Terminal evaluation of the project "Sustainable forest management to enhance the resilience of forests to climate change in China"

GCP /CRP/056/GFF
GEF ID: 5139

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
Beijing, China – September 2025

Required citation:
Author: FAO. Year of publication: [xxxx]. Publication title: [...]. Place of publication: [...]

Abstract

This report presents findings and recommendations of the terminal evaluation of the project "Sustainable forest management to enhance the resilience of forests to climate change in China", funded by the Global Environment Facility (GEF) and implemented by the Food and Agriculture Organization of the United Nations (FAO). The Operational Partner is the International Cooperation Center (ICC) of the National Forestry and Grassland Administration (NFGA). The primary audience and users of this evaluation are: the Project Management Office in NFGA; FAO divisions, regional offices and country offices; other project stakeholders; Chinese government counterparts; and the GEF.

The terminal evaluation was based on several evaluation questions and used four main sources of data: (i) desk reviews of relevant documents and information; (ii) key informant interviews with project stakeholders; (iii) focus group discussions in a group setting; and (iv) field visits. Data were analysed to address the evaluation questions and ratings were assigned in accordance with GEF evaluation requirements.

The project delivered some good-quality results in strengthening policy and regulatory frameworks; a range of high-quality sustainable forest management, biodiversity and carbon sequestration interventions; and strengthened institutional and stakeholder capacities. The project laid solid foundations towards its environmental objective. The project achieved 23 of 26 indicators in the results matrix and partially achieved three; not all targets for the area of forest under improved management and carbon emissions reduction were achieved.

There was a low disbursement of the GEF allocation (52.0 percent), due primarily to non-reimbursement of project partners for some incurred costs because they did not follow procurement requirements. There were also several delays to the project, due mainly to COVID-19, startup delays, and delays with forest farms over contractual and procurement arrangements. NFGA showed strong ownership and delivered technically good results. FAO worked steadily to try to address the project's delays and accelerate the required procurement, although with mixed results, and generally met its role as GEF Agency. Although the project design did not contain gender-disaggregated targets or gender-specific measures, a focus on gender considerations was adopted during implementation.

The evaluation recommends that future similar projects in China should ensure that requirements for procurement and financial management are spelled out clearly at the start of all contractual arrangements and that a risk assessment is done for any significant changes to project implementation arrangements and responsibilities. Also, future projects should ensure that robust monitoring frameworks are in place and are used to efficiently inform reporting and evaluation.

Contents

Boxes, figures and tables

Acknowledgements

The evaluators, Dr Adrian Stokes and Dr Fan Longqing, would like to thank all those who contributed to this evaluation.

The evaluation was carried out with the invaluable assistance of the personnel in the FAO China office, especially Mr Carlos Aldeco and Ms Fu Rong. Their insight, knowledge, advice and comments made this review possible. Ms Lavinia Monforte, GEF coordinator from FAO's Office of Evaluation provided valuable support and validated the report.

This evaluation benefited from the inputs of many other stakeholders, including project management staff and experts, forest farm staff, government officers, villagers, research scientists and forestry experts. Their contributions were critical to the team's work and are deeply appreciated.

Abbreviations

BH	Budget Holder
CCER	China's Certified Emission Reduction
CCM	Climate Change Mitigation
CFCS	China Forest Certification Scheme
CPF	Country Programming Framework
CPMO	Central Project Management Office
CTA	Chief Technical Advisor
EIB	European Investment Bank
FGD	Focus group discussions
FPMIS	Field Programme Management Information System
GEB	Global environmental benefits
GEF	Global Environment Facility
ICC	International Cooperation Center
IUCN	International Union for the Conservation of Nature
KII	Key informant interviews
LTO	Lead Technical Officer
MOF	Ministry of Finance
MTR	Mid-term review
NCE	No-cost extension
NFGA	National Forestry and Grassland Administration
NSTRP	National Strategic Timber Reserve Programme
OP	Operational Partner
OPA	Operational Partner Agreement
OPIM	Operational Partners Implementation Modality
PAC	Project Advisory Committee
PIR	Project Implementation Review
PPR	Project progress reports
PTF	Project Task Force
SFM	Sustainable forest management
TE	Terminal evaluation
TOC	Theory of change
TOR	Terms of reference
UNEG	United Nations Evaluation Group
UNFCCC	United Nations Framework Convention on Climate Change

Map of China

Still to be added and guiding text below to be deleted.

Only use maps which comply with the borders shown in the United Nations cartographic database: https://www.un.org/Depts/Cartographic/english/htmain.htm

Source all maps using FAO Style guidelines for references (a full bibliographic source is required) e.g.:

Source: UN. 2020. *Map of the World* [online]. [Cited 1 January 2021] https://www.un.org/Depts/Cartographic/map/profile/world.pdf

If the boundaries or names in the map do not match the ones found in the UN maps, adapt or edit it to comply with the UN standard and add "modified to comply with [applicable UN map]" following the source e.g.:

Source: [base map] modified to comply with UN. 2020. *Map of the World* [online]. [Cited 1 January 2021] https://www.un.org/Depts/Cartographic/map/profile/world.pdf

Executive summary

Introduction

1. This report presents findings and recommendations of the terminal evaluation (TE) of the project "Sustainable forest management to enhance the resilience of forests to climate change in China". This TE is a requirement of the Global Environment Facility (GEF) and the Food and Agriculture Organization of the United Nations (FAO) for project monitoring and reporting purposes.

2. The project's environmental objective was "To enable local communities in four Chinese provinces to effectively employ incentive-based sustainable forest management (SFM) practices in reforestation and forest restoration activities, enhancing carbon storage and sequestration as well as biodiversity conservation". The project's development objective was "To increase and improve provision of goods and services from forestry in local communities across four Chinese provinces in a sustainable manner, particularly emphasising the long-term resilience of restored and reforested forest areas against environmental pressures". The project was structured around three main components:

   Component 1: Strengthened institutional, policy and regulatory frameworks for the implementation of sustainable forest management from national to local level, creating a basis for enhanced biodiversity conservation and carbon sequestration. Four outcomes and nine outputs.

   Component 2: Demonstration and adoption of SFM practices, enhancing carbon storage and improving biodiversity conservation. Three outcomes and eight outputs.

   Component 3: Training and capacity development; awareness raising and knowledge exchange; monitoring, evaluation and dissemination of best practices. Three outcomes and nine outputs.

3. The objective of the TE has a dual function of accountability and learning. It assesses the project results and their value, and aims to draw lessons to facilitate the design and implementation of similar projects in the future. The primary audience and users of the TE are the central Project Management Office; the FAO Country Office and other FAO staff; the GEF as the primary international donor; and Chinese counterpart institutions, such as the provincial forest management bureaus and the state-owned forest farms.

4. The TE covers the project implementation period since its entry-on-duty date of 30 September 2016 until the end date on 31 December 2024. FAO is finalizing its project implementation obligations until 31 December 2025, during which period the project is not active. The TE covers all geographic areas and all project components.

5. The evaluation was undertaken by a team of two experts: an international consultant (lead evaluator) and a national consultant (technical expert). The TE was based on several evaluation questions that were provided in the terms of reference for the evaluation. The methodology involved multiple sources of data. The evaluation used qualitative methods and quantitative secondary analysis of some project monitoring data. The following four main data collection methods were used: (i) desk reviews of all relevant documents and information; (ii) key informant interviews (KIIs) with project stakeholders; (iii) focus group discussions (FGDs) with some stakeholders to draw out experiences in a group setting; and (iv) field visits. The field visits, FGDs and most KIIs were conducted between 21 to 30 April 2025, during a field mission to China. Data analysis was conducted to address the evaluation questions and ratings were assigned to some criteria, in accordance with the GEF evaluation requirements.

Findings and conclusions

Conclusion 1. Relevance and coherence. The project had strong alignment with the country's environmental and developmental priorities and this alignment has increased since the project was designed, especially with priorities around sustainable forest management, biodiversity conservation and carbon sequestration. The project was consistent with three GEF-5 programme strategies (CCM-5, BD-2 and SFM/REDD+), made a strong contribution to the previous FAO Country Programming Framework for China (especially given that SFM was one of seven Impact Focus Areas) and is making a strong contribution to the current CPF. The project was well aligned with the mandates of executing partners, although it did not have a strong component of working with beneficiaries from local communities. The project had good external coherence, because the design responded well to political and policy trends, was well harmonized with the two significant national initiatives that provided the core of the project's co-financing, and added value and avoided duplication of effort. The project was well designed to deliver global environmental benefits and to develop SFM models and practices, but design shortcomings – in particular the lack of actions to support forest managers outside the forest farms to employ incentive-based SFM practices – meant that there was limited opportunity for the project to meet its environmental objective outside the 16 targeted forest farms. There was poor internal horizontal coherence between the environmental and development objectives.

Conclusion 2. Efficiency. There were significant delays at project startup due to long negotiations of the Operational Partners Agreement between the Operational Partner and the FAO and the time needed to open the project bank account. In spite of these delays, the FAO/OP partnership has been constructive and the implementation modality chosen has reflected strong national ownership. The project only delivered 52.0 percent of the GEF allocation, due to various issues, especially that several state-owned forest farms were not reimbursed for approximately USD 2.4 million worth of SFM project work they had undertaken on their land, because they did not follow procurement requirements when they had engaged services to do the work. These expenditures, originally meant to be charged on the GEF grant, added instead to the co-financing, thus representing a significant proxy of national ownership of the project. There were additional delays during implementation, especially due to COVID-19 impacts and due to challenges with putting in place delivery arrangements for activities in the 16 forest farms; therefore, the project received two no-cost extensions totalling 2 years and 2 months of extension. The cost effectiveness of the total project expenditure and the timeliness are considered moderate.

Conclusion 3. Effectiveness. The project's interventions have successfully strengthened relevant institutional, policy and regulatory frameworks from national to local level, with several policy and adjustments of national policies and guidelines now being administered by the NFGA, although there was no evidence that the project's experience at the local level was used to inform this. A range of high-quality incentive-based SFM, biodiversity and carbon sequestration interventions were made in the 16 forest farms (although the targets for area covered and carbon emissions reductions were partially met). The forest farms now each have an SFM Plan that is used regularly by practitioners in most forest farms. Local monitoring systems are now in place, allowing local forest managers to collect information to guide the local application of SFM practices, although the data collected cannot be easily accessed by the forest farms. The project implemented extensive training and capacity building, and personnel in the 16 forest farms are using the skills learned to implement new SFM practices, although there is no assessment of the effectiveness of the training or improvements in capacity. The project also implemented a range of knowledge sharing and public awareness activities, although there is no information available on the reach or effectiveness of these. The project laid solid foundations towards the environmental objective, with incentive-based SFM practices being implemented on the participating forest farms, but there has been little progress outside forest farms because the project design did not include actions to support local communities outside the target forest farms to enable them to effectively employ incentive-based SFM practices. Despite only 52.0 percent of the GEF allocation being expended, the GEF grant brought good incremental value in innovative approaches and technologies for SFM, biodiversity conservation

and carbon management in forests. The planned co-financing from both the Operational Partner and FAO was fully materialized and made vital contributions to the project's achievements.

Conclusion 4. Sustainability. Important steps have been taken during implementation to increase the likelihood that results will be sustainable, such as through the strengthening of policy and regulatory frameworks, extensive capacity building activities, the development of strong partnerships of experts, and awareness raising about the project's approaches. The main risk is the financial sustainability of the SFM models developed, especially because many of the practices and models used involve higher input costs (such as selective logging and forest tending) and therefore have higher unit costs to produce, and SFM-accredited timber products do not always attract a premium. The project explored various approaches to mitigating this risk, such as developing an under-forest economy and exploring innovative market-based models that generate a sustainable flow of funds to forest managers to care for slow-growing trees.

Conclusion 4. M&E. The M&E plan at the time of project endorsement identified sufficient resources and budget for M&E activities. However, the results framework did not include any indicators or targets relating to community beneficiaries (such as the number of direct community beneficiaries or the generation of socio-economic benefits) or the level of effective employment of incentive-based SFM practices, did not include measures to assess the effectiveness of training and capacity building, and some targets for the areas covered by relevant activities and associated carbon emissions reduction were somewhat unrealistic. The project followed the M&E plan and most information was gathered systematically and in a timely manner, although there were some shortcomings to the measurement, reporting and evidence against some indicators in the results matrix, which meant that some progress reporting in PPRs and PIRs was not realistic.

Conclusion 6. Gender equality and other equity and human rights issues. Although in the project document the consideration of gender issues was weak, the project was proactive in mainstreaming gender equality during implementation, including providing relevant training, preparing gender-disaggregated reporting, and developing a gender mainstreaming work plan. Also, although other equity and human rights issues were not mainstreamed during the project design, the project advanced human rights when employing local people to undertake work on the forest farms, especially by involving people from ethnic minority groups, supporting them in generating income and other socio-economic benefits, and advancing labour rights for people engaged to undertake manual labour.

Recommendations

Recommendation 1. (CPMO – immediate). The Sustainability Plan / Exit Strategy should be updated by including an analysis of the risks that may affect the sustainability of the project benefits (financial, institutional, environmental, socio-political and others) to identify additional actions that may be necessary to maximize sustainability and replication of the project's results.

Recommendation 2. (NFGA – before 31 December 2025). NFGA should share the M&E and database system to the 16 forest farms so that they can continue to monitor and improve their forest management outcomes.

Recommendation 3. (Provincial and county forestry bureaus and forest farms – Medium term). Build partnerships with research institutes and universities to investigate broader ecological benefits from the innovative SFM practices, especially conversion of monocultures to mixed species forest.

Recommendation 4. (State-owned forest farms – Medium term) State-owned forest farms should work with villages and individual forest farmers to support them to understand benefits and adopt the project's SFM practices**.**

Recommendation 5. (ICC – Future similar projects). Ensure that requirements for procurement and financial management are spelled out clearly at the start of all contractual arrangements. Ensure that a risk assessment is done for any significant changes to project implementation arrangements and responsibilities, including when project partners are assigned new procurement responsibilities.

