

Approved at FIP SC meeting October 31, 2011

### **Endorsement in principle of FIP Investment Plan for Lao PDR**

The FIP Sub-Committee, having reviewed the *Investment Plan for Lao PDR*, (document FIP/SC.7/4),

a) welcomes the proposed investment plan and the presentation by the representative from Lao PDR, reaffirms its recognition of the unique contribution that can be made to the FIP, and reconfirms its allocation of up to USD 20-30 million in grant resources to support the investment plan for Lao PDR;

b) endorses the investment plan in principle, whilst recognizing the further work requested in the paragraphs below;

c) invites the Government of Lao PDR and the World Bank to proceed in preparing the project, *Scaling-up Participatory Sustainable Forest Management (Scaling-up PSFM)*;

d) requests the government to enhance the investment plan by submitting a supplemental document by mail by December 16, 2011 elaborating on:

- (i) how the 70% national forest cover target fits in with the country development strategy with respect to other sectors such as commercial agriculture, mining and hydro power;
- (ii) steps to be taken to improve the sustainability of the gains achieved in the proposed projects against pressure for deforestation from drivers mentioned above; and
- (iii) concepts for projects 1 and 2 taking into account the questions raised by the independent review and all written comments submitted by Sub-Committee members by November 15, 2011,

e) approves USD 500,000 in FIP funding for the project “*Scaling-up Participatory Sustainable Forest Management (Scaling-up PSFM)*” (World Bank) as a preparation grant;

f) takes note of the estimated budget for MDB project preparation and supervision services for the project “*Scaling-up Participatory Sustainable Forest Management (Scaling-up PSFM)*” and approves USD 245,000 as a first tranche of funding for such project preparation and supervision services.