中华人民共和国财政部 Ministry of Finance, People's Republic of China

September 5, 2007

To: Mr. Yannick Glemarec, UNDP-GEF Executive Coordinator, United Nations Development Programme (UNDP), 304 East 45th Street, 9th Floor New York, NY 10017, U.S.A.

Subject: Endorsement for Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin Project

In my capacity as GEF Operational Focal Point for the People's Republic of China, I confirm that the above project proposal (a) is in accordance with the Government's national priorities and the commitments made by China under the relevant global environmental conventions and (b) has been discussed with relevant stakeholders, including the global environmental convention focal points, in accordance with GEF's policy on public involvement. This project has been designed so that it is an integral component of the China Biodiversity Partnership Framework.

Accordingly, I am pleased to endorse the preparation of the above project proposal with the support of UNDP. If approved, the proposal will be prepared and implemented by Xinyang Municipal Government, Foreign Economic Cooperation Office, China State Environmental Protection Administration and Henan Provincial Finance Bureau. Further, I request UNDP to provide a copy of the project document for information before it is submitted to the GEF Secretariat for CEO endorsement.

I understand that the total GEF financing being requested for this project is US\$2,999,920 which includes US\$272,720 (10% of the project amount) of fees to UNDP for project cycle management services associated with this project.

I consent to the utilization of the following indicative allocations available to China in GEF-4 under the GEF Resource Allocation Framework to cover the GEF project preparation and implementation as well as the associated Agency fees for this project.

Biodiversity: US\$2,999,920

Sincerely,

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