Recommendation 6. (ICC, FAO China, responsible OCB FLO and GTO – Future projects) When implementing future similar projects, ensure that robust monitoring frameworks are in place and are used to efficiently inform reporting and evaluation; in particular, analyse early how indicators and targets will be interpreted, measured and reported against, including having this approved by the LTO and noted by the project steering committee / project advisory committee.

Suggestions:

- Ensure that reporting in PIRs and PPRs is reliable and evidence-based
- Ensure that reporting and evidence are prepared in a timely manner to be ready at the start of MTRs and TEs, including clear explanation of methodologies
- Ensure that training and capacity building for project management at project inception make clear the requirements and expectations around measurement, reporting and evidence
- Ensure that comprehensive records are kept of project training sessions, with the minimum required information being the attendees (including gender), their organization, and the training topic covered.

Recommendation 7. (NFGA, Fujian Provincial DARA, Shunchang Forest Farm – Medium term). Consolidate in a document the innovative practices and knowledge from the "One Yuan Carbon Credit" scheme in Shunchang Forest Farm in Fujian province, and promote the initiative beyond Fujian province, including offering technical training on the model, to facilitate development of similar policies and investment nationwide.

Lessons learned

Lesson learned 1. Some projects require significant shifts at the MTR to refocus on achieving the objective

This project's strategy was well designed to strengthen policy frameworks, develop innovative SFM models and practices, increase institutional capacity and deliver global environmental benefits. However, it was missing actions and indicators that were specifically focused on supporting local communities outside the forest farms to employ incentive-based SFM practices. It would have been very valuable at the time of the MTR to have added actions to provide relevant capacity building and support to local communities outside the target forest farms and to add indicators reflecting the benefits that would have been expected. This would have been feasible given the high level of underspend at the time of the MTR (5.5 percent disbursed at that time).

Lesson learned 2. Documentation with evidence is critical for project management and reporting

Documentation with evidence is a critical part of GEF project management and reporting, to enable transparent validation of reported results. A systematic approach to reporting and evidence should be adopted from project inception. This may include establishing a standardized table to document data and attach evidence, which should be validated by project staff. The information should be readily available and logically presented, rather than relying on sources that cannot be substantiated (such as several years of area reporting from different provinces that cannot be tracked). As described under Recommendation 6, this should include systematic record keeping for all training and capacity building.

GEF evaluation criteria rating table

GEF criteria/dimensions	Rating[1]	Summary comments
A. OUTCOMES (relevance, coherence, effectiveness and progress to impact, efficiency)	**MS**	
A1. Relevance	**S**	Very high alignment with the country's environmental and developmental priorities and this alignment has increased since the project was designed; well aligned with the mandates of executing partners. See Section 3.1.
A2. Coherence	**MS**	Project design responded well to political and policy trends, and was well harmonized with the two significant initiatives that provided most of the project's co-financing; well designed to deliver global environmental benefits and develop SFM models and practices, but limited vertical alignment with its environmental objective because it did not include actions to support forest managers outside the forest farms. There was also poor internal horizontal coherence between the environmental and development objectives. See Section 3.2.
A3. Effectiveness	**MS**	The project laid solid foundations towards the environmental objective and made low progress towards development objective, due to project design shortcomings; successfully strengthened policy and regulatory frameworks, made a range of good-quality SFM, biodiversity and carbon sequestration interventions, and made a substantial contribution to strengthening capacities; achieved 23 of 26 indicators and 3 were partially achieved; not all targets for the area of forest under improved management and CO_2-e reduction were achieved, and reported training activities were only partially verified. See Section 3.4.
A4. Efficiency	**MU**	Startup delays and COVID-19 delays led to 2 years and 2 months of extension; relationships between OP and FAO were good; the modality reflected strong national ownership and institutional capacities were enhanced; low GEF disbursement (52.0 percent) due to various issues, especially the non-reimbursement of project partners for some incurred costs because they did not follow procurement requirements; cost-effectiveness was moderate and timeliness was moderate. See Section 3.3.
B. SUSTAINABILITY (financial, sociopolitical, institutional and governance, environmental dimensions including risks to sustainability)	**ML**	Sustainability is considered moderately likely; the main risk is the financial sustainability of the SFM models developed, although the project explored various innovative approaches to mitigating this risk. See Section 4.
C. IMPLEMENTATION	**MS**	Worked closely with the CPMO and OP in attempts to address the project's delays and accelerate the required procurement and reimbursement for works on the forest farms, although the agreed solution had mixed success; also, did not identify and correct shortcomings with project reporting against targets in PPRs and PIRs; otherwise fulfilled requirements as GEF Agency. See Section 3.3.1.

[1] See rating scheme in Appendix 3.

GEF criteria/dimensions	Rating[1]	Summary comments
D. EXECUTION	**MS**	Showed strong ownership, delivered technically good results, and generally fulfilled the requirements as OP. Liaison with PPMOs and forest farms over contractual and procurement arrangements for delivery of SFM works took several years and the agreed solution to the difficulties had mixed success; also, there have been shortcomings in reporting against some project indicators during PIRs and PPRs and for this terminal evaluation. The OP will facilitate follow-up to the project, especially through application of the national guidelines and standards. See Section 3.3.2.
M&E plan	**MU**	M&E plan identified sufficient resources and budget for M&E activities; however, the results framework did not include any indicators or targets relating to community beneficiaries or the level of effective employment of incentive-based SFM practices, did not include measures to assess the effectiveness of training and capacity building, and some targets for the areas covered by relevant activities and associated carbon emissions reduction were somewhat unrealistic. See Section 5.1.1.
M&E implementation	**MS**	Project followed M&E plan and most information was gathered systematically and in a timely manner. There were some shortcomings to the measurement, reporting and evidence against some indicators in the results matrix, which meant that some progress reporting in PPRs and PIRs was not realistic. See Section 5.1.2.
Overall project rating	**MS**	

Source: Evaluation team

Legend:

Satisfactory (S)
Moderately satisfactory (MS)
Moderately unsatisfactory (MU)
Moderately likely (ML)

Validation by the FAO Office of Evaluation

The report has been subject to independent quality assurance and validation exercises performed by FAO's Evaluation Office (OED). The performance ratings for the "Sustainable forest management to enhance the resilience of forests to climate change in China" (GEF ID 5139) project, set out in the GEF rating scheme, have been adjusted as a result. The overall project performance is validated at the Moderately Satisfactory level. See appendix 12 – OED validation scheme - for details on the validation of individual criteria ratings.

1. Introduction

1.1 General information, project and evaluation background

1. The GCP/CPR/056/GFF project "Sustainable forest management to enhance the resilience of forests to climate change in China" has the environmental objective to "enable local communities in four Chinese provinces to effectively employ incentive-based sustainable forest management (SFM) practices in reforestation and forest restoration activities, enhancing carbon storage and sequestration as well as biodiversity conservation". The project's development objective is "To increase and improve provision of goods and services from forestry in local communities across four Chinese provinces in a sustainable manner, particularly emphasising the long-term resilience of restored and reforested forest areas against environmental pressures".

2. The project commenced on 30 September 2016, following CEO endorsement on 10 April 2015. Originally scheduled to conclude on 31 August 2022, it was extended to 31 December 2024, and the project completion date / not to exceed (NTE) of the project in FAO's Field Programme Management Information System (FPMIS) is 31 December 2025.[2] The total budget for the project is USD 55 552 728, with a GEF allocation of USD 7 152 728 and co-funding totalling USD 48 400 000. The GEF Agency is the Food and Agricultural Organization of the United Nations (FAO) and the Operational Partner (OP) is the International Cooperation Center (ICC) of the National Forestry and Grassland Administration (NFGA).[3] The project is delivered through an Operational Partner Agreement (OPA) under the Operational Partners Implementation Modality (OPIM).

3. The context for the project is described in detail in the project document. In summary, the project document described the situation in China's forestry sector as a story of "quantity over quality", noting that although efforts to halt forest loss and degradation through reforestation and afforestation initiatives have been highly ambitious and steadily increasing over the last two decades, significant opportunities remain for improvements in the quality of forest management. Monoculture, single-age stands cover millions of hectares, representing forest structures that are not only vulnerable against pest, diseases and climatic shocks, but also yielding much lower environmental benefits in terms of fostering biodiversity and mitigating climate change.

4. The key threats described in the project document are: unsustainable commercial use; deforestation from land use change; forest degradation, including from widespread pollution of water, soil and air; very large areas of re- and afforested areas are monoculture, single-age forest stands; and forest areas are very vulnerable to pests, diseases, and weather and climate shocks. The project document identified three critical barriers that impede the full-fledged mainstreaming of sustainable forest management (SFM) as a guiding principle and benchmark for all forest-related activities in China:

    - **Barrier 1.** Inadequate framework and guidance for the effective implementation of the evolving regulatory framework promoting sustainable forest management, biodiversity mainstreaming and carbon emission reductions in China's forests.

    - **Barrier 2.** Inadequate knowledge in many local administrations and communities about how to effectively apply SFM practices in a practical and beneficial way.

[2] The project NTE in FPMIS was extended one year longer than that of the OPA for the main purpose of enabling the terminal evaluation and project closure to be implemented.

[3] The OP was changed from the World Bank Project Management Center (WBPMC) of the State Forestry Administration (SFA) after an institutional restructure in 2018.

- **Barrier 3.** Lack of ability to realize the full value of forest environmental benefits at local and global level and to seize opportunities for creating additional sources of income through environmental protection.

5. In addition, the project document identified four "trends" in the forestry sector that offered a unique window of opportunity for the project to intervene to generate a high amount of global environmental benefits with relatively small incremental investment. These trends were:

(1) Decentralization of forest management structures;

(2) Emergence of a strong forest certification mechanism;

(3) Creation of a comprehensive forest inventory and carbon monitoring system; and

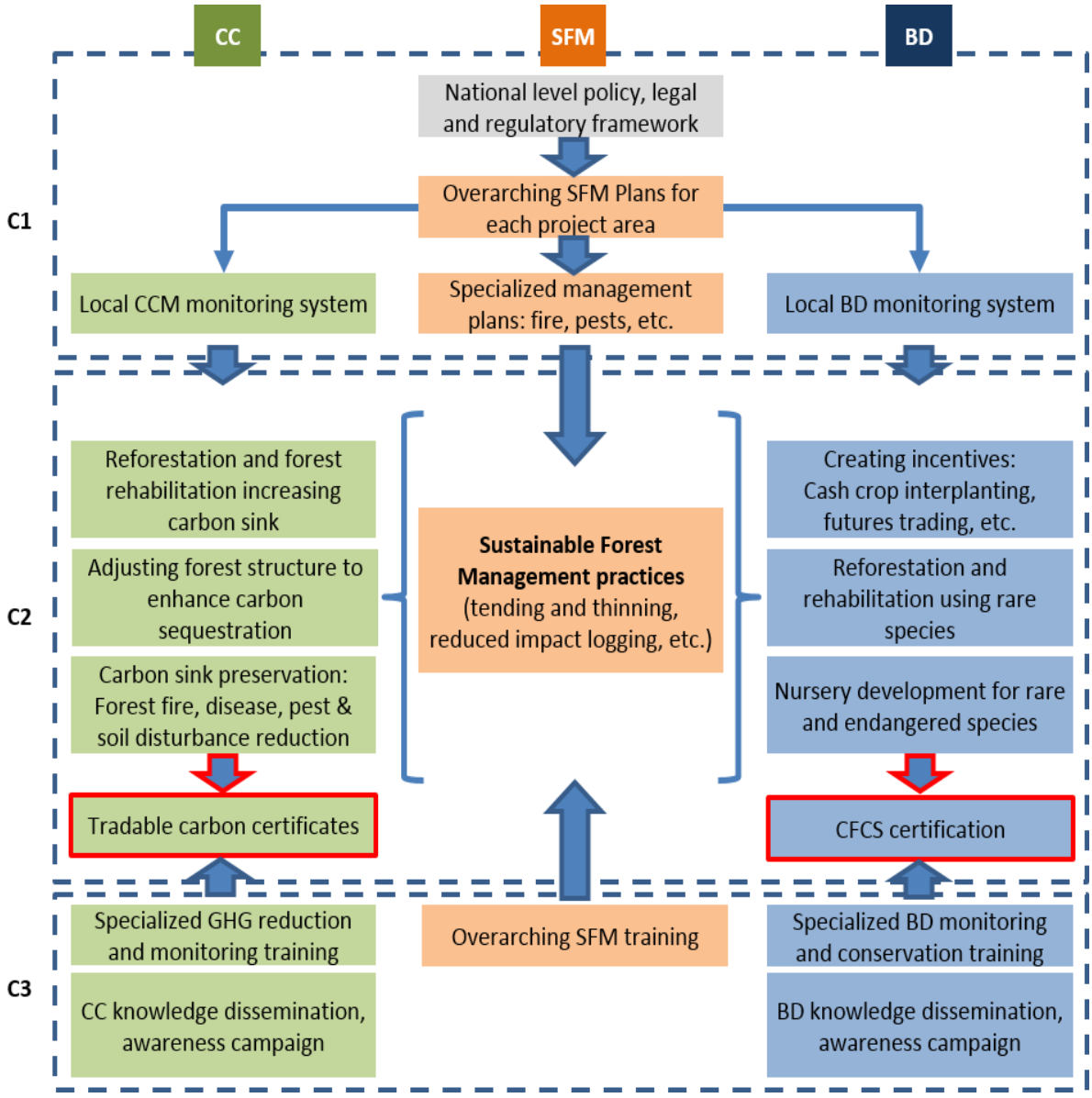
(4) Establishment of a national carbon market.

6. To achieve the environmental objective, make full use of the opportunity from the identified trends and address the identified barriers, this project was structured around three main components, each with three or four outcomes and several outputs, as follows.

- **Component 1:** Strengthened institutional, policy and regulatory frameworks for the implementation of sustainable forest management from national to local level, creating a basis for enhanced biodiversity conservation and carbon sequestration. Four outcomes and nine outputs.
- **Component 2:** Demonstration and adoption of SFM practices, enhancing carbon storage and improving biodiversity conservation. Three outcomes and eight outputs.
- **Component 3:** Training and capacity development; awareness raising and knowledge exchange; monitoring, evaluation and dissemination of best practices. Three outcomes and nine outputs.

