



GEF

Mohamed T. El-Ashry

Chief Executive Officer
and Chairman

Global Environment Facility

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August 27, 2001

Dear Council Member:

I am writing to notify you that we have today posted in the GEF's website at www.gefweb.org, a medium-sized project proposal from World Bank entitled *Chile: Santiago Foothills: Mountain Ecosystem Conservation*. The GEF will contribute \$725,000 towards a total cost of \$1,209,400.

The specific objectives of the proposed project are to: (i) improve the legal, institutional, and political groundwork required to create a conservation area in the Santiago Foothills; (ii) develop conservation activities in the proposed conservation area; (iii) promote among the urban population an increased environmental awareness of the significance of this ecosystem, as a way to ensure the sustainability of conservation efforts; and (iv) disseminate information on, and promote the concept of, mainstreaming mountainous ecosystems conservation efforts into urban planning processes

The project proposal is being posted for your information. We would welcome any comments you may wish to provide by September 18, 2001, in accordance with the procedures approved by the Council.

If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to down load the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

Mohamed T. El-Ashry
Chief Executive Officer
and Chairman

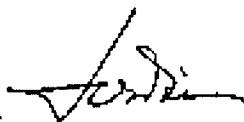
cc: Alternates, Implementing Agencies, STAP

OFFICE MEMORANDUM

DATE: August 9, 2001

TO: Mr. Kenneth King, Assistant CEO,
GEF PROGRAM COORDINATION

FROM: Lars Vidaeus, GEF Executive Coordinator



EXTENSION: 3-4188

SUBJECT: **CHILE: Santiago Foothills
GEF Medium Size Project (MSP) for CEO Endorsement**

1. Please find attached the electronic file for the revised MSP Brief for the above mentioned project which is ready for circulation from the GEF CEO to Council. In accordance with GEF Operational guidance for approval of MSPs, we look forward to receiving CEO decision/approval by August 30. The revised project brief incorporates GEFSEC comments as follows:
 - With regard to the PDF-A, the preparation activities have been completed prior to submission of the Project Brief to GEFSEC.
 - Government financial contribution: We do not feel that co-financing from the national government should be required and this issue was not raised by GEFSEC during earlier reviews. Many MSPs proposed by NGOs (such as the MBC projects in Central America) feed into broader national plans and programs but do not have direct national government co-financing. Given that the project is to be implemented at a local level, it has strong commitment and co-financing from local governments (which is emphasized in the revised Brief.) The strong local government commitment provides the basis for the project's sustainability (both financial and institutional) after project completion.
 - Financial Sustainability: A more detailed explanation of financing recurrent costs is provided in the revised Brief attached. The local governments plan to continue their strong financial commitment after end of project which will be sufficient to fully finance recurrent costs.

- Link to IAs and EAs: The revised Brief provides a description of the links to other relevant projects of other IA s and EA s, and the planned coordination and collaboration that is necessary.
2. In accordance with the standard fee approved by Council for expedited MSPs, the World Bank's implementation fee for this project will be \$146,000.
 3. We hope these revisions address the concerns raised and look forward to receiving CEO endorsement of this MSP. Please send us a copy of your outgoing letter to Council for our records. Many thanks.

Messrs./Mmes. R. Kirmse, T. Tlaiye, K. Shepardson, T. Bradley, E. Abedin, T. Serra, T. Lovejoy (LCSES); W. Vergara (LCSES/QAT), G. Castro, R. Khanna, D. Aryal (ENV); ENVGC ISC; IRIS2