

February 24, 2014

**Comments from the United States—Approval by mail: Democratic Republic of the Congo (DRC) Improved Forested Landscape Management Project (FIP) IBRD**

Dear Patricia,

Thank you for the opportunity to review this project proposal. Overall, we found the project document well-written and easy to follow; the general nature and purpose of the activities to be supported under the project are clear.

Before moving forward to approve this project proposal, we have some questions on the ways FIP financing will be used to support the activities under components 1, 2, and 3.

1. We would appreciate more information on how financial support will be provided to villages or private sector participants under components 1, 2, and 3. How will such financing be delivered, and what form will it take (payments for performance, concessional loans, grants, etc)? Who will make decisions on the provision and terms of such financing? Will the activities that receive support be sustainable after FIP financing exits? With respect to financing for private sector participants, we would appreciate more information on what types of entities might receive support, what the terms of the support might be, what barriers this will overcome, why concessional financing is needed, and how the principles for using FIP funds in private sector investments set out in the FIP Investment Criteria and Financing Modalities, paragraphs 73-77, will be met.

2. The potential link of the IFLM project with the FCPF carbon fund provides an interesting opportunity for learning. We also appreciate that this project proposal builds on and makes connections with other REDD+ processes and programs. We would appreciate more information on how the IFLM may link with an ER Program under the FCPF carbon fund. In particular, we would like to know whether activities that are funded by the FIP may also potentially be included in results-based payments under the FCPF carbon fund. While we understand the issue is complicated, we would like to flag the need for further discussion in the FIP about this possibility.

Once again, we thank all concerned for the opportunity to review this interesting project.

Sincerely,

Katie Berg  
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