

January 27, 2012

Approval by mail for the Supplemental Document to Lao PDR's Investment Plan under the Forest Investment Program

Dear FIP Sub-Committee members:

We are writing with regard to the proposed decision on the supplemental document to the *Lao PDR Investment Plan*, which has been prepared by the Government of Lao PDR in response to the decision of the FIP Sub-Committee and circulated for approval by mail on December 20, 2011.

The extended time period provided for submission of comments and any objection to the decision has now expired.

No objections were received.

We are, therefore, pleased to inform you that the following decision is approved:

The FIP Sub-Committee takes note of the supplemental document submitted by the Government of Lao PDR dated December 15, 2011, and

a) welcomes the additional information that was prepared in response to the request by the FIP Sub-Committee adopted at its meeting on October 31, 2011 and endorses the investment plan of Lao PDR and agrees to the further development of activities foreseen in the plan and supplemental documents;

b) agrees that in addition to the project, “*Scaling-Up Participatory Sustainable Forest Management*,” the Government of Lao PDR may proceed to prepare the following projects to be financed by the FIP:

- (i) “*Protecting Forests for Ecosystem Services*” (ADB); and**
- (ii) “*Smallholder Forestry Project*” (IFC);**

c) approves:

- (i) USD 500,000 as a preparation grant for the project “*Protecting Forests for Ecosystem Services*” (ADB); and**
- (ii) USD 300,000 as a preparation grant for the project “*Smallholder Forestry Project*” (IFC);**

d) takes note of the estimated budget for MDB project preparation and supervision services for the project “*Protecting Forests for Ecosystem Services*” to be implemented by the ADB and approves USD 245,000 as a first tranche of funding for such project preparation and supervision services.

Please note that Sub-Committee Members' comments and MDB responses are posted on the CIF website at :<http://www.climateinvestmentfunds.org/cifnet/?q=country-program-info/lao-pdrs-fip-programming>

Sincerely

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