

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

3 June 2005

Mr. Daniele Ponzi
ADB/GEF Coordinator
Asian Development Bank

**China: Endorsement Letter for GEF PDF-B Project
Ningxia Yinchuan Integrated Ecosystem Management Project**

Dear Mr. Ponzi,

We are pleased to advise that the Ministry of Finance, as the GEF Focal Point for the PRC, would like to endorse the captioned project for submission by the Asian Development Bank for GEF support.

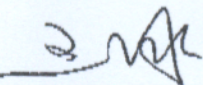
The project is an integral part of the PRC-GEF Partnership on Land Degradation in Dryland Ecosystems. It was listed as a demonstration investment project, under the title "Ningxia Helan Mountain Yellow River IEM Project", in the Framework Brief that was approved by the GEF Council in October 2002. Ningxia-Hui Autonomous Region is included in the Western Development Strategy and has been identified as a national priority area for poverty reduction and ecological environment restoration due to its high levels of rural poverty and severe land degradation.

The project, now titled the **Ningxia Yinchuan Integrated Ecosystem Management Project**, is consistent with the priorities and national and regional plans of the Government to tackle the problems of ecosystem degradation. Restoring the productive and protective functions of the ecosystems within the project area will yield multiple benefits at local, NHAR, national and global levels. In conformity with OP12 these benefits will cover multiple focal areas, notably biodiversity preservation, carbon sequestration, land degradation control, sustainable land management, and the promotion of an integrated approach to ecosystem management. We fully support the proposed GEF contribution of \$350,000 for the design phase and \$10 million for the overall project. In addition, ADB and Government cofinancing is anticipated to total \$200 million equivalent.

We believe that by participating in the proposed project and disseminating successful experience through links with other Partnership projects, the PRC will gain important organizational, technical and environmental management lessons. There will also be a positive contribution to protecting the global environmental.

We are looking forward to fruitful cooperation with GEF and ADB on this important project.

Sincerely Yours.



Wang Bing
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