

13 SEP 2006

P.P.
cc: Elaine
Zhao P.P.
Broadfield

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

September 12, 2006

Monique Barbut
Chief Executive Officer and Chairperson
Global Environment Facility
1818 H Street, NW
Washington, DC 2043 USA

Re: Project Proposals for Inclusion in the December 2006 Work Program

Dear Ms Barbut,

In reference to your letter of August 8, 2006 addressed to GEF operational focal point regarding the next steps on RAF, I am pleased to write to you about the project proposals from China that we would like you to consider for inclusion in the December 2006 work program. Please find attached with this letter a list of project proposals in the biodiversity and climate change focal areas. I have not included the project concepts in other focal areas outside of RAF, for those, as we understand, will be endorsed case by case in accordance with the existing procedures.

In the past few months since we received the letter from Mr. Leonard Good in the May of 2006, we have gone through intensive discussions with the GEF project implementing and executing agencies concerned, particularly with regard to the project planning under RAF. At the same time, we also conducted extensive consultations with various domestic agencies, both at the central and local level, for the identification and preparation of projects for GEF IV. As a result, we have had quite a few project proposals, some of which are pretty much advanced in the pipeline while others are making rapid progress in developing project concepts.

As you may see in the attachment, we only include those for consideration in the December 2006 work program as requested. In due time, we will provide you with an updated list of project proposals for inclusion in the May 2007 work program.

In the attached list, most of the project proposals have been endorsed before and we understand that they need to be re-endorsed, as the main of the purpose of this letter, in the context of RAF. Some are at the PDF-B stage while others are requesting for full project allocation. All these projects as proposed are fully consistent with GEF's focal strategic objectives as well as China's national priorities. If successfully implemented, they will certainly help to bring about global benefits of biodiversity protection and emission reduction by improving the ecosystem in

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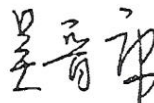
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China's western area and increasing China's energy efficiency. Some of the projects are related to the partnership programs in China regarding land degradation, biodiversity and climate change with innovative concepts and creative approaches. The results and experience to be gained from these programs could be replicated in other parts of the world.

We would highly appreciate it if you could give favorable consideration to our project proposals, and we look forward to working with you and the GEF Implementing/Executing agencies to achieve the noble goals of global environment protection and sustainable development.

Please let us know should you have any questions on this matter.

Yours sincerely,



Jinkang Wu
GEF Operational Focal Point for China
International Department
Ministry of Finance
Beijing 100820
People's Republic of China

Attachment:

cc: Mr. David Dollar, Country Director for China, World Bank
Mr. Khalid Malik, Resident Representative in China, UNDP
Mr. Olivier Deleuze, UNEP
Mr. Xuemin Shao, Coordinator, UNEP Office in Beijing
Mr. Daniele Ponzi, GEF Facilitator, ADB
Mr. Toru Shibuichi, Country Director PRC Resident Mission, ADB

Attachment:
Biodiversity

List of Project Proposals from China for Inclusion in the December 2006 Work Program

| GEF ID | Country(ies) | LA/EA | Project Title | Type | Expected GEF Grant (US\$M) | Expected Country Allocation (US\$M) | Requesting for PDR-B (US\$M) |
|--------|--|----------|--|------|----------------------------|-------------------------------------|------------------------------|
| 2766 | China | ADB | Integrated Ecosystem Restoration and Biodiversity Conservation of the Baiyangdian Lake Catchment | FP | 3.50 | 3.50 | 0.35 |
| 2787 | China | ADB/UNEP | Shaanxi Qingling Mountains Integrated Ecosystem Development | FP | 8.00 | 5.00 | 0.35 |
| 2788 | China | ADB | Ningxia/Yinchuan Integrated Ecosystem Management | FP | 10.00 | 3.00 | |
| 2127 | Peru, Chile, China, Algeria, Morocco, Tunisia, Philippines | UNDP/FAO | Conservation and Adaptive Management of Globally Important Agricultural Heritage Systems (GIAHS) | FP | 6.00 | 0.50 | |
| | China | UNEP | Conservation and Sustainable Use of Biodiversity in the Head Waters of the Huaihe River Basin | RP | 4.00 | 4.00 | 0.35 |
| | China | UNEP | Linking tourism to biodiversity conservation: the Taishan Mountain landscape | RP | 4.00 | 4.00 | 0.35 |
| | China | UNEP | Piloting Ecosystem Based Development (EBD) for Sustainable Livelihoods in Guiyang | MTP | 0.995 | 0.995 | |
| Total | | | | | | 20.995 | 1.4 |

Climate Change

| GEF ID | Country(ies) | LA/EA | Project Title | Type | Expected GEF Grant (US\$M) | Expected Country Allocation (US\$M) | Requesting for PDF-B (US\$M) |
|--------|---|------------|--|------|----------------------------|-------------------------------------|------------------------------|
| 2609 | China | World Bank | Urban Transport Development Strategy Partnership and Demonstration Program | FP | 12.00 | 12.00 | |
| 2952 | China | World Bank | Thermal Power Efficiency | FP | 19.70 | 19.70 | 0.35 |
| 2777 | Bangladesh, Cambodia, China, Indonesia, Malaysia, Nepal, Pakistan, Philippines, Korea DPR, Sri Lanka, Thailand, Vietnam | UNDP | Barrier Removal to the Cost-Effective Development and Implementation of Energy Efficiency Standards and Labeling Project (BRESL) | FP | 6.00 | 2.00 | |
| 3100 | China | UNDP | Enabling Activity for the Preparation of Second National Communications (SNC) | FP | 3.50 | 3.50 | 0.35 |
| 3091 | China | UNDP | Promoting Market Transformations of Energy-Efficient Bricks Production and Application in Chinese Rural Areas | FP | 15.00 | 15.00 | 0.30 |
| Total: | | | | | | 52.20 | 1.00 |