

September 30, 2015

Approval by mail: Endorsement of FIP Concept Proposals - Brazil and Ghana

Dear FIP Sub-Committee members,

As you may recall, at the last FIP Sub-Committee meeting which took place on May 15th 2015, the Sub-Committee expressed interest in potentially pursuing the following new concept notes as part of the investment plans by existing FIP pilot countries:

1. Lao PDR: Scaling Up Sustainable Forest Management Project (IBRD);
2. Brazil: Integrated Landscape Management in the Cerrado Biome (IBRD);
3. Brazil: Ecological Restoration Financing in the Cerrado Biome (IDB); and
4. Ghana: Reducing Degradation and Deforestation due to Mining in Forest Landscapes (IBRD).

In this context the FIP Sub-Committee invited members to submit written comments on these project concept notes to the CIF Administrative Unit by May 29, 2015.

The FIP Sub-Committee members were also invited to submit written comments on the following two concept notes by May 29, 2015:

1. Burkina Faso: Sustainable Management of the Fuelwood Sector (AfDB); and
2. DRC: Support Project for the Development of Agroforestry in Four Provinces (AfDB).

Based on the feedback received, the pilot countries were invited to provide additional information by June 12, 2015, responding to the comments received, those made at the meeting and those in the expert group report. It was decided that the Sub-Committee would then reconsider the concept notes no later than June 30, 2015, taking into consideration the resource availability in the FIP.

The CIF Administrative Unit has received additional information regarding the concept notes from Ghana, Brazil, Burkina Faso and DRC. Accordingly, please find attached additional information received regarding the concept note for the projects for your reconsideration for endorsement:

- *Lao PDR: Scaling Up Sustainable Forest Management Project (IBRD).*
- *Brazil: Integrated Landscape Management in the Cerrado Biome (IBRD).*
- *Ghana: Reducing Degradation and Deforestation due to Mining in Forest Landscapes (IBRD).*
- *Burkina Faso: Sustainable Management of the Fuelwood Sector (AfDB).*
- *DRC: Support Project for the Development of Agroforestry in Four Provinces (AfDB).*

Please note that the proposal for the project *Brazil: Ecological Restoration Financing in the Cerrado Biome (IDB)* has been withdrawn.

Pursuant to the decision from May 15, 2015, the CIF Administrative Unit provided an update, as of March 31, 2015, on the resource availability in the FIP on June 16, 2015. Based on the current availability of funds and projected demand for resources, it is noted that the FIP is currently over-programmed and the proposed decision (below) will increase the level of over-programming in the FIP and sufficient grant resources may not be available at the project approval stage.

Given the situation above and progress in the implementation of endorsed Investment Plans in these pilot countries, the FIP Sub-Committee is requested to consider:

- a) The decision to endorse the concept proposals from Brazil and Ghana, with the total requested amount to be endorsed being USD 35.0 million for grant financing; and
- b) The decision to defer the consideration of the concept proposals from Laos PDR, Burkina Faso and DRC until additional funds become available.

The FIP Sub-Committee is requested to approve the following decision:

The FIP Sub-Committee endorses the following concept proposals:

- 1) ***Brazil: Integrated Landscape Management in the Cerrado Biome (IBRD)*** to be further developed for the FIP funding approval and takes note of the request for a total of USD 25.0 million in grant financing.
- 2) ***Ghana: Reducing Degradation and Deforestation due to Mining in Forest Landscapes (IBRD)*** to be further developed for FIP funding approval and takes note of the request for a total of USD 10.0 million in grant financing.

Based on the concept proposals endorsed (above), the FIP Sub-Committee invites Brazil and Ghana to submit fully-developed project proposals, in collaboration with MDBs, for FIP funding approval, taking account of the FIP Sub-Committee November 2014 decision that approval will be given once existing unallocated FIP resources as well as previously pledged resources become available.

If we do not receive an objection to the proposed decision by close of business on **October 14, 2015**, the decision will be approved.

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