7. The overall project structure, using a matrix structure to show the contributions of each component to results under each GEF focal area, was summarized in Figure 4 of the project document; this is reproduced in **Error! Reference source not found.**.

Figure 1: Overall Project Strategy – Matrix structure of components and GEF focal areas



Source: Project document

Notes: GEF focal areas: CC – Climate Change Mitigation, SFM – Sustainable Forest Management, BD – Biodiversity; C1, C2 and C3 – components 1, 2 and 3.

8. The project was designed to adopt an integrated, catalytic approach, applied to different sites on forest farms in a context-sensitive and cost-effective manner. Project activities have been undertaken in four provinces (Henan, Guangxi, Fujian and Hainan; see **Error! Reference source not found.**).

Figure 2: Map of China showing the locations of the four target provinces (coloured darker green) – Henan, Guangxi, Fujian and Hainan – and the capital Beijing (as a red star)

Source: CPMO

9. During project design, field missions and comprehensive analysis of site-level forest data were used to identify a list of 16 forest sites that would serve as pilot sites for the project (see Box 1).

Box 1: Project sites

Henan Province	**Guangxi Autonomous Region**
a. Huangbaishan Forest Farm b. Nanwan Forest Farm c. Minquan Forest Farm d. Xinxian County Forest e. Dengfeng County Forest	a. Yachang Forest Farm b. Qipo Forest Farm (changed in 2019 from Tianli County Forest) c. Xing'an County Forest d. Shankou Forest Farm
Hainan Dao Province	**Fujian Province**
a. Dongfang County Forest	a. Yangkou Forest Farm b. Datian County Forest c. Minhou Baisha Forest Farm d. Shaowu Weiming Forest Farm e. Jiangle Forest Farm f. Shunchang Forest Farm

Box 2 – Basic Project Information

Project title: Sustainable forest management to enhance the resilience of forests to climate change in China

GEF Project ID: 5139

Recipient country: China

Implementing agency: Food and Agricultural Organization of the United Nations (FAO)

Executing agency: International Cooperation Center (ICC) of the National Forestry and Grassland Administration (NFGA)

Start date: 30 September 2016

Expected end date: 31 December 2024 (NTE in FPMIS is 31 December 2025)

1.2 Theory of change

10. The project document did not contain a theory of change (TOC), so a TOC was developed for the project during the MTR. The process for developing this TOC is described in the MTR report (p. 33). The first step involved analysing the project's "intended impact" immediately after its closure, taking into account its environmental and development objectives. The MTR concluded that the project's impact will depend on how far it contributes to catalysing a "profound change" in China's approach to reforestation and forest restoration (the term "profound change" was adopted by the MTR team, it is not used in the project document). The MTR team interpreted "profound impact" to amount to three "main developments post project (impacts)":

- Increase in knowledge of the benefits of SFM leads to growth in services to promote SFM through educational and research establishments, private and public consultancy and advisory services, etc. (measured in number of services available/annum to 2030);
- Growth in public and private investment in SFM to exploit the environmental goods and services derived from SFM (measured in sales of certified forest products and services/annum to 2030); and
- Global environmental benefits (GEB) continue to grow in China (measured in terms of the number of rare/endangered tree/non-tree species that are conserved/removed from the Red List managed by the International Union for the Conservation of Nature (IUCN).

11. The second step involved linking the expected "wider outcomes (end results)" to these impacts and linking the "expected outcomes (initial results)" to project outputs. The TOC was constructed in the form of a flow diagram to facilitate feedback from the PMO/NFGA. Cross-cutting priorities and assumptions were also added. After feedback from FAO and PMO/NFGA, the TOC was finalized, with a logical flow from Actions (five summarized actions) to Outputs (five summarized outputs), Outcomes (initial results), Wider outcomes, and finally Impact. Cross-cutting priorities and assumptions were listed at the bottom.

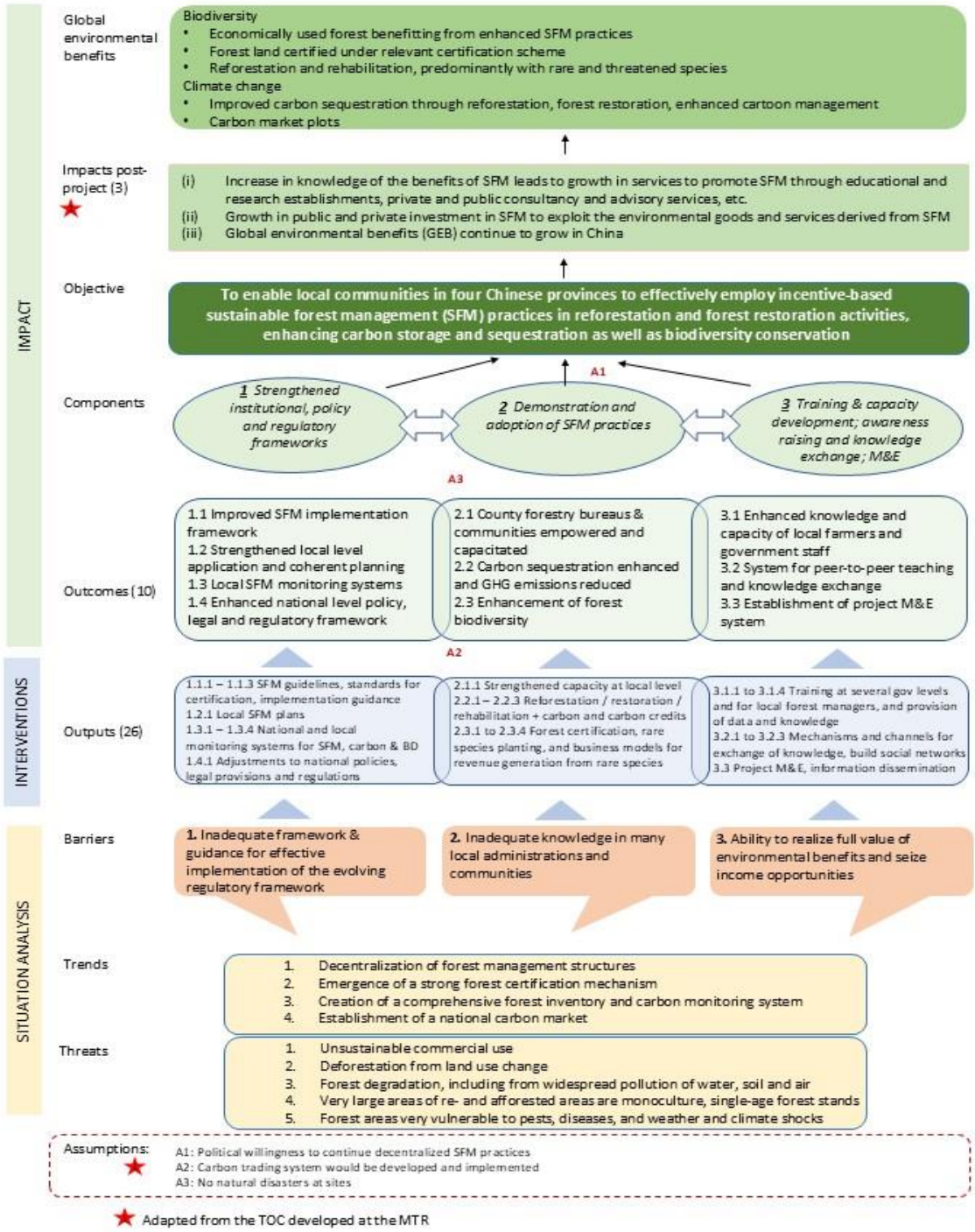
12. The TOC from the MTR provides an informative analytical perspective of the project's intended impacts and how the interventions were expected to achieve those impacts. However, this TOC consisted of new and summarized parameters that were not in the project design and results framework. For this reason, it does not give a clear perspective of the project's design and agreed interventions to achieve its defined objective and goal. Furthermore, it does not provide a convenient tool for analysing the existing strategy and design of the project or assessing both intended and unintended effects.

13. For this reason, the TE team has prepared a proposed new TOC for use during the TE (see **Error! Reference source not found.**). This revised TOC is based largely on existing parameters in the project document. It also includes the three "main developments post project (impacts)" that were developed during the MTR (described above), because these were new elements to the project strategy that were agreed to between the MTR team, PMO/NFGA, and FAO; in the revised TOC, these are shortened to "Impacts post-project".

14. The revisited TOC summarizes the situation analysis that underpinned the project's preparation, including the identification of threats, barriers and four "trends" that were identified in the project document as being directly related to SFM and serving as an opportunity to successfully and sustainably mainstream SFM practices into China's forestry sector. Under the project's three components there are 26 project outputs that lead to 10 outcomes, which show the anticipated change of state when the outputs have been delivered. These lead to the project's objective, post-project impacts (from the MTR TOC), and global environmental benefits. This reflects the cause-and-effect relationship between the inputs, outputs, outcomes and impacts. The revised TOC also includes assumptions from the MTR TOC and shows where in the logical chain the assumptions apply.

15. This TOC was validated during the TE inception phase with the CPMO and China CO. This revised TOC was used during the TE to analyse the strategy and design of the project and assess both intended and unintended effects.

Figure 3. Revised theory of change for project 056



Source: developed by the terminal evaluation team

2. Methodology

2.1 Scope and objectives of the evaluation

16. This evaluation has the dual and mutually reinforcing **objective** of accountability and learning. In terms of accountability, this evaluation is being conducted in order to assess the degree to which the project has contributed to sustainable forest management to enhance the resilience of forests to climate change in China. It will assess the results of the project, their value in relation to the target beneficiaries, and the information needs and interests of policymakers such as the Ministry of Environment and Ecology and other actors with decision-making power, for example, FAO management and the GEF Coordination Unit; it also aims to draw lessons from the implementation of the project and to facilitate the design and implementation of similar projects in the future, thereby fulfilling the learning objective.

17. The **scope** of this evaluation will cover all activities implemented during the duration of the project between the entry-on-duty of 30 September 2016 to the expected end, or not to exceed (NTE), date of 31 December 2024 (while also considering that the NTE date in FPMIS is 31 December 2025). The geographical scope of the evaluation covers the 16 forest farms in the four project provinces in Henan, Hainan, Fujian and Guangxi.

18. The terminal evaluation is expected to provide a comprehensive and systematic account of the evaluated project by assessing its design, implementation and observed results at project completion. It will describe the factors that affected and are likely to affect project outcomes, instances of course correction and adaptive management, and lessons learned.

19. The **audience and intended users** of this evaluation include the central Project Management Office (CPMO) within NFGA, the FAO providing project implementation support, and the GEF as the primary international donor. Other intended users include Chinese counterpart institutions directly involved in the project, such as the provincial forest management bureaus and the state-owned forest farms. Additionally, the evaluation's findings are relevant to staff members of the non-state-owned forest farms participating in the project.

20. The terms of reference (TOR) for this TE included several **evaluation criteria and questions** to guide the evaluation. These were amended slightly during the TE inception phase and the final evaluation questions are provided in Table 1. The evaluation questions are based on the OECD Development Assistance Committee evaluation criteria as well as the GEF-specific evaluation criteria, which have been adapted to the context.

Table 1. Evaluation questions by GEF criteria, from TE TOR

[1] The numbering of some of the evaluation questions has been changed from the TE TOR to match the order of the Criteria and Dimensions in this table template (i.e. Table 1 from the "Template for GEF project/programme terminal evaluation reports").

Criteria	Dimensions	Evaluation questions[1]
Outcome (to be rated)	*Relevance (to be rated)*	1.1 - To what extent are the three project components and objectives aligned with current country environmental and development priorities, GEF focal areas/operational programme strategies, the FAO Country Programming Framework, the mandates of executing partners, and the needs and priorities of targeted beneficiaries?
	Coherence (to be rated)	2.1 - External coherence. Is the intervention harmonized with the actions implemented by other actors in the same context (e.g. development agencies, other GEF projects)? Does the intervention add value compared to others and was duplication of effort avoided? 2.2 - Internal coherence. To what extent did the project design provide a practical approach for addressing the targeted environmental concern in terms of coherence of the vertical and horizontal logic in the results framework? To what extent do the project components, activities, and M&E system align with the project objectives?
	Efficiency (to be rated) - *Materialization of co-financing (NOT to be rated)* - *Implementation (to be rated)* - *Execution (to be rated)*	3.1 - To what extent has the FAO/OP partnership facilitated or hampered project execution, timely resolution of issues during project implementation and contribution to project results and objectives? (Originally 4.1 in TE TOR) 3.2 - How is FAO monitoring progress and technical quality of the work of the OP? Is the BH / project team appropriately equipped to monitor and oversee the OP? Does it get support if needed, does it lead to the implementation of corrective actions and improvement of identified weaknesses? (Originally 5.1 in TE TOR) 3.3 - To what extent have the executing agencies, including the selected OP, effectively fulfilled their roles and responsibilities in the management and administration of the project? (Originally 6.1 in TE TOR)
	Effectiveness - *Additionality (NOT to be rated)* - *Contribution of co-financing to results achievement (NOT to be rated)*	4.1 - Is the intervention achieving its objectives? To what extent did the project contribute to: • Strengthening institutional, policy and regulatory frameworks for the implementation of SFM from national to local level? • Strengthening institutional and stakeholder capacities to effectively employ incentive-based SFM

