

April 28, 2014

Comments from the UK—Approval by mail: Brazil: Sustainable production in areas previously converted to agricultural use project (FIP) IBRD

Dear Patricia

Thank you for providing us with the opportunity to comment on this clearly designed and well-articulated project entitled, ***Brazil: Sustainable production in areas previously converted to agricultural use (under the low carbon emission agriculture plan)*** submitted by the Government of Brazil and the International Bank for Reconstruction and Development (IBRD). We acknowledge the FIP grant allocation of USD 10.62 million and the final estimate of USD 750,000 for project implementation and supervision services and approves USD 485,000 for the final tranche of funding for such costs.

We would like to take this opportunity to thank the project design team for their responses to our questions. These have provided the clarification we requested and **the UK is now happy to approve the project on the basis of the responses received.**

We would like to highlight a few issues for consideration as the project develops:

1. The proposal describes clearly how this project fits within the wider BIP strategy and how it complements other interventions operating in the Cerrado biome. We would like to encourage coordination with other interventions in the same areas to avoid duplication, ensure lesson learning and sharing of positive experiences with regard to implementation arrangements, incentive structures as well as governance arrangements.
2. We appreciate the strong Monitoring and Evaluation (M&E) component of the project and acknowledge that this would not be possible without the FIP grant. We would however like to encourage and emphasise the importance that should be given to M&E activities that prioritize making the link between low-carbon agricultural practices and reduction in deforestation rates/pressure on forests.
3. We would also like to highly recommend that for reporting against the CO2e indicator, adoption rate of the treatment group is compared to the control group and the CO2e savings are based on the incremental change between the two. This would make this reporting consistent with the figures presented on leverage in the proposal, which are confined to the technical assistance intervention and not the wider ABC programme.

With best wishes

Gaia

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