



Global Environment Facility

GEF/C.24/Inf.8/Rev.1
November 15, 2004

GEF Council
November 17-19, 2004

STATUS REPORT ON THE LEAST DEVELOPED COUNTRIES FUND FOR CLIMATE CHANGE

1. At its meeting in May 2004, the Council took note of the resource mobilization for, and operations under, the Least Developed Countries Fund for Climate Change (LDC Fund) established by the GEF in accordance with the decisions of the United Nations Framework Convention on Climate Change (UNFCCC). The Council requested the GEF Secretariat to keep it and the Conference of the Parties informed of progress made in regard to the LDC Fund.

2. This paper reports on the current status of the LDC Fund and approved operations. The LDC Fund is kept separate from the GEF Trust Fund both for purposes of operations and charging administrative costs incurred in connection with managing the fund.

Trustee Report as of November 8, 2004¹

3. As of November 8, 2004, eleven donors (Canada, Denmark, Finland, France, Germany, Ireland, Italy, Norway, Spain, Sweden, and Switzerland) have contributed to the LDC Fund. Total receipts to the LDC Fund amount to USDeq. 32.5 million, which is comprised of cash payments amounting to USDeq. 16.7 million, USDeq. 15.4 million in the form of a promissory note, and investment income of USDeq. 0.4 million. Details of the pledges are found in Annex I: Status of Pledges.

4. Since the last report to the Council in May 2004, the Trustee has received an additional contribution of EUR 90,150 (converted to USD 109,587) from Spain and has finalized the administration agreement with the Netherlands for the amount of US\$ 2.1million.

5. To date, the Council has approved LDC Fund allocations in the amount of US\$11.0 million for projects, fees and administrative budgets.

6. Consequently, net funds available for allocation by the Council for the LDC Fund total are US\$ 21.5 million (See Annex II: Statement of Funding Status).

Preparation of NAPAs

7. In accordance with decision 27/CP.7 of the seventh session of the Conference of the Parties to the UNFCCC, the LDC Fund, “as a first step, [is providing] funding 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.”² As of November 8, 2004, projects for the preparation of National Adaptation Programs of Action (NAPAs) in 43 countries have been approved (list of NAPAs projects attached in Annex III). The total approved resources for 43 national NAPAs and two global support projects is US\$ 9,415, 219.³

8. Among the 48 Least Developed Countries (LDC) Parties to the UNFCCC, five (Angola, Equatorial Guinea, Myanmar, Nepal, and Solomon Islands) are currently not receiving financing for the preparation of NAPAs. Solomon Islands is currently working with UNDP and a project

¹ Unless otherwise noted, all currency valuations are based on exchange rates as of November 8, 2004

² Decision 27/CP.7, paragraph 1(a).

³ The number does not include 11% fees for the Implementing Agencies.

proposal is expected to be submitted to the GEF Secretariat in November. UNEP has developed project proposals with Angola and Equatorial Guinea, and the proposals are expected to be submitted to the GEF Secretariat in November/December. UNEP is also working with Myanmar and Nepal to prepare their project proposals.

9. Most of the approved projects foresee the completion of the NAPA within a period of 12 to 18 months. It is expected that the first NAPAs will be completed in the first three months in 2005⁴. The expected date for the finalization of NAPAs for most countries falls in the second half of 2005.

10. Decision 6/CP.9 calls upon the LDC Fund to support the implementation of NAPAs as soon as possible after their completion. Taking into account the elements highlighted in the decision, a proposal on the process to be followed in funding the implementation of NAPAs has been made available to the Council (*Elements to be taken into Consideration in Implementing NAPAs under LDC Fund*, GEF/C.24/Inf.7).

⁴ UNDP's rough estimation of completion date is early 2005 for the following countries: Bangladesh, Cambodia, Eritrea, Ethiopia, Malawi, Mozambique, Samoa, Sudan, Tuvalu and Yemen.

LEAST DEVELOPED COUNTRIES FUND FOR CLIMATE CHANGE

Status of Pledges

as of November 8, 2004

Donor	Date of Original Contribution Agreement	Currency	Contributions Pledged in Currency	Contributions Paid			Outstanding Pledges in Currency
				Contributions Paid in Promissory Note	Contributions Paid in Cash		
					In Currency	In USD	
Canada	04-Dec-02	CAD	10,000,000		10,000,000	6,518,366	-
Denmark	22-Aug-03	DKK	10,400,000		10,400,000	1,646,873	-
Finland	20-Jan-03	EUR	500,000		500,000	552,850	-
Ireland	22-Jan-03	EUR	634,869		634,869	647,894	-
Italy	25-Jul-03	USD	1,000,000		1,000,000	1,000,000	-
Norway	02-Dec-02	NOK	4,000,000		4,000,000	579,248	-
Spain	06-Nov-02	EUR	240,300		240,300	281,498	-
Sweden	06-Dec-02	SEK	3,000,000		3,000,000	338,276	-
Switzerland	17-Nov-03	CHF	400,000		400,000	317,889	-
France	27-Jun-03	EUR	850,000		850,000	1,069,130	-
Germany	21-Nov-03	EUR	15,000,000	12,000,000	3,000,000	3,700,500	-
Netherlands	16-Aug-04	USD	2,100,000	-	-	-	2,100,000

Total donor contributions paid in USDeq.	15,421,786 <i>c/</i>	16,652,524
--	-----------------------------	-------------------

Total outstanding pledges in USDeq.	2,100,000
-------------------------------------	------------------

a/ Germany has paid their contribution in the form of a promissory note. The first encashment of EUR 3,000,000 has been paid. The remaining balance of EUR 12,000,000 will be encashed in 4 equal annual installments from 2004 to 2007.