	- *Progress to impact (IF feasible and NOT to be rated)*	practices in reforestation and forest restoration activities, enhancing carbon storage and sequestration as well as biodiversity conservation? • What are the results of the demonstration of SFM practices? (Originally 3.1 in TE TOR) 4.2 - What is the incremental value the GEF grant has brought about to results achieved (in terms of innovative approaches, technologies, and climate resilience)? (Originally 7.1 in TE TOR) 4.3 - To what extent did the materialized co-financing contribute to project results, reflecting national ownership? (Originally 10.1 in TE TOR)
Sustainability (to be rated)		5.1 - What is the degree of ownership of the project's achievements by the main actors at the institutional, regional and local level and to what extent do they have the resources and interests to capitalise on the achievements beyond the duration of the project? (Originally 8.1 in TE TOR) 5.2 - To what extent has the project identified, anticipated, and planned for key risks which may affect the sustainability of the project benefits (financial, institutional, environmental, socio-political and others)? (Originally 8.2 in TE TOR)
M&E design (to be rated)		6.1 - To what extent did the M&E plan sufficiently identify resources and budget for M&E activities in line with the project theory and monitoring and evaluation requirements? (Originally 9.1 in TE TOR)
M&E implementation (to be rated)		7.1 - Was information gathered systematically, in a timely manner, and according to a robust methodology? (Originally 9.2 in TE TOR) 7.2 - To what extent was the collected information used to inform decision-making, foster learning, and support the sustainability and scaling-up of project results? (Originally 9.3 in TE TOR)
Application of GEF Policies and Guidelines[4] (NOT to be rated)	*Environmental and social safeguards (including Human rights and Indigenous Peoples as relevant)* *Gender* *Project partnership and stakeholder engagement* *Communication, knowledge management and knowledge products*	8.1 - To what extent were environmental and social concerns taken into consideration in the design and implementation of the project? (Originally 11.1 in TE TOR) 8.2 - Were gender equality and empowerment and other equity and human rights issues mainstreamed in the project, both in design and implementation? (Originally 11.2 in TE TOR) 8.3 - To what extent have local communities and/or indigenous communities been duly informed, consulted and involved in the decision-making

[4] It should be noted that, as a GEF-5 project, there were few formal requirements regarding the inclusion during project design of components relating to gender equality and empowerment, social and environmental safeguards, Indigenous Peoples, and human rights issues.

		process prior to project implementation? (Originally 11.3 in TE TOR)
Lessons learned (NOT to be rated)		(No evaluation questions)

2.2 Methodological design

21. This terminal evaluation adhered to the United Nations Evaluation Group (UNEG) Norms and Standards for Evaluation (2016), the FAO OED Project Evaluation Manual 2019 ("OED Project Evaluation Manual" hereafter) and associated annexes, methodological guidelines and practices, and the Global Environment Facility (GEF) 2023 Guidelines for Conducting Terminal Evaluation of Full-sized Projects.

22. The evaluation was undertaken by an **evaluation team** comprising two independent consultants: an international consultant / team leader (Dr Adrian Stokes) and a national consultant (Dr Fan Longqing).

23. During the design and preparation phase of the evaluation, an **inception report** was prepared in accordance with the guidance in Annex 10 of the OED Project Evaluation Manual. This included:

- a stakeholder analysis to inform decisions on who would be involved and the methodology that would be used to engage with them;
- an evaluation methodology, giving detailed information on the approaches to be used and the methods selected for data collection; and
- an evaluation matrix, which set out how the methodology would be operationalized by the evaluation team, presented the specific evaluation questions/indicators under each evaluation question (see Table 1) and identified the sources for data collection (see Appendix 6 for the evaluation matrix).

24. The **methodology** involved multiple sources of data to inform the evaluation, to ensure the collection of evidence-based information that is credible, reliable and useful. The evaluation used qualitative methods and quantitative secondary analysis of some project monitoring data, as described below.

25. The four main data collection methods were:

- Desk reviews of all relevant documents and information covering project design, implementation progress, monitoring and review. This included relevant strategic and planning documents such as FAO policy documents and national policies and strategies in China.
- Key informant interviews (KIIs) with project stakeholders were held. These were conducted as semi-structured interviews in a conversational format, based on interview tools that were developed. Interviewees were selected through a purposive sampling based on the stakeholder analysis undertaken as part of the inception report preparation. Key informants were grouped in the following categories and assigned a priority rating (1 = essential; 2 = desirable; 3 = if time and resources allow). All priority 1 and 2 informants were interviewed and one priority 3 interviewee was interviewed; 49 of the 53 stakeholders (92 percent) identified in the inception report were interviewed.
    - Active stakeholders with direct responsibility for the project, i.e. key stakeholders from FAO and ICC/NFGA;

  - Active stakeholders with authority to make decisions on the project, including the four provincial PMOs, who will provide vital information on implementation of the project at a provincial level; two PAC members were also interviewed;
  - Secondary stakeholders (only indirectly or temporarily affected), to provide important insights into some aspects of the project, such as research partnerships;
  - Stakeholders at grassroots level who benefit directly or indirectly from the intervention, including the forest farms that were visited, who provided vital information on the implementation of the project at the forest farm level; and
  - Other interest groups / individuals that are not participating directly in the intervention.

- Focus group discussions (FGDs) were held for some stakeholders to draw out experiences in a group setting, based on a tool that was developed. These were appropriate for beneficiaries at project sites and were planned carefully to be sensitive to specific settings and circumstances. In total, three groups totalling six local community residents participated in FGDs.
- Field visits were undertaken to obtain a first-hand understanding of project activities and achievements and to connect with beneficiaries. KIIs and FGDs with beneficiaries and other stakeholders were conducted during the field visits. More details about the field visits are provided in Table 2.

26. Most interviews and the site visits were held during a field mission by the evaluation team to Beijing and to Hainan, Guangxi and Fujian provinces in China from 21 to 30 April 2025; some interviews were conducted remotely after that period.
27. In accordance with the TOR, the **selection of sites** for field visits was made by the evaluation team, based on consultations with the PMO and the evaluation manager and according to various criteria.
28. Due to time limitations (the mission was restricted to 10 days including internal travel), not all of the 16 forest farms that are project sites could be visited during the mission. To minimize inefficiencies from excessive travel, an early decision was made to exclude Henan province from the mission, because it is located in central China whereas the other three provinces are clustered nearby in south and south-east China. Interviews with Henan stakeholders were held remotely after the mission in China. The following criteria were followed to select sites to visit for Hainan, Guangxi and Fujian:

- Hainan: There is only project site, involving four forest companies, therefore the TE visited these four forest companies.
- Guangxi: All four of the project sites in Guangxi were visited.
- Fujian: There are six project sites in Fujian. In consideration of time limitations, a purposive sampling was applied to select four of the six project sites to visit, with these chosen to provide a cross-section of the project's intervention types (Jiangle: reduced impact logging, reforestation/restoration, and improved management of pests, diseases, and fires; Weiming: conservation/reforestation of "rare and precious" indigenous tree species and diversification of uneven-aged multi-layered mixed forests from Chinese fir plantations; Yangkou: Chinese fir cultivation and forest tending; Shunchang: diversification of existing monoculture forest into mixed species stands, and evaluation of forest carbon credits).

29. In terms of gender analysis, the TOR for this evaluation noted that, while the project made some efforts to promote women's participation, the MTR identified significant gaps in gender mainstreaming, strategy development, and consistent reporting on gender equality results. This TE addressed these gaps by collecting and analysing gender-disaggregated data, assessing the project's contributions to women's empowerment and to the objectives presented in FAO's policy

on gender equality, and providing recommendations for strengthening gender mainstreaming in future programming.

30. All evidence collected was validated, including by:

- reviewing all documents prepared as project outputs, to assess their contribution to the project's outcomes and evaluate whether they meet the wording and intent of indicators and targets;
- reviewing quantitative reporting methodologies used by the project, especially the GEF tracking tools for BD (Biodiversity), CCM (Climate Change Mitigation) and SFM (Sustainable Forest Management), reported areas (ha) under different management practices, and tonnes of CO_2 emissions sequestered or avoided;
- reviewing M&E documents;
- viewing formal authorizations of relevant policies and/or regulations;
- viewing product certification certificates; and
- analysing data on training, capacity strengthening and community engagement.

31. Regarding validation of the quantitative area targets (and associated carbon emissions reduction) under Component 2, the TE team received variable reporting against this and the explanations and evidence for the reporting received was unclear. Also, there was inconsistency between the areas reported in the PIRs, the self-assessment report and additional information provided during the TE, and the reporting received did not clearly address the activities defined in the project document for each output. The TE team was not able to assess and verify reported achievements with the reporting received. Therefore, to achieve a clear understanding of the areas covered by relevant activities, the TE team collated and analysed data from the following three independent inspection and acceptance reports commissioned by NFGA:

- Co-financing activities: Inspection and Acceptance Report for EIB-GOC-funded Activities (2020)
- GEF-funded activities: Inspection and Acceptance Report for GEF-funded Activities (2023)
- GEF-funded activities: Inspection and Acceptance Report for GEF-funded Activities (2024)

32. In addition, the TE team identified activities that corresponded with the area-based output targets in the results framework, based on the detailed output descriptions on pages 44–51 of the original project document.

33. Regarding validation of reported training under Outcome 3.1, the TE team received variable reporting against the quantitative training targets under Outcome 3.1, and reporting received for Outputs 3.2.1 and 3.2.3 was lumped into one total rather than providing separate reporting. Also, comprehensive training records were not available as evidence to enable direct validation of reporting. Therefore, the evidence for reported training was only partially verified (see Appendix 5). This involved the TE team viewing various sources of information (such as notices of training workshops, workshop photos, lists of participants with signatures, financial documents for cost reimbursement, and media reports with photos) as proxies for reported training sessions since 2023. Earlier training sessions were not verified, because record-keeping was especially limited during COVID-19, and because gathering relevant evidence for training that occurred before then (i.e. before 2020) was considered impractical. To enable assessment of progress against Outputs 3.2.1 and 3.2.2, the TE team allocated the reported workshops and training sessions to the two outputs according to the reported subject matter (see Appendix 5).

34. Also, it should be noted that there is some lack of clarity in the relevant targets for Outputs 3.1.2 and 3.1.3 in the results framework (see Appendix 5), regarding whether the total target across the two outputs is 4,000 or whether the target is for 4,000 under each output. The TE team considers it

impractical that 4,000 people would be trained in the setup and application of carbon and biodiversity monitoring systems, and has therefore interpreted it as a total target of 4,000 trainees across the two outputs.

35. Secondary analysis was undertaken of quantitative data, as follows: the data from three reports were collated and analysed (as described above) to assess the project's achievement of targets under Component 2. These data were then used to calculate the tonnes of CO_2-e reduced, using the carbon emissions factors in the project document, to assess achievement of those targets under Component 2. Various sources of information on reported training were received, as described above, and this information was collated, categorized and sorted to fit the categories of the relevant indicators, then this data was analysed to assess achievement of these targets.

36. Data analysis initially assessed achievement against the targets for each project output, according to quantitative analysis, assessment using the validation process described above, and other collected data. This evaluation against outputs enabled an assessment of the achievement of the project's outcomes and the results that the project's interventions have achieved. Also, each evaluation question was assessed and information collated to answer them comprehensively. Finally, ratings were applied to some GEF criteria, in accordance with Table 1.

37. Evidence was triangulated against more than one information source to verify findings, where data was available from more than one source. Triangulation was undertaken by gathering data from multiple sources (as described above) and comparing findings across the different data sources to identify patterns, consistencies or contradictions. Where findings are complementary, this validates conclusions and enrich understanding. Any discrepancies were explored to understand underlying factors and inform the interpretation of results.

2.3 Limitations

38. The geographic scope of the evaluation had some limitations, mainly because project sites in one province (Henan) had to be excluded from field visits due to limited time available and distance from FAO. This was mitigated by: i. ensuring that the breadth of intervention types implemented by the project was covered by the sites visited in the other provinces; ii. receiving a presentation on project progress in Henan from the provincial PMO (PPMO); and iii. conducting remote interviews with relevant personnel from the PPMO and two forest farms.

39. Generally, the mission itinerary allowed sufficient time for considered site visits and insightful interviews. The exception was in Hainan on 23 April 2025, when a very busy schedule was planned that included four site visits (including travel between sites), a presentation from the PPMO, interviews with key provincial stakeholders, and late evening travel to Nanning. The result was that the presentation and interviews were rushed at the end of the day.

40. The inception report identified various potential risks and limitations that the evaluation team might have faced during the evaluation, as presented below, together with observations from the evaluation team after the conduct of the data collection.

- Inception Report: *"The project has been running since 2016 and was developed more than 10 years ago, therefore it was possible that there would have been difficulties accessing stakeholders who have had continuous involvement and have a strong understanding of the original rationale and intent of the project.*"

  Feedback from the evaluation team: several interviewees were identified who could provide information on the design and early stages of the project.

- Inception report: "*Issues may arise around the availability of information and documents that are considered by authorities to be sensitive (a common issue for such evaluations in China).*"

  Feedback from the evaluation team*:* no information or documents were considered sensitive by authorities.

- There were no limitations or constraints on the availability of data from the period of COVID-19 restrictions.

- Finally, there were no limitations from access to sites, in terms of considerations such as security issues and weather impacts.

3. Outcome

OVERALL OUTCOME RATING: MODERATELY SATISFACTORY

Main Finding 1. The overall project outcome is considered moderately satisfactory. The project's relevance was satisfactory, with strong alignment with the country's environmental and developmental priorities, good alignment with GEF priorities and the CPF for China, and good alignment with the mandates of executing partners. Coherence was moderately satisfactory, with the design responding well to political and policy trends, being well harmonized with the two significant initiatives that provided most of the project's co-financing, and being well designed to deliver global environmental benefits and develop SFM models and practices; however, it had limited vertical alignment with its environmental objective because it did not include actions to support forest managers outside the forest farms, and had poor internal horizontal coherence between the environmental and development objectives. Effectiveness was moderately satisfactory, with some good-quality results in strengthening policy and regulatory frameworks; a range of good-quality sustainable forest management, biodiversity and carbon sequestration interventions; and strengthened institutional and stakeholder capacities; although some key targets for the area of forest under improved management and carbon emissions reduction were not achieved. Moderate progress was made towards the development objective, with good progress on forest farms and little progress outside forest farms. Efficiency was moderately unsatisfactory, with a low disbursement of the GEF allocation (52.0 percent) due to various issues, especially the non-reimbursement of project partners for some incurred costs because they did not follow procurement requirements; and several delays to the project, due mainly to COVID-19, startup delays, and delays with forest farms over contractual and procurement arrangements.

