties.”

On a paragraph on preparation of a negotiating text by May 2015, the EU, supported by SWITZERLAND and the MARSHALL ISLANDS, and opposed by the LMDCs and CANADA, supported maintaining a reference to Article 17 of the Convention (protocols). The LDCs, proposed “noting, as appropriate, the requirements of Article 17.” The LMDCs suggested that focusing on Article 17 could “align us with a position we should not take at this stage,” and, with the US, proposed “noting any relevant timing requirements.”

CANADA, supported by the US, preferred deciding that the ADP “should aim to” prepare a negotiating text instead of “shall.” This was opposed by the LDCs who cautioned against “slippage in timing.”

The RUSSIAN FEDERATION, supported by BELARUS, called for adding a reference to translation of the text into all official UNFCCC languages.

Relating to a paragraph on the scope of the 2015 agreement, the LDCs, supported by Nauru, for AOSIS, stressed loss and damage as a fundamental element of the 2015 agreement. The US, supported by JAPAN, called for excluding reference to loss and damage, saying this was not an aspect referred to in Decision 1/CP.17. The LMDCs called for adding references to addressing “in a balanced manner, with full legal parity” all elements of paragraph 5 of Decision 1/CP.17.

On a paragraph on the ADP producing the text of the 2015 agreement, and elaborating any related decisions, for adoption by COP 21 and identifying the need for additional decisions at subsequent COP sessions, the EU welcomed the Co-Chairs’ text. The LMDCs opposed reference to any COP decisions. SOUTH AFRICA emphasized the need for the ADP to complete its mandate “as early as possible” and opposed elaborating decisions for adoption by COP 21.

On INDCs, the US, supported by the MARSHALL ISLANDS and opposed by the LDCs, proposed a new paragraph inviting parties to communicate their INDCs well in advance of COP 21, and those willing to do so by the first quarter of 2015. BRAZIL, with SOUTH AFRICA, said the addition of this paragraph was contingent on deletion of a paragraph inviting parties that are not ready to communicate their INDCs by the first quarter of 2015 to do so by 31 May 2015 or as soon as possible thereafter.

On that paragraph, parties engaged in a lengthy debate on the timeframe for communicating INDCs.

SINGAPORE, with BRAZIL, CHINA, EGYPT and many others, opposed by SWITZERLAND, the LDCs, CANADA, the US and others, requested deletion of “by 31 May 2015.” SWITZERLAND preferred “well before COP 21,” with TURKEY agreeing to “before” COP 21. The AFRICAN GROUP, with China, for the LMDCs, and others, opposed by the EU and others, favored “by the first quarter of 2015 and endeavor to do so as soon as possible thereafter.”

On a paragraph acknowledging the support being provided to developing countries for the preparation of INDCs, and the need for such support to be further enhanced, the AFRICAN GROUP, opposed by the US, preferred “some developing countries.” The US proposed “continuing need.” The LDCs noted that some developing countries have not received any support and requested deleting “to be further enhanced.”

The LMDCs, supported by MALAYSIA, proposed stressing the need for developed countries, the operating entities of the financial mechanism and any other organizations in a position to do so, to provide enhanced support.

On a paragraph on communication of the mitigation component of INDCs, NORWAY suggested: adding reference to unconditionality of efforts by all, while maintaining a reference to enhanced efforts by developing countries made possible with provision of support; and recognizing the special circumstances of LDCs and SIDS, with the latter proposal supported by the LDCs, with some amendments. SAUDI ARABIA suggested bracketing “a quantifiable mitigation component” and, with TURKEY, opposed reference to “evolving” national circumstances. The RUSSIAN FEDERATION requested clarification of the meaning of “actions” and “commitments.” The EU insisted on “commitments” only.

No agreement could be reached, with parties suggesting numerous alternative options. The contact group continued into the evening.

IN THE CORRIDORS

The arrival of ministers for the high-level segment, marking the beginning of the shift to a more “political” negotiating mode, characterized the eighth day of COP 20. As is often the case, the high-level engagement was met with both perceptible excitement and apathy. While some made bold, emotionally-charged statements, others retreated to familiar red lines and oft-heard positions. Still, some hoped that the presence of ministers could help finally bridge the “substantial gaps” remaining in several areas, and build badly needed “trust and reassurances,” under the ADP.

Many delegates felt the need for greater and sustained political engagement was becoming palpable. A veteran negotiator declared a meeting to be convened by the President of the UN General Assembly on 29 June 2015 “a great idea” and seemed unperturbed about adding yet another meeting to the dense climate agenda for 2015. Concerns over “overloading” negotiators were mirrored in the ADP contact group where a procedural decision to work on the basis of “alternative” paragraphs instead of brackets made one delegate exclaim: “my eyes are hurting already from keeping up with all this new text, and I am not sure we have agreed on a single paragraph yet.”

As nominations for bodies under the Convention and the Kyoto Protocol started to filter in, some delegates remarked that it was good to have a breath of “fresh air.” Others welcomed the arrival of process veterans, hoping they can provide time-trusted guidance and a change of pace. In the last week of the Lima COP, it is all hands on deck, with input needed from ministers and from current and new co-chairs alike.