



Global Environment Facility

GEF/C.15/3/Add.2
May 8, 2000

GEF Council
May 9-11, 2000
Agenda Item 7

**NOTE ON REVISED FINANCING PLAN
FOR PROJECT PROPOSAL A-2
BRAZIL: AMAZON REGION PROTECTED AREAS PROJECT (ARPA)**

Note on Revised Financing Plan
for project proposal A-2
Brazil: Amazon Region Protected Areas Project (ARPA)

1. Since circulation of the referenced project proposal in the Work Program (GEF/C.15/3), further consultations were undertaken with the Government of Brazil on the financing plan for the ARPA project. The following describes the agreed revisions to the financing plan:

- (a) The revised project cost for the ARPA project now totals \$68 million (plus the GEF PDF Block B for \$350,000), of which the GEF would provide \$30 million, the Pilot Program for the Rainforest (PPG7) would provide \$15 million, WWF would provide \$5 million, and the Government of Brazil would provide \$18 million.
- (b) This revised project cost of \$68 million represents the estimated direct costs of consulting, planning, and implementing the proposed protected areas initiative. Excluded from this revised project cost are associated expenditures of \$21 million in the buffer zones which will be administered through parallel programs. These buffer zone programs also have the full support of the Government of Brazil, and will be implemented as planned and described in the proposal circulated to Council.
- (c) However, after consultation, it was considered more transparent to distinguish in the ARPA financing plan submitted for Council consideration between the costs for the protected areas program strictly defined, and the costs of the associated buffer zone programs, which will reinforce the effectiveness of the integrated conservation program.

2. The endorsement letter from the national GEF focal point of Brazil, presenting the revised financing plan, is attached for information.

Attachment

Ministry of Planning, Budget and Management
Secretariat of International Affairs

Oficio COFIEIX no 010/SEAIN/MP

Brasilia, 4 may 2000

Dear Sir:

I am attaching the project document "Brazil Amazon Region Protected Areas Program (ARPA)" presented by the Ministry of Environment which is a candidate to receive a grant from the Global Environment Facility- GEF, with the endorsement of this Focal Point, in order to enable its consideration by GEF during the May 9 Council meeting.

In this regard, in order to maintain the value of the Brazilian counterpart within the threshold negotiated during project preparation, we have increased the financial contribution of PPG-7 from \$10.0 million to \$15.0 million, bringing total project costs for Phase 1 to \$68.35 million, as detailed below:

GEF	Project	US\$30.00 millions
	PDF	US\$ 0.35 millions
	Sub-total	US\$30.35 millions
Counterpart:	PPG7 (Int'l Coop)	US\$15.00 millions
	WWF	US\$ 5.00 millions
	Govt. of Brazil	US\$18.00 millions
	Sub-total	US\$38.00 millions
Total Cost of project (Phase 1):		US\$68.35 millions

Sincerely,

Mario Vivalva
Secretary for International Affairs

Mr. Robert Schneider
Coordinator for Sector Operations
Environmentally and Socially Sustainable Development
Sub-regional Department