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SUBSIDIARY BODY FOR IMPLEMENTATION

Twenty-first session

Buenos Aires, 6–14 December 2004

Agenda item 8 (b)

Implementation of Article 4, paragraphs 8 and 9, of the Convention

Matters relating to the least developed countries

Matters relating to the least developed countries

Draft conclusions proposed by the Chair

Addendum

Recommendation of the Subsidiary Body for Implementation

The Subsidiary Body for Implementation, at its twenty-first session, decided to recommend the following draft decision for adoption by the Conference of the Parties at its tenth session:

Draft decision -/CP.10

Further guidance for the operation of the Least Developed Countries Fund

[The Conference of the Parties,

Recalling Article 4.9 of the Convention,

Reaffirming decision 27/CP.7, paragraph 1 (b) and (c),

Recalling its decisions 5/CP.7, 27/CP.7, 28/CP.7, 8/CP.8 and 6/CP.9,

Recognizing the urgent and immediate needs of the least developed countries with respect to their vulnerability and adaptation to the adverse effects of climate change, and the importance of implementing the national adaptation programmes of action immediately upon the completion of their preparation,

Having taken note of the report of the Global Environment Facility to the Conference of the Parties,

Noting with appreciation the efforts of the Global Environment Facility to operationalize the implementation phase of national adaptation programmes of action,

Noting with appreciation the progress made so far in the preparation of national adaptation programmes of action,

Welcoming financial and technical assistance to support least developed country Parties to integrate climate change issues into their development processes under Article 4.1 (f) of the Convention,

Noting the distinction of the administration and activities of the Trust Fund of the Global Environment Facility and the Least Developed Countries Fund,

1. *Requests* the Global Environment Facility to undertake consultations with least developed country Parties as well as the Least Developed Countries Expert Group in a cost-effective manner, before the twenty-second session of the Subsidiary Body for Implementation (May 2005), including representatives from the implementing and executing agencies of the Global Environment Facility, and to take into account their views and concerns on the formulation of modalities for implementing decision 6/CP.9 [and decision x/CP.10];

2.

Option 1:

Requests the Global Environment Facility to ensure that disbursement of funds for the implementation of national adaptation programmes of action is made expeditiously, in line with the provisions for the full-cost funding for the implementation of national adaptation programmes of action project activities and to include information on progress on this decision in its report to the Conference of the Parties at its eleventh session (November 2005);

Option 2:

Requests the Global Environment Facility to ensure that disbursement of funds for national adaptation programmes of action implementation is made expeditiously, in line with new provisions to be developed for the full-cost funding for the implementation of national adaptation programmes of action project activities, and to include information on progress on this decision in its report to the Conference of the Parties at its eleventh session;

3.

Option 1:

Decides that the Least Developed Countries Fund should:

- (a) [Serve as a catalyst to leverage additional resources [, including those from existing plans and programmes]]
- (b) [Provide full-cost funding to cover the integration of climate factors into development activities and national development plans and priorities]
- (c) Be cost-effective and complementary to the other funding sources

- (d) Support activities [that are country driven [and build upon existing plans and programmes]];

Option 2:

Decides that further discussions on defining the criteria for supporting activities on an agreed full-cost basis will take place at the twenty-third session of the Subsidiary Body for Implementation (November 2005).

4. *Requests* the Global Environment Facility, including its implementing and executing agencies, to ensure, to the extent possible, that all capacity-building activities funded by the Least Developed Countries Fund for least developed countries are developed in close collaboration with the least developed country Parties;
5. *Decides* that, taking into consideration the unique circumstances of the least developed countries, the operation of the Least Developed Countries Fund shall not set a precedent for other funding arrangements under the Convention;
6. *Invites* Parties included in Annex II to the Convention to continue contributing to the Least Developed Countries Fund for the implementation of national adaptation programmes of action;
7. [*Decides* that the Least Developed Countries Fund shall start funding all the elements of the least developed countries work programme, with the implementation of the priority areas identified in national adaptation programmes of action as the top priority;]
8. *Requests* the Global Environment Facility to include in its report to the Conference of the Parties at its eleventh session the steps it has taken to implement this decision;
9. *Decides* to assess progress in the implementation of this decision and to consider the adoption of further guidance at its eleventh session.]

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