



23 February 2006

Dear Mr. Good,

**Subject: BD OP2 FSP “Central American Markets for Biodiversity (CAMBio): Mainstreaming biodiversity conservation and sustainable use within micro-, small, and medium-sized enterprise development and financing” – PIMS no. 3368**

I am pleased to attach herewith the above-mentioned project document, which includes our response to the GEF Council’s comments in Part XII, section d), beginning on page 200 of the Project Document. The brief was approved at the GEF Intersessional Work Programme in January 2006. Also attached are the co-financing letters from the Central American Bank for Economic Integration and the Governments of Costa Rica, Guatemala, Honduras and Nicaragua.

Please note that there is a substantial increase in co-funding from the participating governments from \$50,000 to \$320,000 over from the original amount in the project proposal. However, the total amount of co-financing is 2.5% less (\$430,000) than proposed in the project proposal reviewed by council. This reflects a reduction in total project budget of only 1.5%. The reduction is because the level of government in-kind co-financing, totaling \$320,000 reflects high level participation of all the relevant Ministries in the participating governments and is sufficient to achieve the policy goals of Outcome 3 in a more cost-effective manner. This will be achieved through convening of a national policy Task Forces which will meet regularly throughout the project to formulate and support the adoption and implementation of policies and laws to promote biodiversity friendly businesses.

As per paragraph 29 and 30 of the GEF Project Cycle, we are submitting this project document for circulation to the members of the GEF Council and, subsequently, for your final endorsement.

Thank you in advance for expediting the review and endorsement of this project.

Yours sincerely,

  
Yannick Glemarec  
Officer-in-Charge

Mr. Leonard Good  
Chief Executive Officer and Chairman  
Global Environment Facility  
Room G6005  
1776 G Street  
Washington D.C. 20433

Cc: Mr. Andrew Bovarnick, GEF Technical Adviser, Biodiversity Economics