



Global Environment Facility

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August 19, 2008

Mr. David McCauley
GEF Executive Coordinator
Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Dear Mr. McCauley:

After reviewing the Project Identification Form (the "PIF") and the Request for Project Preparation Grant (PPG) submitted for *China: PRC-GEF Partnership: Silk Road Ecosystem Restoration Project* under the *PRC-GEF Partnership on Land Degradation in Dryland Ecosystems Program*, I am pleased to clear the PIF for an indicative amount of \$5,120,000 for possible inclusion in the next work program scheduled for review by the GEF Council in November 2008. I am also approving your request for PPG for \$335,000 chargeable against the program and funded under the GEF Trust Fund (GEETF). PIF clearance authorizes you to begin preparation of the project proposal and taking into account the attached comments made by the GEF Secretariat based on the project concept's eligibility for funding and conformity with GEF strategies. The final GEF grant amount, however, will be confirmed at the time of GEF CEO endorsement, taking into account the Secretariat's review of the final project document's consistency with GEF policies and procedures, including the cost-effectiveness of the financing plan.

All PIFs cleared for inclusion in the work program will be posted on the GEF website for four weeks prior to Council approval.

Should Council Members raise significant policy or strategic concerns about the concept, the Secretariat will undertake consultations with the beneficiary country and your Agency about revisions to address the Council Members' concerns or whether to cancel the project proposal from the GEF pipeline and to recommend that the associated PPG be cancelled.

The PPG request is approved on the basis of the following understandings and milestones:

- (i) During preparation of the full-sized project proposal, the comments of the GEF Council, the GEF Secretariat, the STAP, the GEF Agencies and the relevant Convention Secretariat, will be taken into account;
- (ii) A final full-sized project document will be submitted for CEO endorsement no later than September 2009; and
- (iii) A report on the use of the GEF project preparation grant will be submitted to the GEF Secretariat when submitting the final project document for CEO endorsement.

If any of these understandings or milestones is not achieved, you are requested to inform me as early as possible so that I may consult with the beneficiary country and your agency. Thereafter, I may agree to revised milestones or take a decision to cancel the project proposal from the GEF pipeline and to recommend to the agency that the associated project preparation grant be cancelled.

Please ensure that your grant agreements continue to fully reflect these understandings.

I am attaching a copy of the project tracking sheet for your records.

Sincerely,

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Monique Barbut
Chief Executive Officer and Chairperson

Attachment: GEF Project Tracking Sheet, GEFSEC Review Sheet
cc: Country Operational Focal Point, GEF Agencies, STAP, Trustee

China: PRC-GEF Partnership: Silk Road Ecosystem Restoration Project

Authority	GEF Contribution (\$ million)	Total Cost (\$ million)	Requested Action	Signature	Date
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~~Program Manager~~ ~~Recommendation~~ ~~Recommendation~~ ~~Signature~~ ~~Date~~

Program Manager Recommendation Recommendation Andrea Kutter 08/18/08

Team leader Clearance Gustavo Fonseca

CEO Approval Monique Barbut 8/19/08

SM 8/20

~~Program Manager~~ ~~Recommendation~~ ~~Recommendation~~ ~~Signature~~ ~~Date~~

Program Manager Recommendation Recommendation Andrea Kutter 08/19/08

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Program Manager Recommendation Recommendation Andrea Kutter

Team leader Clearance Gustavo Fonseca

CEO Approval Monique Barbut

~~Council Approval~~ ~~Signature~~ ~~Date~~

Need to circulate to Council for Yes
>second review prior to CEO endorsement (4 weeks review period)
>CEO endorsement (second review waived) Yes

Program Manager Recommendation Recommendation Andrea Kutter

Team leader Clearance Gustavo Fonseca

~~Endorsement w/ PRC~~ ~~Signature~~ ~~Date~~

Program Manager Recommendation Recommendation Andrea Kutter

Team leader Clearance Gustavo Fonseca

CEO Approval Monique Barbut

~~Council Approval~~ ~~Signature~~ ~~Date~~

Implementing Agency Approval

Cummulative GEF Contribution _____