



SUBSIDIARY BODY FOR IMPLEMENTATION

Eighteenth session

Bonn, 4–13 June 2003

Agenda item 4 (a)

**FINANCIAL MATTERS RELATING TO PARTIES NOT INCLUDED IN
ANNEX I TO THE CONVENTION**

FINANCIAL MECHANISM: THE SPECIAL CLIMATE CHANGE FUND

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Implementation (SBI), at its eighteenth session, took note of the summary and analysis of views from Parties on the activities, programmes and measures to be funded under the Special Climate Change Fund (SCCF) prepared by the secretariat (FCCC/SBI/2003/INF.3), based on nine submissions (FCCC/SBI/2003/MISC.1) and a submission by the Least Developed Countries Expert Group (FCCC/SBI/2003/INF.12). It also noted the submissions received from the Expert Group on Technology Transfer and from a group of Parties, as contained in documents FCCC/SBI/2003/INF.12/Add.1 and FCCC/SBI/2003/MISC.1/Add.1, respectively.
2. The SBI noted that, based on the analysis of views submitted by Parties, there is convergence of opinion that activities to be funded should be country-driven, cost-effective and integrated into national sustainable development and poverty reduction strategies.
3. The SBI noted that the SCCF should be used to finance activities, programmes and measures relating to climate change that are complementary to those funded by the resources allocated to the Least Developed Countries (LDC) Fund and to the climate change focal area of the Global Environment Facility (GEF) Trust Fund. The SCCF should serve as a catalyst to leverage additional resources from bilateral and other multilateral sources.
4. The SBI took note of the information provided by the GEF at this session on its arrangements for the SCCF and its experience with the mobilization of resources for the LDC Fund. It also noted that the lessons learned by the GEF, as an operating entity of the financial mechanism of the Convention, should be used in the process of mobilizing resources for the SCCF.
5. The SBI noted that Parties identified adaptation activities to address the adverse impacts of climate change as a top priority for funding. It further noted that technology transfer and its associated capacity-building activities were also essential.

6. The SBI decided to consider, at its nineteenth session, further guidance to the GEF, for the operation of the SCCF, and to recommend a draft decision, in accordance with paragraph 2 (b) of decision 7/CP.8, for adoption by the Conference of the Parties at its ninth session. In preparing this guidance, due consideration should be given to ensuring consistency with other guidance provided to the GEF with respect to the operation of the other funds with which it is entrusted.

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