3.1 Relevance

Rating: SATISFACTORY

Evaluation question 1.1: To what extent are the three project components and objectives aligned with current country environmental and development priorities, GEF focal areas/operational programme strategies, the FAO Country Programming Framework, the mandates of executing partners, and the needs and priorities of targeted beneficiaries?

Finding 1. The project had strong alignment with the country's environmental and developmental priorities, in particular with an increasing focus on environmental sustainability in the cycles of China's Five Year Plans for Economic and Social Development, including an emphasis on climate change mitigation and carbon storage in the forestry sector. This alignment has increased since the project was designed, due to its strong contribution to the Chinese Government's mission since 2016 to establish an "ecological civilization". The project was consistent with three GEF-5 programme strategies at the time of design, in particular CCM-5 "Promotion of conservation and enhancement of carbon stocks through sustainable management of land use, land-use change and forestry", and is currently relevant to programming directions for recent GEF replenishments. At the time of project design, the project's contribution to the FAO Country Programming Framework (CPF) for China was strong, and the contribution to the current CPF is also strong. The project was well aligned with the mandates of executing partners and with the needs and priorities of targeted beneficiaries in forest

farms, although it did not have a strong component of supporting local community beneficiaries outside the target forest farms.

41. The project has proven to be highly aligned with three intersecting national priorities: sustainable forestry management, biodiversity conservation, and carbon emissions reduction and carbon trading. This is reflected in an increasing focus on environmental sustainability in the cycles of Five Year Plans for Economic and Social Development, including an emphasis on climate change mitigation and carbon storage in the forestry sector. A revised Forest Law was adopted in 2019, which includes requirements around SFM and biodiversity conservation and the promotion of multiple benefits of forests, including carbon trading, which is consistent with this project's interventions. Also, the 2023 National Biodiversity Conservation Strategy and Action Plan (2023–2030) established strong links between China's responses to biodiversity decline and climate change mitigation and adaptation, including reinforcing ecosystem resilience for carbon stabilization and sink enhancement.

42. The alignment at project conclusion is higher than at the design stage, due especially to its strong contribution to the Chinese Government's mission since 2016 to establish an "ecological civilization", a key element to the process of modernizing China through realizing a harmonious coexistence between humans and nature. Governments at all levels are addressing biodiversity conservation and environmental protection under this national policy.

43. The project was consistent with the GEF-5 Focal Area Strategies for Climate Change Mitigation (CCM) and Biodiversity (BD) as well as with the strategy for the Sustainable Forest Management/REDD incentive mechanism, as follows: CCM-5 "Promotion of conservation and enhancement of carbon stocks through sustainable management of land use, land-use change and forestry"; BD-2 "Mainstream biodiversity conservation and sustainable use into production landscapes/ seascapes and sectors"; and contributes to the objectives of SFM/REDD-1 "Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services".

44. The project's strategy established in project design continues to be relevant to programming strategies for later GEF replenishments, for example GEF-8 BD Objective 1 "To improve conservation, sustainable use, and restoration of natural ecosystems", especially the priority "Improving and changing production practices to be more biodiversity-positive and to promote sustainable use of biodiversity as appropriate with a focus on sectors that have significant biodiversity impacts (agriculture, **forestry**, fisheries, tourism, extractive industries (gas, oil, and mining) and infrastructure development)".

45. The project made a strong contribution at the time of design to the FAO Country Programming Framework (CPF) for China 2012–2015, especially under Outcome 4.1 "enhanced sustainable agro-ecological development programmes, technologies and practices" and content relating to forest deforestation, afforestation and forest management, with "sustainable forest management" one of seven Impact Focus Areas. At project completion, the project is making a strong contribution to the current CPF (2021–2025), especially the two overarching objectives "Agri-food systems resilience" and "Agri-food systems transformation" and the umbrella programs Climate Change and Biodiversity Conservation, Natural Resources Management and Livelihoods.

46. The project was well aligned to the needs and priorities of the OP (the NFGA), the national-level agency responsible for setting forest management policy and for overseeing forest management across China, because the project provided the opportunity to leverage significant existing government investment to innovatively address the intersecting national priorities of sustainable forestry management, biodiversity conservation, and carbon emissions reduction and carbon

trading. In addition, the project is consistent with the provincial forest agencies' needs and priorities, who have responsibility for provincial-level implementation of national policies and priorities.

47. The project was well designed and implemented to support local forest managers in the 16 target forest farms. The development of guidelines and SFM plans and the provision of training and other learning opportunities were well targeted to support these partners to deliver project results and to raise the awareness and capacities of staff. Representatives from these forest farms are enthusiastic about the contribution of the project to their recent achievements. However, the project design did not have a strong component of working with local community beneficiaries outside the 16 forest farms (as analysed under Finding 3).

3.2 Coherence

Rating: MODERATELY SATISFACTORY

Evaluation question 2.1: *External coherence*. Is the intervention harmonized with the actions implemented by other actors in the same context (e.g. development agencies, other GEF projects)? Does the intervention add value compared to others and was duplication of effort avoided?

Finding 2. The project design responded well to political and policy trends, and was well harmonized with the two significant initiatives that provided the core of the project's co-financing. Generally, the intervention added value and avoided duplication of effort.

48. The project design was a response to four identified trends or "ongoing developments" in political interest and government policy, which provided a window of opportunity for the project to achieve a high amount of global environmental benefits (GEBs) with relatively small GEF investment (as described in Section 1.1). This represents good external coherence at the time of design. The project document effectively analysed the baseline situation, including these four trends, to ensure that the project added value and avoided duplication. By building on this analysis, the project was well targeted to generate global environmental benefits.

49. The project's intervention was also well harmonized with two significant initiatives that provided the core of the project's co-financing. These were:

- European Investment Bank - Government of China (EIB-GOC) Forestry Framework Loan (total value including loan and in-kind USD 248 000 000); and
- Government of China's own forest sector investments under the National Strategic Timber Reserve Programme (NSTRP).

50. Appendix 8 provides an extract from the project document that provides detailed information on these initiatives, the co-financing arrangements, and the GEF incremental investment relative to the funding (referred to as "baseline initiatives and "baseline investment" in the project document). In summary, the two baseline initiatives were closely interrelated and complementary, with a focus on reforestation and afforestation. They did not have targeted activities to maximize GEB creation in the restored forest areas, therefore the GEF project was designed to leverage these interventions to generate high-levels of GEBs with relatively small GEF incremental investment. The overall amount of co-financing from these sources was USD 48 000 000 (USD 40 650 000 from the EIB-GOC loan project and USD 7 350 000 from the NSTRP). Because the resources for these initiatives were pooled and managed centrally, the NFGA is listed as the co-financer for these co-financing contributions.

Also, the project document identified that the four provinces are "de facto co-financers", because some of the funding is allocated to the provincial level.

51. The TE team considers that this co-financing strategy was effective at adding value and avoiding duplication of effort. The ownership of the GEF project was very high and the actions were well integrated with the EIB-GOC and NSTRP initiatives – in fact, it was sometimes difficult during interviews and site visits to distinguish GEF-funded interventions from those funded by the EIB-GOC or NSTRP.

52. At the time of design, the project was planned to be coordinated with a range of projects, with the project document briefly describing several relevant projects and initiatives in China. A coordination and consultation mechanism was to be built into the project's knowledge exchange mechanisms to "maximize synergies and avoid duplication with the work of relevant GEF financed and other initiatives" (p. 68).

53. The project is well targeted to achieve GEBs in four provinces and on 16 forest farms. This core of the project strategy is well designed (see **Error! Reference source not found.**): the policy, planning a nd monitoring systems from Component 1 provide an overarching framework for the delivery of SFM practices, incentive models and GEBs in Component 2, with tradeable carbon certificates and CFCS certification as key deliverables. Component 3 underpins Component 2 through training, knowledge management and awareness raising.

Evaluation question 2.2: *Internal coherence*. To what extent did the project design provide a practical approach for addressing the targeted environmental concern in terms of coherence of the vertical and horizontal logic in the results framework? To what extent do the project components, activities, and M&E system align with the project objectives?

Finding 3. The project strategy focused primarily on the development of SFM models and practices and the delivery of global environmental benefits, and this part of the project was well designed. However, the project design did not include actions to support forest managers outside the forest farms to employ incentive-based SFM practices, which meant that there was limited opportunity for the project to meet its environmental objective outside the forest farms. There was poor internal horizontal coherence between the environmental and development objectives. Also, the project's M&E collected limited information to inform progress towards the project's objectives. The original project design for Output 2.2.3 relied on using a national carbon trading system that has not been established to this date.

54. The project is well designed to develop SFM models and practices and deliver GEBs on the participating forest farms (see **Error! Reference source not found.** and **Error! Reference source no t found.**). However, there were shortcomings in the extent to which the project design provided a practical approach for achieving the environmental objective.

55. The project's environmental objective was "To enable local communities in four Chinese provinces to effectively employ incentive-based sustainable forest management (SFM) practices in reforestation and forest restoration activities, enhancing carbon storage and sequestration as well as biodiversity conservation".

56. The project document was clear that the term "local communities" was intended to include both "household level forest managers" and local-level forest farm managers and staff, and that "the ultimate implementer of project activities are farmers living in **local communities in and around**

the project areas" (p. 26). Therefore, to achieve the objective, the project design should have facilitated the uptake of incentive-based SFM practices both on and outside the target forest farms.

57. For many of the practices developed and promoted by the project, there can be economic barriers to their uptake. This is because many of the practices and incentive-based models involve higher input costs (such as selective logging and forest tending) and therefore have higher unit costs to produce, and SFM-accredited timber products do not always attract a premium. Also, there can be a lag in revenue when significant changes are made to the management practices and objectives for a forest, such as switching from a monoculture to a mixed-species forest. Finally, with slow-growing rare species, it can be several decades before trees yield harvestable timber.

58. In state-owned forest farms in Guangxi, Fujian and Henan, their main source of income is government funding, so these economic considerations are often a lower priority than other priorities (such as achieving ecological benefits, securing access to export markets, or contributing to the company's environmental, social and governance credentials). The incentive-based models are a valuable addition to the suite of tools available to them, and the project's technical training and capacity building, which was focused on the managers and staff of county bureaus and forest farms, were well targeted for these stakeholders. For the forest farms, this design was appropriate.

59. However, for private forest owners, especially for farmers managing small forest areas, these economic considerations can be a substantial barrier to the uptake of new practices and incentive-based models. Despite this, the project design did not include actions to support forest managers outside the forest farms to address these economic barriers and generate income streams, which meant that there was limited opportunity for the project to meet its environmental objective to enable local communities to effectively employ incentive-based SFM practices (outside the forest farms). The MTR found similar shortcomings in the analysis of the project design (pp. 37–38).

60. Also, regarding measurement of progress towards the environmental objective, the project design did not include any indicators or targets relating to community beneficiaries, such as the number of direct community beneficiaries or the generation of socio-economic benefits, or the level of effective employment of incentive-based SFM practices. This means that limited information is collected to inform progress towards the objective.

61. The project's development objective is "To increase and improve provision of goods and services from forestry in local communities across four Chinese provinces in a sustainable manner, particularly emphasising the long-term resilience of restored and reforested forest areas against environmental pressures". However, the focus of the project is on changing forestry practices and approaches to achieve environmental outcomes, not on increasing the provision of goods and services. This represents poor internal horizontal coherence between the environmental and development objectives. Also, no indicators were included in the results framework to enable assessment of progress towards the development objective. The project does have underlying principles around increasing resilience to climate change and other stressors through forest restoration that recovers ecosystem structure, function and productivity, although no monitoring is in place to assess achievement of this.

62. The decision was made during project design to rely on a national carbon trading system (CCER) that had not yet been established, as one of the project's key incentive-based mechanisms. This national system has not been put in place (for national policy reasons that were beyond the control of the project), which means that the scope to develop robust tradable carbon certificates was limited and it was necessary during implementation to change the relevant indicator to refer to a

provincial trading scheme and to reduce the target. In retrospect, it would have been better not to design the project so that a core aspect was reliant on a scheme that was not yet in place.

3.3 Efficiency

Rating: MODERATELY UNSATISFACTORY

Evaluation question 3.1: To what extent has the FAO/OP partnership facilitated or hampered project execution, timely resolution of issues during project implementation and contribution to project results and objectives?

Finding 4. There were significant delays at project startup due to the time taken to negotiate the OPA between the OP (ICC of NFGA) and the FAO and the time taken to open the project bank account. Also, due to the change in the OP in 2018, a new bank account had to be established and the second payment instalment was received after four years – in 2022. There were also delays associated with COVID-19 and due to challenges with putting in place delivery arrangements for activities in the 16 forest farms. In spite of this, the FAO/OP partnership was constructive and the indirect execution modality chosen (OPIM[5]) was pivotal to project implementation continuing even in the absence of project funds.

63. There were delays at project startup, with CEO endorsement occurring in April 2015 but implementation not starting until 30 September 2016. The TE team understands that the primary reason for this delay was the time required to negotiate the Operational Partners Agreement (OPA) for the project, which was signed by FAO on 13 September 2016 and by NFGA on 30 September 2016.

64. An additional delay in funding flow occurred while the bank account for the project was opened, with the first payment instalment received in August 2017. In 2018, institutional restructures occurred that led to the execution responsibility being transferred from the SFA to the newly restructured NFGA. This also led to delays in funding flow, as a new bank account was required to be set up. The second payment instalment was not received until 2022. The TE team was advised that these delays occurred because NFGA is a national entity and the process to verify and establish a project account involves many procedural steps.

65. The risk to project implementation of such delays due to OPA negotiation and prolonged administrative processes (such as opening bank accounts) was not identified as a foreseeable risk under "Administrative and operational risks" in Section 3.2 (Risk Management) of the project document. This is a minor design shortcoming, although when the project was developed in 2014 there was limited project experience available to inform such risk assessments. The institutional restructure that led to the additional delays was not a foreseeable risk during project development.

66. The project also experienced delays due to the restrictions from the COVID-19 pandemic, from 2020 to mid-2023. These delays led primarily to slow financial expenditure, whereas the progress of project results showed fewer delays. Some early activities were implemented using co-financing during this period. At the time of the MTR (late 2020), the delays due to project hold-ups and COVID-19 were estimated to have set the project back around one year. On this basis, a recommendation was made for a no-cost extension (NCE) to at least 31 July 2023.

