



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Agriculture and Forestry
Department of Forestry

2632
Ref. no.: /DoF2011
Vientiane Capital, 06 DEC 2011

Ms. Patricia Bliss-Guest
Administrative Unit
Climate Investment Funds
Washington D.C., USA

Dear Ms. Bliss-Guest,

***Subject: Submission of the Supplementary Document for the Approved Lao PDR FIP
Investment Plan***

Thank you for your letter dated November 21 confirming the Steering Committee's endorsement of the Lao PDR FIP Investment Plan as the basis for further development of the Program and approval of the Project Preparation Grant Request (PPGR) for *Project 3: Scaling-up Participatory Sustainable Forest Management* to be implemented by the World Bank.

In response to the request made by the FIP Sub-Committee members as recorded in the co-chair's summary, I am pleased to submit the supplementary document (enclosed) for your information which describes:

(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;


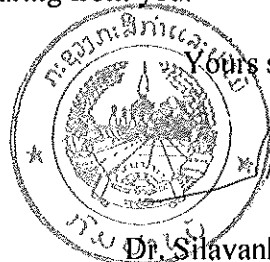
(ii) steps to be taken to improve the sustainability of the gains achieved in the proposed projects against pressure for deforestation from drivers mentioned above; and

(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

In addition, I would like to take this opportunity to submit for your consideration the PPGR for *Project 2: Smallholder Forestry Project* in the amount of \$300,000 to be implemented by IFC (enclosed) and seek your consideration and approval of the previously submitted PPGR in the amount of \$500,000 for *Project 1: Protecting Forests for Sustainable Ecosystems Services* to be implemented by ADB (also enclosed for easy reference). Your prompt approval of these

PPGRs would be very much appreciated as this will enable us to start preparing the detailed project concepts with IFC and ADB at the beginning of next year.

Once again, thank you very much for your consideration and assistance extended to us. We are looking forward to hearing from you.

Yours sincerely,



Dr. Silavanh Sawathvong
Director General of the Department of Forestry
Chairman of the National REDD+ Task Force
Ministry of Agriculture and Forestry

Enclosure:

- Project Preparation Grant Request (PPGR) for Project 2: Smallholder Forestry Project (IFC)
- PPGR for Project 1: Protecting Forests for Sustainable Ecosystems Services (ADB)

Copy:

- H.E. Mr. Vilayvanh Phomke, Minister of the Ministry of Agriculture and Forestry (MAF)
- H.E. Mr. Noulin Sinbandith, Minister of the Ministry of Natural Resources and Environment (MoNRE)
- H.E. Dr. Phouphet Khamphounvong, Minister of the Ministry of Finance (MoF)
- H.E. Mr. Somdy Duangdy, Minister of the Ministry of Planning and Investment (MPI)
- Mr. Khampadith Khammounheang, Acting Director General, Department of Environment, secretariat to the National Environmental Committee (NEC), MoNRE
- Mme. Thippakone Chanthavongsa, Director General, Department of External Finance, MoF
- Dr. Chong Chi Nai, Country Director, ADB Lao PDR Resident Mission
- Mr. Aimilios Chatzinikolaou, Resident Representative, International Finance Corporation (IFC)
- Ms. Annette Dixon, Country Director, the World Bank
- Ms. Keiko Miwa, Country Manager, the World Bank