

November 27, 2015

H.E. Celso Correia
Minister
Minister of Land, Environment
and Rural Development
Republic of Mozambique

Excellency:

**Submission of Letter of Intent: Potential Purchase of Emission Reductions
From the Republic of Mozambique's Emission Reductions Program**

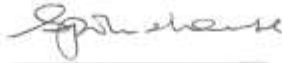
The World Bank is please to inform you that the Republic of Mozambique's proposed Emission Reductions Program (ER Program) has been selected as an ER Program Idea Note (ER-PIN) into the pipeline of the Forest Carbon Partnership Facility Carbon Fund (Carbon Fund).

Please find attached a Letter of Intent to be signed by the Government of Mozambique and the World Bank.

In accordance with Resolution CFM/13/2015/6 of the Carbon Fund (Selection of Mozambique's ER-PIN into the Pipeline), Mozambique is advised to consider the following key issues in the design of the ER Program Document (ER-PD):

- Provide further information on the institutional arrangements at national, provincial and district levels for the ER Program design and implementation, including the roles, responsibilities and relationships among the institutions, with particular attention to the provincial institutions. Include information on guidance and practices for coordination between the different districts included in the ER Program accounting area.
- Provide an updated Reference Emissions Level and emissions estimates substituting the Hansen data set with more specific data in the ER-PD. Clarify the forest definition to be applied, accompanied by a description of the data for estimation of emission reductions, more accurate data on forest cover change, and an analysis of uncertainty in accordance with the Methodological Framework of the Carbon Fund.
- Describe the timber moratorium and status of its implementation, and other relevant legislation and policies, including specific measures to be taken at national, provincial and district level to prevent illegal logging.
- Include information on how quantification and monitoring of forest degradation, if significant, will be included and implemented in the Reference Emissions Level and National Forest Monitoring System.
- Add information about synergies with the World Bank's Forest Investment Program and other relevant funding sources in the program area.

Please note that the way these key issues will be considered in the ER-PD may affect the subsequent decision of each tranche of the Carbon Fund whether or not to ultimately select the ER Program into the portfolio of the respective tranche of the Carbon Fund and, thereby, to proceed to negotiating an Emission Reductions Payment Agreement for the ER Program.



Authorized Signature

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