67. The final significant cause of project delay was challenges with putting in place delivery arrangements for SFM activities in the 16 forest farms, with the project's most substantial works not

[5] Operational Partners Implementation Modality (OPIM), FAO Manual Section 701 (MS701/OPIM).

commencing until 2021, more than four years after project commencement. The main reason for this was difficulties establishing procurement arrangements in the provinces and forest farms that met the requirements of the project document, OPA and Project Implementation Manual. This is described in detail under Finding 5.

68. Due to the above challenges, continuing impacts from COVID-19 into 2023, and the availability of a significant amount of unspent funds (see Finding 5), the project received two NCEs totalling 2 years and 2 months of extension, and the final completion date was 31 December 2024.

Finding 5. The project delivered 52.0 percent of the GEF allocation and had USD 3 341 641 unspent, which was caused by several different issues, mainly the non-reimbursement of state-owned forest farms for approximately USD 2.4 million of costs incurred for SFM project works, because they did not follow the project's stringent procurement requirements.

69. The expenditure by NFGA of their GEF allocation at 31 March 2025 was USD 3 619 437, which is 52.0 percent of the portion of the GEF funds that they received under the OPA (USD 6 961 078).[6] USD 3 341 641 remained unspent.

70. For the USD 191 650 of the GEF allocation that was retained by FAO (after the July 2023 OPA amendment), the expenditure to 16 May 2025 was USD 119 334 (62.3 percent). As described under Section 1.1, the NTE for activities under this part of the GEF funds is 31 December 2025, to enable various activities to be completed (including this TE and a final workshop in September 2025). Therefore, this level of expenditure is appropriate.

71. Table 2 provides a breakdown of actual expenditure by NFGA against budgeted expenditure for the project's components. It can be seen that expenditure against Component 1 was good (93.6 percent), and expenditure against Components 2 and 3 was low.

Table 2: Breakdown of budget and expenditure by project component (USD); source: PMO self-assessment report

Component	Budget (revised 2023)	Total expenditures (at 31 March 2025)	% of budgeted
Component 1	894,084	837,153	93.6
Component 2	5,200,730	2,238,008	43.0
Component 3	672,064	379,052	56.4
PM	194,200	165,224	85.1
Project Total	**6,961,078**	**3,619,437**	**52.0**

72. There were three main reasons for the low level of expenditure, as discussed below.

73. First, and most significantly, CNY 16 656 555 (approximately USD 2.4 million using an average foreign exchange rate for April 2023) was unspent because state-owned forest farms in Henan, Guangxi and Fujian were not reimbursed for SFM project work undertaken under Component 2 in 2021 and 2022. Table 3 shows the breakdown of non-reimbursed costs by province.

[6] In the original OPA, NFGA received USD 7 152 728, which was the full GEF grant; this was revised to USD 6 998 878 in the OPA amendment dated 27 December 2017, and revised again to USD 6 961 078 in the amendment dated 31 July 2023.

Table 3: Breakdown of non-reimbursed project costs (CNY and approximate USD) by province; source: FAO

Province	Total non-reimbursed (CNY)	Total non-reimbursed (approx. USD)
Henan	5,398,600	785,479
Guangxi	5,852,055	851,456
Fujian	5,405,900	786,542
Project Total	**16,656,555**	**2,423,477**

74. The parties that were not reimbursed for SFM activities were all state-owned entities – no private farmers or privately forest farms were involved, and all personnel involved in delivering the relevant activities were paid at the time of the works being conducted.

75. The forest management work that was not reimbursed comprised reforestation and afforestation; conversion of monocultures to mixed forests; reduced impact logging; conservation of rare and precious species; improved management of pests, diseases and fires; and forest tending.

76. The reason for the high level of non-reimbursement relates to the processes that were followed. The protocol in place between the NFGA and the forest farms was a reimbursement-based model: the forest arms completed agreed work at their cost and submitted a claim for reimbursement when the work was completed. The non-reimbursement challenges arose because of non-compliance with the project's stringent procurement requirements.

77. This is a complex issue that dates back to the start of the project. A timeline of key relevant events/decisions, with evidence when available, has been reconstructed by the TE team and is provided in Appendix 9. In summary:

- The project document, OPA and project implementation manual (PIM) all stipulate that project procurement activities will follow strict procedures, including competitive bidding. This was communicated to PPMOs and forest farms during the first few years of the project, between 2016 (at the Project Inception Workshop) and 2019.
- During 2020, the three PPMOs working with state-owned forest farms (Guangxi, Fujian and Henan) advised the CPMO and FAO that they were experiencing challenges proceeding with contracts with the forest farms, because it was unusual practice for the forest farms to have provincial PMOs inviting external bidders to compete to carry out works in their forest.
- In 2021, to identify a solution to accelerate project delivery, the CPMO and FAO staff agreed that the 16 forest farms are eligible entities to implement the project activities, following the implementation procedures outlined in the project document, OPA and PIM. The forest farms would be reimbursed the costs for work completed, subject to third party quality checks of the work and submission of appropriate financial packages for approval. It is believed that this decision was communicated to the 16 forest farms.
- In 2021 and 2022, agreed project demonstration construction works were delivered on the 16 forest farms, with the forest farms now responsible for arranging implementation of the activities.
- In 2023, third-party quality checks were conducted, and confirmed that the works had been undertaken according to required technical standards.
- After the quality checks, financial reporting packages (including information on procurement) were submitted to CPMO to seek reimbursement to the forest farms. The state-owned forest farms in Guangxi, Fujian and Henan were found not to have followed the required procedures,

and were not reimbursed. The private forest farm in Hainan had followed appropriate procedures and was reimbursed.

- In interviews during this TE, representatives from the Guangxi, Fujian and Henan PPMOs stated that they thought the procurement processes followed were appropriate and that it was unexpected when reimbursement did not occur.

78. Regardless of the reason, such an outcome – project partners being "out of pocket" by millions of dollars – is a project shortcoming and has the risk for reputational damage for the GEF, FAO and NFGA. Although the financial burden was on state-owned bodies, not private farmers or businesses, it is essential that steps are put in place to ensure that this does not happen again.

79. During the PPG phase a comprehensive fiduciary and capacity assessment of NFGA was conducted, and as part of this the procurement risk for both NFGA and the provincial PMOs was assessed as low (project document sections 3.2 and 4.4). However, no such fiduciary assessment was conducted of the forest farms when it was determined that they were the most appropriate entities in implementing the activities and undertaking the procurement. It is important to assess relevant risks when making such adjustments to project implementation arrangements and responsibilities.

80. It should be noted that additional works were negotiated and delivered by the forest farms in 2024 according to protocols agreed to between the OP, PPMOs and forest farms, and that the procurement processes for these works met requirements and the forest farms were reimbursed fully.

81. The second reason for the low project expenditure is that, during the startup delays described under Finding 4, several activities were implemented by government partners to commence the project. When the project started, it was determined that the activities could not be reimbursed. The TE team was advised that approximately USD 850 000 of GEF funds were unspent because of this. It should be noted that the activities undertaken were consistent with the project requirements, using government funding; therefore, the OP now considers it to be co-financing.

82. The third reason for the low expenditure is the change in design to reduce the number of carbon trading projects under Outcome 2.2 (described under Findings 3 and 20). The TE team was advised that approximately USD 240 000 of GEF funds were unspent because of this and the funds were not reallocated.

83. The unspent GEF allocation was not reallocated to implement additional activities that progressed towards the project's objectives and outcomes. This is because it was not until 2024 that it became apparent that the three forest farms had not met procurement requirements for the SFM works and were ineligible for reimbursement – during 2021, 2022 and 2023 the CPMO expected that this part of the project budget would be fully expended. Immediately after learning of the USD 2.4 million non-reimbursement, the CPMO and FAO staff developed a detailed budgeted proposal for new activities involving an additional province (Jiangxi), using unspent funds to deliver significant new outcomes. Another NCE was proposed, which would have taken the project duration beyond 10 years. However, the Ministry of Finance (MOF) advised that they would not be supporting another NCE, therefore the project ended on 31 December 2024, with the remaining unspent funds as discussed above.

84. The responses of FAO and NFGA to these challenges is discussed in Sections 3.3.1 and 3.3.2 respectively.

Finding 6. The cost effectiveness of the total project expenditure and the timeliness are considered moderate.

85. As described in Section 3.4.5 and Appendix 4, the committed co-financing from the OP was fully realized, representing an important proxy of project national ownership. For the total project expenditure (GEF and co-financing) of USD 51 846 397, cost effectiveness is considered moderate, given that extensive and diverse SFM activities were delivered on 16 forest farms in four provinces and most outputs were achieved, but some targets for the area of forest managed and associated carbon emissions were partially achieved (as described under Section 3.4 Effectiveness).

86. The timeliness of the project implementation was moderate. Originally scheduled as a six-year project, the period from the project start date to end date was eight years and three months, after which 52.0 per cent of the GEF allocation was spent. Despite the extensions, the timeliness is considered moderate, because a major reason for the delays was the negative impacts of the COVID-19 pandemic.

3.3.1 Implementation

Rating: MODERATELY SATISFACTORY

Evaluation question 3.2: How is FAO monitoring progress and technical quality of the work of the OP? Is the BH / project team appropriately equipped to monitor and oversee the OP? Does it get support if needed, does it lead to the implementation of corrective actions and improvement of identified weaknesses?

Finding 7. At project start-up there were significant delays in negotiating the OPA between FAO and NFGA (as described under Finding 4). After that the OPA was generally efficiently administered, and supervision and support were efficiently delivered, although some weaknesses were present, including that FAO did not identify and correct shortcomings with project reporting against targets in PPRs and PIRs. FAO staff worked closely with the CPMO and OP in attempts to address the project's delays and accelerate the required procurement and reimbursement model for works on the forest farms, as the key approach to accelerating expenditure. The agreed solution had mixed success because, although agreed works were delivered, the 15 state-owned forest farms from Guangxi, Fujian and Henan were found not to have followed required procurement procedures and the associated GEF funds were not disbursed. Otherwise, FAO fulfilled requirements as GEF Agency.

87. The project faced challenges during implementation, especially significant delays, a high underspend of the GEF allocation, and project partners not being reimbursed for significant expenditure on project activities (see Finding 5). Also, shortcomings have arisen during this TE in the reporting against targets in the results matrix. Overall the PTF members had adequate resources to perform their function.

88. Regarding the issues with contractual and procurement arrangements for delivery of SFM works by forest farms, the TE team received evidence (copies of numerous email correspondences and records of meetings) that showed that FAO staff worked closely with the CPMO and OP between project commencement and 2021 to communicate and clarify procurement expectations to PPMOs, look for opportunities to assist PPMOs establish contracts for required works on the forest farms, and jointly with the CPMO identify a solution to accelerate project delivery (i.e. agreeing that the 16 forest farms were eligible entities to implement the project activities). As noted under Funding 5, the agreed solution had mixed success because, although agreed works were delivered, the 15

state-owned forest farms from Guangxi, Fujian and Henan were found not to have followed required procurement procedures and the associated GEF funds were not disbursed. As described under Finding 5, a procurement risk assessment was not conducted of the forest farms when it was determined that they were the most appropriate entities in implementing the activities and undertaking the procurement.

89. Regarding FAO's response to the low disbursement, the issue was first flagged in 2020 by the FLO/GTO. In the same year, the MTR flagged that GEF disbursement was low, at 5.5 percent. As noted above, FAO staff worked closely with the CPMO and OP to try to accelerate the required procurement and reimbursement for works on the forest farms, as the key approach to accelerating expenditure. The low expenditure was mentioned as an issue in every subsequent PIR, and reporting by FAO officers in the 2021, 2022, 2023 and 2024 PIRs stated that steps were in place to address the reimbursement issue to accelerate delivery. At the time of the 2024 PIR, reporting still expected that reimbursement of forest farms would occur and that the low expenditure would largely be addressed. FAO then promptly worked with the CPMO in late 2024 to develop an alternative proposal involving an additional province to expend the unspent funds; nevertheless, this plan did not proceed because the required NCE was not supported by the GEF Operational Focal Point in China in the Ministry of Finance (MOF).

90. FAO's technical oversight of the deliverables was generally satisfactory, with the technical quality of the project's activities and technical models being good. However, the TE team has found that a lot of the reporting during the project in PIRs and PPRs on the achievement of targets – especially quantitative targets for the areas under activities and associated GHG emissions reductions and for training delivered – was very optimistic, stating that targets had been achieved or exceeded, so comments in the PIRs consistently considered the project to be technically on track (this is discussed further in Finding 20 under Evaluation Question 7.1). However, during the data collection for this TE, it has become evident that some of this reporting is inconsistent and cannot be verified and some key targets were not met. Closer scrutiny from FAO of the reporting and of the methods and evidence used by the CPMO may have enabled these issues to be identified and the reporting to be strengthened.

91. FAO's oversight and support was generally good, and staff were responsive and helpful. A good level of support has been available from the FAO China and regional offices. There were few on-site oversight visits by FAO personnel from late 2019 into 2023, due to COVID-19. Staff from the FAO China, regional and headquarters offices endeavoured to maintain regular contact with the PMO during this period via online communication.

92. After the delays in negotiating the OPA between FAO and NFGA at the start of the project (described under Finding 4), the OPA was generally efficiently administered. Interviewees spoke positively of the modality as providing a process to follow and that it encouraged good communication between colleagues.

93. Decision-making has been transparent, with PPRs, PIRs and PAC minutes providing documentation of progress, challenges and changes to implementation, with the exception of slow progress with addressing low disbursement and non-reimbursement.

3.3.2 Execution

Rating: MODERATELY SATISFACTORY

Evaluation question 3.3: To what extent have the executing agencies, including the selected OP, effectively fulfilled their roles and responsibilities in the management and administration of the project?

Finding 8. NFGA showed strong ownership, delivered technically good results, and generally fulfilled the requirements as OP. However, liaison with PPMOs and forest farms over contractual and procurement arrangements for delivery of SFM works took several years and the agreed solution to the difficulties had mixed success. Also, there have been shortcomings in reporting against some project indicators during PIRs and PPRs and for this terminal evaluation. The OP will facilitate follow-up to the project, through application of the national guidelines and standards that the project assisted with and through its continuing relationships with the provincial forestry departments in the target provinces.

