

Decision 27/CP.7

Guidance to an entity entrusted with the operation of the financial mechanism of the Convention, for the operation of the least developed countries fund

The Conference of the Parties,

Recognizing the specific needs and special situations of the least developed countries referred to in Article 4, paragraph 9, of the Convention,

Recalling its decision 5/CP.6 containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

1. *Decides* to adopt the following initial guidance to an entity entrusted with the operation of the financial mechanism of the Convention, for the operation of the Least Developed Countries Fund (LDC Fund), established under decisions 5/CP.7 and 7/CP.7, to support the work programme for the least developed countries, including, *inter alia*, the preparation and implementation of national adaptation programmes of action (NAPAs) referred to in paragraph 11 of decision 5/CP.7. The operating entity is requested:

(a) As a first step, to provide funding from the LDC Fund to meet the agreed full cost of preparing the NAPAs, given that the preparation of NAPAs will help to build capacity for the preparation of national communications under Article 12, paragraph 1, of the Convention;

(b) To ensure complementarity of funding between the LDC Fund and other funds with which the operating entity is entrusted;

(c) To ensure separation of the LDC Fund from other funds with which the operating entity is entrusted;

(d) To adopt simplified procedures and arrange for expedited access to the Fund by the least developed countries, while ensuring sound financial management;

(e) To ensure transparency in all steps relating to the operation of the Fund;

(f) To encourage the use of national and, where appropriate, regional experts;

(g) To adopt streamlined procedures for the operation of the Fund;

2. *Requests* the entity referred to in paragraph 1 above to include in its report to the Conference of the Parties the specific steps it has undertaken to implement the provisions of this decision;

3. *Decides* to consider and adopt further guidance to the entity referred to in paragraph 1 above, on the operation of the LDC Fund, at its eighth session.

*8th plenary meeting
10 November 2001*