The installments will be paid by December 31 each year, except that the last installment will be paid by December 30, 2007.

b/ Netherlands have pledged an amount of USD 2,100,000 to the LDC Fund. The contribution will be paid in three annual installments. The first installment of US\$100,000 will be paid by December 31, 2004 and the remaining installments in the amount of US\$1,000,000 each will be paid by December 31 of each subsequent year.

c/ Valued on the basis of November 8, 2004 exchange rates.

LEAST DEVELOPED COUNTRIES FOR CLIMATE CHANGE
Statement of Funding Status

As of November 8, 2004

	<u>Amount in US\$</u>
1. Amount received by the LDC Fund	32,074,310
<i>Cash contribution received</i>	16,652,524
<i>Promisory notes received</i>	15,421,786 <i>a/</i>
2. Investment Income Earned	397,097
3. Funds available for Allocation by the Council (1+2)	<u>32,471,407</u>
4. Cummulative Allocations made by the Council	10,974,588
<i>Allocations made for projects</i>	9,415,219
<i>Allocations made for I.A fees</i>	1,026,191
<i>Net Allocations made for administrative budgets</i>	533,178 <i>b/</i>
5. Net Funds available for Allocation by the Council (3 - 4)	<u><u>21,496,819</u></u> <i>c/</i>

a/ Represents the USDeq of the value of the Germany's promissory note of EUR 12,000,000. Valued on the basis of November 8, 2004 exchange rates.

b/ Net of underspent administration budget from the GEFSEC for fiscal years 2003 and 2004.

c/ Net Funds available for allocation by the Council do not include the pledge outstanding from the Netherlands as shown in Annex I.

Financing for the Preparation of NAPAs Approved by the GEF

As of November 8, 2004

	Country	Implementing Agency	Amount Approved	Date of CEO Approval
1	Afghanistan	UNEP	200,000	5/14/2004
2	Bangladesh	UNDP	200,000	4/17/2003
3	Benin	UNDP	200,000	3/5/2004
4	Bhutan	UNDP	199,000	10/14/2003
5	Burkina Faso	UNDP	200,000	7/17/2003
6	Burundi	UNDP	200,000	5/14/2004
7	Cambodia	UNDP	199,500	12/17/2002
8	Cape Verde	UNDP	200,000	10/10/2003
9	Central African Republic	UNEP	200,000	1/23/2004
10	Chad	UNDP	200,000	4/5/2004
11	Comoros	UNEP	200,000	6/27/2003
12	Congo DR	UNDP	200,000	12/11/2003
13	Djibouti	UNEP	200,000	8/11/2003
14	Eritrea	UNDP	200,000	12/18/2002
15	Ethiopia	UNDP	200,000	4/7/2003
16	Gambia	UNEP	198,100	7/25/2003
17	Guinea	UNDP	200,000	11/3/2003
18	Guinea-Bissau	UNDP	200,000	5/14/2004
19	Haiti	UNEP	198,665	1/27/2003
20	Kiribati	UNDP	200,000	10/27/2003
21	Lao PDR	UNDP	200,000	7/30/2003
22	Lesotho	UNEP	190,000	2/19/2003
23	Liberia	UNEP	200,000	12/22/2003
24	Madagascar	World Bank	200,000	5/14/2004
25	Malawi	UNDP	200,000	3/21/2003
26	Maldives	UNDP	200,000	10/22/2003
27	Mali	UNDP	200,000	12/11/2003
28	Mauritania	UNEP	198,000	1/23/2003
29	Mozambique	UNDP	200,000	4/23/2003
30	Niger	UNDP	200,000	3/31/2004
31	Rwanda	UNEP	195,000	6/9/2004
32	Samoa	UNDP	200,000	12/17/2002
33	Sao Tome and Principe	World Bank	200,000	3/29/2004
34	Senegal	UNEP	195,000	10/22/2003
35	Sierra Leone	UNDP	200,000	4/12/2004
36	Sudan	UNDP	200,000	4/17/2003
37	Tanzania	UNEP	200,000	3/21/2003
38	Togo	UNDP	200,000	3/18/2004
39	Tuvalu	UNDP	200,000	2/12/2003
40	Uganda	UNEP	199,790	7/15/2003
41	Vanuatu	UNDP	200,000	4/7/2003
42	Yemen	UNDP	200,000	1/16/2003
43	Zambia	UNDP	197,500	12/5/2003

44	Global	UNDP	633,538	4/16/2003
45	Global	UNDP	211,126	9/2/2003
	Total		9,415,219	
LDC Country Parties that have not yet received financing for the preparation of a NAPA				
	Country	Implementing Agencies	Suggested Amount	Preparation Status
1	Angola	UNEP		Under preparation
2	Equatorial Guinea	UNEP		Under preparation
3	Myanmar	UNEP		Under preparation
4	Nepal	UNEP		Under preparation
5	Solomon Islands	UNDP		Under preparation