94. NFGA showed strong ownership and was results focused. The project successfully leveraged the EIB-GOC and NSTRP co-financing to deliver incremental value, as detailed in the project design. Also, they successfully built the project's institutional arrangements, and the participating provincial and county forestry bureaus and forest farms had high awareness of the project and its technical purpose.

95. The project implemented good-quality technical interventions under Component 2, as confirmed by passing the third-party quality checks. During all site visits, the TE team was impressed with the rigorous approaches being used, the commitment to pursuing and replicating innovation, the monitoring and research that underpinned this work, the strong expert partnerships established, and the high levels of technical expertise at provincial, county and forest farm levels. The project was well designed to deliver these aspects of the project and technical implementation was good. This led to the successful implementation of the project's practices by many staff at the participating forest farms, although the targets for the areas covered by activities were only partially achieved, as described under Finding 12.

96. Regarding the issues with contractual and procurement arrangements for delivery of SFM works by forest farms, the OP worked steadily with PPMOs and forest farms to communicate the project's procurement requirements, starting at the Project Inception Workshop in October 2016 (see Finding 5 and Appendix 9). However, the works did not commence until 2021. It is not clear to the TE team why this liaison lasted for several years. As described under Finding 7 under Implementation, the solution to the difficulties (i.e. agreeing that the 16 forest farms were eligible entities to implement the project activities) had mixed success.

97. As described under Finding 20, there have been shortcomings in reporting against some project indicators during PIRs and PPRs and for this TE.

98. Otherwise, the NFGA performed many aspects of its role effectively:

- In managing the project's day-to-day activities and ensuring the appropriate use of funds, procurement and contracting of goods.
- After startup, a Project Advisory Committee (PAC) was efficiently established in accordance with the membership described in the project document and a Project Director was appointed. PAC meetings were held annually.

- In accordance with the project document, annual work plans and budgets were developed based on the results-based multi-year work plan (Appendix 2 of the project document) and these were considered by the PAC.
- The project carefully considered the MTR recommendations of the MTR, leading to improvements in implementation (see Finding 9).
- NFGA met its obligations under the OPA with FAO.
- Feedback from the FAO was that cooperation and communication with the CPMO and NFGA was very good and that the NFGA financial management team was highly capable.

99. The OP will facilitate follow-up to the project, especially through application and promotion of the national SFM guidelines and standards that the project assisted with under Outcomes 1.1 and 1.4 (see Finding 11 and Appendix 5). Also, the NFGA has continuing relationships with provincial forestry departments in the three target provinces and will staff will continue involvement at the project sites.

100. The OP's conformance with audit requirements was satisfactory. During the period of project implementation, six independent audits and four independent spot-checks were conducted. During the first two to three years (Spot Check Report dated 12 November 2018 and Audit Report dated 28 July 2019), there were a variety of relatively minor matters raised for attention, relating to matters such as cash management, procurement, compliance with the OPA, and acknowledgment of FAO and GEF. These matters were addressed, and in subsequent audits and spot checks very few matters were identified for attention. In the final Audit Report (dated 27 June 2025), the OP's performance was satisfactory in all audit areas and no findings were raised.

Finding 9. The project carefully considered the responses to the MTR recommendations, leading to improvements in execution, especially in putting in place a no-cost extension, and in significantly improving gender mainstreaming and working with ethnic minorities.

101. The MTR provided many recommendations, comprising six overarching recommendations each with several components and recommended activities. In the MTR Management Response, the project used a careful approach, considering the different components of each recommendation and noting whether each was accepted, partially accepted or not accepted, and providing justification. Most of the responses were appropriate, which includes some decisions to not accept a recommendation. In particular, the following responses were appropriate and led to improvements in delivery and/or avoidance of new tasks that would not have added value to implementation:

- accepted Recommendation 1 for an NCE to at least 31 July 2023, which enabled the project to recover from the delayed start and initial COVID-19 impacts;
- partially accepted Recommendation 1(a), by adopting the theory of change developed by the MTR team;
- under Recommendation 1(b), *did not* make recommended significant changes to the results matrix, because the project was well established with the existing results matrix and a new results matrix might cause confusion and may lead to a new list of project activities;
- accepted Recommendation 1(d), which resulted in minor necessary changes to the results matrix (the change in the number of carbon trading projects and the change in the name of one participating forest farm);
- accepted Recommendation 2, which led to development of a training plan;

- partially accepted Recommendation 3, which led to engagement of a short-term communications expert to improve the project's communications strategy;

102. partially accepted Recommendation 4, which led to increased attention to gender and ethnic minority issues in implementation (as described under Finding 24);

- partially accepted Recommendation 5(a), which included *not accepting* the recommendation to cover logistical and administrative costs of the proposed forest chiefs; and
- partially accepted Recommendation 5(c), which led to FAO's co-financing contribution being changed from "Grant" to "In kind" (as described under Finding 15).

103. Finally, Recommendation 6 was accepted, which led to some new reporting in the PPRs and PIRs on progress against the new TOC. The TE team does not consider that this resulted in significant improvements in implementation or reporting.

3.4 Effectiveness

Rating: MODERATELY SATISFACTORY

104. Effectiveness is considered moderately satisfactory because most targets were met, with three being partially met. Two of the targets that were not met were for core project SFM activities under Component 2, the component under which approximately 75 percent of the GEF allocation was allocated (see Table 2). Significant targets for the areas covered by activities were partially achieved and approximately 56 percent of the total carbon emissions reduction target was achieved (see under Finding 12).

105. This section provides an assessment of project results for each component, whereas Appendix 5 contains a detailed assessment of progress against the indicators in the results framework, including explanation of the verification of achievement and evidence for each indicator.

Evaluation question 4.1: Is the intervention achieving its objectives?

Finding 10. The project laid solid foundations towards the environmental objective, through a wide variety of incentive-based SFM practices being implemented on the 16 forest farms, some carbon storage and sequestration being achieved, and practices in forest biodiversity enhancement and certification being developed on the forest farms. However, the project design did not support local communities outside these forest farms to enable them to effectively employ incentive-based SFM practices, therefore progress towards the objective outside forest farms was low. Moreover, the project M&E system collected little information to inform the assessment of progress towards the objective. During implementation the project made an effort to work with local communities and achieved some socio-economic benefits, although progress towards the project's development objective was low because of poor internal horizontal coherence between the environmental objective and the development objective, which aimed to increase the provision of forest ecosystem goods and services.

106. The project laid solid foundations towards the environmental objective, through a wide variety of incentive-based SFM practices being implemented on the 16 forest farms, some carbon storage and sequestration being achieved, and practices in forest biodiversity enhancement and certification being developed on the forest farms (discussed under Finding 12). However, there is no data available to measure the effectiveness of these activities, in accordance with the environmental objective.

107. As explained under Finding 3, little progress was made towards the environmental objective outside the forest farms, because the project design did not include actions to support local forest managers outside the target forest farms to employ incentive-based SFM practices. Also, the project's M&E collected limited information to inform progress towards the environmental objective.

108. Despite this shortcoming, the county bureaus and forest farms made efforts to work with local communities and achieved some socio-economic benefits, as summarized below.

- Local communities were involved in employment opportunities, which generated additional income and enabled employees to remain in their village with their family units. This varied between locations: in Dongfang City in Hainan, there was an active recruitment strategy to engage local couples, which had flow-on social and economic benefits; in Guangxi, local community members were also actively engaged; and in Fujian, competitive bidding was used to recruit labour and this often resulted in local communities being engaged, especially in the lower skilled work such as forest tending. Of the local community members engaged by the forest farms, many were women and a principle of "equal pay for equal work" for piece-work was applied (see Finding 24 for more detail). There was a high level of involvement of members of ethnic minority groups in the project, including employment as described above (see Finding 25 for more detail)
- While employed on the forest farms, community members picked up new skills and knowledge from the SFM practices and approaches being used by the project, such as converting monoculture to mixed species forest, learning new tending practices, and developing an under-forest economy (e.g. cash crops or livestock). The TE team learned that some of these community members applied the new approaches in forest areas that their family or community owned, although typically these areas were small and/or in poor condition and/or were poorly located (e.g. rocky hills), so there were limited real benefits from this.

109. Progress towards the development objective was low, because, as described under Finding 3, the project design did not include indicators to enable an assessment towards the objective and the focus of the project is on changing forestry practices and approaches to achieve environmental outcomes, not on increasing the provision of goods and services.

3.4.1 Component 1

Finding 11. The project made a satisfactory contribution to strengthening institutional, policy and regulatory frameworks for the implementation of SFM from national to local level, although limited progress was made towards using feedback from local project experiences to inform national policy adjustments. Local monitoring systems have been built to guide the local application of SFM practices, biodiversity conservation and carbon sequestration efforts, including a database for storing and analysing data collected, although the forest farms did not have easy access to the data collected.

110. Component 1 aimed to strengthen institutional, policy and regulatory frameworks for the implementation of SFM from national to local level. An interconnected set of implementation guidelines for translating SFM policies into local-level practice was developed, which is providing practical guidance to local forest managers, especially in the target counties. The project drove some policy and regulatory adjustments at the national level, with contributions to national standards and guidelines for biodiversity certification, carbon sequestration and emissions reduction, and the national timber reserve forest; although there was no evidence that the project's experience at the local level was used to inform this.

111. The regulatory framework for the 16 forest farms was also significantly improved by the development of an SFM Plan for each. These plans are used regularly by practitioners in most forest

farms, providing SFM strategy and actions that are specific to each forest farm and increasing the likelihood of results continuing beyond the GEF project.

112. The project built local monitoring systems to guide the local application of SFM practices, biodiversity conservation and carbon sequestration efforts, and established a database for storing and analysing data (linked to the M&E system described under Component 3). Biodiversity and carbon monitoring protocols were created and sampling plots were established at all forest farms, including control sites and treatment sites. The forest farms were responsible for ensuring collection of the monitoring data; some forest farms engaged expert contractors to undertake this. The forest farms provided the monitoring data to the Inventory and Planning Academy of NFGA, who validated, processed and analysed the data. This has provided the forest farms with structured, repeatable monitoring protocols that they have been implementing and that they intend to continue with after the project, although it has not been easy for the forest farms to access data and analyses after the data had been provided to NFGA, for reasons relating to government system security. The monitoring system is well regarded by the forest farms and all those farms visited indicated that they intended to continue collecting the monitoring data now that the project has ended, if they could easily access the data.

113. The achievements for each output under Component 1 are summarized below.

- The project achieved eight of the nine indicators under Component 1 and partially achieved one, made satisfactory progress towards Outcomes 1.1, 1.2 and 1.3 and moderately unsatisfactory progress towards Outcome 1.4.
- Under Outcome 1.1, an interconnected set of implementation guidelines facilitating implementation of existing SFM policies, legal provisions and standards was developed (Output 1.1.1). This comprised a total of 35 guidelines, including a Project Implementation Guidelines document for each participating forest farm (i.e. county level). Also, documentation was developed to incorporate implementation guidance on the biodiversity standards for certification (China Forest Certification Scheme, CFCS) and to improve forest inventory procedures and MRV for carbon sequestration and GHG emission reduction (Outputs 1.1.2 and 1.1.3).
- Under Outcome 1.2, 16 SFM plans for the participating forest farms were developed and are being implemented, one for each participating forest farm (Output 1.2.1).
- Under Outcome 1.3, national-level SFM and carbon monitoring systems were established and applied in the four target provinces (Outputs 1.3.1 and 1.3.2), and a fully functional biodiversity monitoring system was established and applied in 16 forest farms (Outputs 1.3.3). The forest farms collected the monitoring data on hard-copy data sheets, which were provided to NFGA for validation and analysis. Finally, a fully functional CCM monitoring system was reported to be established and applied in nine counties (Output 1.3.4), although evidence for this has not yet been collected.
- Under Outcome 1.4, the project made some progress towards enhancing the national-level policy, legal and regulatory framework, although the TE team did not receive direct evidence of "several" national level policies and legal provisions being reviewed and adjusted "according to feedback from project experience at local level" (Output 1.4.1).

3.4.2 Component 2

Finding 12. The project made good contributions to the demonstration and adoption of SFM practices in the four provinces (Component 2), with a wide diversity of SFM interventions adopted and demonstrated to forest farm managers and workers, and the successful demonstration of various practices in forest biodiversity enhancement and certification and in the creation of carbon credits in Fujian Province. Nevertheless, not all targets were achieved for the areas covered by activities and associated carbon emissions reductions.

114. Component 2 aimed to demonstrate and adopt SFM practices, enhance carbon storage and improve biodiversity conservation. A wide diversity of interventions were adopted across 16 forest farms in four provinces, and these were demonstrated to forest farm managers and workers, leading to increased knowledge in these forest farms, although all targets for the area covered were not met. The work under this component also contributed to collaboration and development of partnerships between provincial-level and county-level experts and practitioners. The interventions led to reductions in GHG emissions, although the total target for emissions reduction was not achieved. The project also demonstrated relevant practices in forest biodiversity enhancement, through the application of CFCS certification, the planting of rare tree species in forest restoration, and the creation of nurseries for rare tree species.

115. The project's achievements and highlights in the four provinces under this component are summarized in Appendix 10.

116. During site visits, it was apparent that the forest farms and some experts had started exploring similar concepts before the GEF project, with the TE team shown some sites that had been established prior to the project. The MTR team found that the GEF project had brought rigour, technologies and systematic monitoring to these approaches, and had provided forest farms with access to experts and researchers who built strong and sustainable partnerships.

117. At some sites, photopoints were used to visually track changes in the structure and composition of the forests, although this is not a part of the standard monitoring system at all sites. Figure 4 in Appendix 11 shows examples of photos from before (in 2019) and after (in 2024 or 2025) project interventions at three sites in Fujian Province: (a) converting monoculture to mixed forest (Jiangle Forest Farm); (b) establishing rare timber tree reforestation (Shunchang Forest Farm); and (c) conducting ecological logging (Shunchang Forest Farm). These show coarse-level changes that are consistent with the aims of the interventions, as described in Appendix 11.

