

October 13, 2010

Ms. Maryam Niamir-Fuller
GEF Executive Coordinator
United Nations Environment Programme
Nairobi 00100, Kenya

Dear Ms. Niamir-Fuller:

I am pleased to inform you that I am endorsing the project proposal entitled ***Mexico: Integrating Trade-offs between Supply of Ecosystem Services and Land Use Options into Poverty Alleviation Efforts and Development Planning***, for \$5,900,000 in financing from the GEF Trust Fund. I understand that this project proposal will be submitted for approval in accordance with the UNEP procedures. I note that a project preparation grant (PPG) of \$100,000 was previously approved for preparation of this project and that a report on the use of those funds has been submitted to the Secretariat. Taking into account the PPG, the entire GEF grant for the project is \$6,000,000.

I am also endorsing the fee of \$590,000 for project cycle management services. I Am also endorsing this project on the understanding that the project will meet the following milestones:

- (i) The GEF Agency approval will be signed no later than November 2010;
- (ii) A report on the status of the project at mid-term will be submitted to the Secretariat no later than July 2013; and
- (iii) The closing date of the project grant will be no later than November 2015 and a terminal evaluation/project completion report will be submitted to the Secretariat within 6 months of such closing date.

You are requested to ensure that the GEF Secretariat is informed when each of these milestones has been met. If any milestone is not or will not be achieved, you are requested to inform me as early as possible. After consultations with your Agency, I may agree to revised milestones or recommend to your Agency the cancellation or suspension of the project, and I will communicate to the beneficiary country and your Agency the basis for such a recommendation.

Please ensure that your grant agreements continue to fully reflect this understanding.

Sincerely,

