

June 12, 2014

**Approval by mail: Environmental Regularization of Rural Lands in the Cerrado of Brazil**

Dear Patricia,

Thank you for the opportunity to comment on this project proposal.

The UK is pleased to approve the project proposal entitled *Environmental Regularization of Rural Lands in the Cerrado of Brazil* submitted by the Government of Brazil and the International Bank for Reconstruction and Development (IBRD). We acknowledge the final estimate of USD 485,000 for project implementation and supervision services and approve the USD 32.48 million concessional funding for the project.

We welcome the proposal which is clearly written and wish to thank the GoB and IBRD for their responses to our clarification questions.

We also acknowledge, and appreciate, that the proposal articulates clearly how this project fits within the wider BIP strategy and is complementary to other interventions operating in the Cerrado biome. In particular we note the potentially transformational impact of ensuring the widespread inclusion of smallholders within the CAR process.

As with other FIP projects being implemented in Brazil we would encourage lesson learning and sharing of positive experiences with regard to implementation arrangements, incentive structures as well as governance arrangements to encourage project coordination and effective management.

We would also strongly encourage further work on the monitoring framework prior to submission for approval to the MDB Board.

Best wishes,

Gaia

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