118. The data showing the forest areas covered by co-financed and GEF-financed activities are provided in Appendix 10 (see section 2.2 (Methodological design) for an explanation of these information sources and their analysis). These were used by the TE team to calculate achievements against the quantitative targets for Outputs 2.1.1, 2.2.1, 2.2.2, 2.3.2. These are summarized in Table 4 and the calculations are explained in more detail in Appendix 5.

Table 4: Summary of achievements against targets for Outputs 2.1.1, 2.2.1, 2.2.2 and 2.3.2, showing the contributions from GEF-funded and EIB-GOC-funded activities; source: calculated by the TE team from various sources, as explained in Appendix 10.

Output	End-of-project target	Total achieved	Subtotal from EIB-GOC-funded activities	Subtotal from GEF-funded activities
2.1.1 Strengthened SFM capacity at local level	100,000	79,945	75,261	4,684
2.2.1 Area of reforestation and forest restoration / rehabilitation (ha)	42,000	54,989	53,798	1,191
- yielding tCO_2e	4,770,611	6,246,201	6,110,915	135,286
2.2.2 Area of enhanced carbon management (ha)	87,000	24,942	21,463	3,479
- yielding tCO_2e	12,927,948	3,706,381	3,189,402	516,979
2.3.2 Area of forest restoration incorporating planting of rare species[1]	15,000	43,463	42,682	781

[1] Note that the area covered under this reporting includes double-counting of some of the area reported under Output 2.2.1

119. The achievements for each output under Component 2 are summarized below.

- The project achieved six of the eight indicators under Component 2 and partially achieved two. Achievement was satisfactory against Outcomes 2.1 and 2.3 and moderately satisfactory against Outcome 2.2.
- Under Outcome 2.1, the target for economically used forest benefitting from enhanced SFM practices was partially achieved (Output 2.1.1), with 79,945 ha achieved against a target of 100,000 ha.
- Under Outcome 2.2, the target for reforestation and forest restoration/rehabilitation (and the associated CO_2-e reduction) was achieved (Output 2.2.1). The target for enhanced carbon management (and the associated CO_2-e reduction) was partially achieved (Output 2.2.2), with only 27 percent of the target achieved. The total of these two emission reduction targets was 17,698,559 tCO_2-e, and the total achieved across the two outputs was 9,952,582 tCO_2-e (56.2 percent of the target). The target for the number of counties creating carbon credits was achieved (Output 2.2.3).
- Under Outcome 2.3, the target for the area of additional forest certified under CFCS was achieved (Output 2.3.1), the target for the number of nurseries for rare tree species was achieved (Output 2.3.3), and the target was achieved for the number of implemented business models for revenue generation from rare species protection (Output 2.3.4). Output 2.3.2 (the area of forest restoration efforts that incorporate the planting of rare species) was achieved and exceeded (note that this area is also counted in the reporting against Output 2.2.1).

3.4.3 Component 3

Finding 13. The project delivered a large amount of training and capacity development, and many forest personnel applied these trainings when executing project activities in their forest farms. No assessments are available to evaluate the effectiveness of this or to measure increased capacity, and the reported training was only partially verified, due to limited availability of evidence about the training sessions. The project established an M&E system that was an effective portal for project stakeholders to share key project documents and other knowledge; this M&E system was not able to generate statistics to provide reporting on project outputs. Also, various knowledge products around SFM were developed and disseminated to the public, although there is no information available on the reach or effectiveness of these.

120. Component 3 was focused on training and capacity development; awareness raising and knowledge exchange; and monitoring, evaluation and dissemination of best practices. A large amount of training and capacity building was conducted, covering a wide range of topics, in all 16 forest farms. The project design did not include the use of any tools to assess increased capacity or improved knowledge, attitudes and practices, and there has been no evaluation of the effectiveness of the training. Nevertheless, it is known that many personnel trained in specific SFM and reforestation / restoration techniques applied these in the forest farms, and that those trained in biodiversity and carbon monitoring collected monitoring data in accordance with these methodologies.

121. The project established an M&E system that was an effective portal for project stakeholders to store and share key project documents and other knowledge, and this was used extensively during implementation. The TE team received a demonstration of the M&E system while in the NFGA Beijing office. Officials in NFGA used the GIS-based system to track project implementation by provinces and forest farms and support them with decision-making. This M&E system was not able to generate reporting on project outputs such as the areas covered by activities, carbon emissions reduction, and training activities. Also, the M&E system will not be used now that the project has ended, which does not support sustainability and scaling up of results. Various knowledge products around SFM were developed and disseminated to the public, although there is no information available on the reach or effectiveness of these.

122. The achievements for each output under Component 3 are summarized below.

- The project achieved all nine indicators under Component 3 (although reported training was only partially verified). Progress towards Outcomes 2.1, 2.2 and 2.3 was satisfactory.
- Under Outcome 3.1, the project has implemented a large amount of training and capacity building covering a wide range of topics, such as pest management and pesticide use; the theory and practice of SFM; forest certification; specific silvicultural techniques and guidelines; forest carbon sequestration and measurement; managing rare and high-quality timber forests; fire prevention and control; forest soil science; monitoring and survey methodologies; biodiversity conservation and monitoring; and project management. The diversity of the training and the other interactions between experts and practitioners were a highlight of the project. The project used a "forest classroom" model for some, which was found to give a good balance between theoretical and practical learning.
- As noted in Section 2.2 (Methodological design), there was limited evidence available to validate the reported training, and the TE team has interpreted the targets for Outputs 3.1.2 and 3.11.3 to be intended as a total 4,000 trainees across the two outputs. Given these caveats, the training targets for Outputs 3.1.1, 3.1.2 and 3.1.3 are considered achieved (see Appendix 5).
- The indicator for improved provision of relevant data and knowledge to project stakeholders was achieved (Output 3.1.4; see Appendix 5).

- Under Outcome 3.2, the indicators for mechanisms and communication channels for regular exchange of knowledge and experience were achieved (Outputs 3.2.1 and 3.2.2; verified through various means, see Appendix 5), and the indicator for interactions on SFM through these mechanisms and channels was achieved (Output 3.2.3; verified through discussions).

3.4.4 Additionality

Evaluation question 4.2: What is the incremental value the GEF grant has brought about to results achieved (in terms of innovative approaches, technologies, and climate resilience)?

Finding 14. Despite only 52.0 percent of the GEF allocation being expended, the GEF grant has brought good incremental value in innovative approaches and technologies for SFM, biodiversity conservation and carbon management in forests. It can also be assumed that the GEF grant has brought incremental value in terms of climate resilience, contributing to more diverse forests that are more resilient to climate shocks.

123. It is difficult to assess the additionality of the GEF grant because only 52.0 percent of the allocation was expended. Nevertheless, as described under Section 1.1 and Finding 2, a key part of the project design was to leverage the two significant initiatives that provided the core of the project's co-financing. These initiatives were focused mainly on reforestation and afforestation, and the project was designed for the GEF grant to deliver additional outcomes: generate GEBs and pilot innovative models for SFM, biodiversity conservation and CCM. Given this, the GEF grant is considered to have brought good incremental value in innovative approaches and technologies.

124. As described under Finding 14, some experts and forest farms were already experimenting with the innovative approaches and technologies promoted by the GEF project, but the project brought rigour, technologies and monitoring to enable these to be investigated fully. Also, the experts who had already been trialling the concepts were a vital source of expertise for the GEF project during the development and implementation phases.

125. Stakeholders from the provinces, counties and forest farms, when asked about the contribution of the GEF grant to developing the innovative technologies and practices, all responded that the FAO and GEF had played a key role.

126. The GEF grant has also brought incremental value in terms of climate resilience, because more diverse forests are more resilient to climate shocks and other threats such as pests and diseases, and many of the project's practices have involved moving away from monoculture forestry to more diverse forests.

3.4.5 Contribution of co-financing to results achievement

Evaluation question 4.3: To what extent did the planned co-financing materialize, and how did the shortfall in co-financing, or the realization of greater than expected co-financing, affect project results?

Finding 15. The planned co-financing from both the Operational Partner and FAO was fully materialized and made vital contributions to the project's achievements. Given that only 52.0 percent of the GEF grant was delivered, the OP co-financing largely compensated for this and represents an important proxy of project national ownership.

127. At 31 December 2024, USD 48 226 960 of total co-financing was realized, which is 99.6 percent of the total amount committed in the project document (see co-financing table in Appendix 4). This comprises USD 47 768 656 from the OP (99.5 percent of committed) and USD 458 304 from FAO

(114.6 percent of committed). The planned co-financing has fully materialized, which is a very good result.

128. As described under Finding 2, the government co-financing was from two significant "baseline investments", the EIB-GOC loan and the NSTRP, both of which are managed centrally by NFGA, therefore NFGA is considered the sole government co-financer. The co-financing represented a broad suite of activities and programs that contributed to all outcomes and outputs. The most significant contribution was in Component 2, which was supported by more than USD 32 million of co-financing; key activities included enhanced SFM practices; reforestation; enhanced carbon management and measurement; CFCS certification; rare species planting and nurseries; and implementation of business models for revenue generation from rare species.

129. As noted under Finding 2, the project document also identified that the four target provinces are "de facto co-financers" because some of the funding is allocated to the provincial level, although the project document did not specify a breakdown of the co-financing by province. Table 5 provides a breakdown of the materialized financing according to expenditure of the provincial allocation by each provincial forestry department and expenditure by the WBPMC/ICC.

Table 5: Breakdown of Operational Partner materialized co-financing by province and bureau; source: CPMO

Provincial Forestry Department / NFGA bureau	In-kind	Cash	Total
Henan	915,442	13,479,877	14,395,319
Guangxi	-	21,435,536	21,435,536
Fujian	-	1,323,031	1,323,031
Hainan	-	10,426,787	10,426,787
WBPMC/ICC	-	187,983	187,983
Total	**915,442**	**46,853,214**	**47,768,656**

130. Regarding the FAO co-financing, the TE team were provided with a detailed breakdown that showed positions within the organisation, the specific activities by these positions that contributed to the project, the daily secondment rate and the number of days that they contributed. Providing this information is very transparent and good practice. Key areas of contribution were:

- Core oversight activities by the budget holder
- Reviews and verification of project work plans, financial reports, etc. and ad hoc administrative guidance
- China Country Office collaboration with project partners and other stakeholders and day-to-day project management
- Facilitating event coordination
- Support from the OPIM office
- Support from the LTO and GTO
- Support from Office of Evaluation (OED) for MTR and TE.

131. FAO's co-financing contribution was monetary in the original project document but amended to in-kind contribution. FAO identified early during implementation that they did not have USD 400 000 cash contribution available and in 2020 the MTR recommended that the contribution be changed to USD 100 000 cash and USD 300 000 in-kind support. As part of the project's MTR Management Response, it was decided that the full USD 400 000 should be changed to in kind. As part of the OPA amendment dated 31 July 2023, a revised version of the project document was endorsed that included this change.

4. Sustainability

Rating: MODERATELY LIKELY

Finding 16. Important steps have been taken during implementation to increase the likelihood that results would be sustainable, especially through the strengthening of policy and regulatory frameworks, extensive capacity building, the development of strong partnerships of experts, and awareness raising about project's approaches. The main risk to sustainability is the financial sustainability of the SFM models developed for private forest managers, because many of the practices and models used involve higher input costs (such as selective logging and forest tending) and therefore have higher unit costs to produce, and SFM-accredited timber products do not always attract a premium; this risk to sustainability does not apply on state-owned forest farms, because their main source of income is government funding. The project explored various innovative approaches to mitigating this risk.

132. The project has made many significant contributions to sustainability, summarized below.

- The national-level strengthening of standards and guidelines is important for securing sustainable national-level changes to the SFM, biodiversity and CCM practices being promoted and piloted by the project. Similarly, the provincial-level policy changes are expected to lead to sustainable changes in practices in the four target provinces. At a local level, the SFM plans developed for each forest farm are likely to be implemented on most forest farms after the project, although this will be variable – a small number of forest farms had low awareness of these SFM plans when asked during interviews.
- The project made effective use of experts – both within and outside of the participating agencies – and research institutions in the forestry sector and built stronger partnerships, especially in the four target provinces. These experts remain in the sector and will continue to promote the guidelines, standards and approaches that the project has developed.
- Importantly, there was a very high level of enthusiasm among forest farm staff to sustain and replicate the practices and approaches being promoted. During field visits, the TE team was shown several additional sites within forest farms where "the GEF approach" (especially conversion of monocultures to mixed species forest) was being replicated.

133. The main risks to sustainability lie in the **financial sustainability** of the models developed. Many of the practices and models used involve higher input costs (such as selective logging and forest tending) and therefore have higher unit costs to produce, and SFM-accredited timber products do not always attract a premium. Also, with slow-growing rare species (such as *Dalbergia* in Hainan), it can be several decades before trees yield harvestable timber. It may be difficult to persuade private forest owners to adopt these techniques, especially those managing forest on small farms. If there is no additional economic compensation and/or political requirement from the governments, this can present a significant challenge for the sustainability of FSM practices. This risk to sustainability does not apply on state-owned forest farms, because their main source of income is government funding and their main task is ecological protection. This is also a risk to the replicability of the project's practices and approaches. The project investigated various measures to mitigate these challenges and generate additional sources of revenue, such as developing an under forest economy (with products such as medicinal herbs and other cash crops, livestock and honey) and exploring innovative models that generate a sustainable flow of funds to the forest managers to care for slow-growing trees through a public sponsorship model. Another mitigating factor is in the other benefits that can be derived from embracing such approaches, such as securing access to export markets and contributing to a company's environmental, social and governance credentials.

134. Forestry is a very important state-supported industry in China and is supported by recurring funding from national, provincial and county government. The key national priority identified and addressed in this project – of changing the focus from "quantity *over* quality" into "quantity *with* quality" – will continue. Therefore, it is expected that the resources will be allocated to capitalize on the project's achievements. It will be necessary to continue to explore approaches to mitigating the risks relating to financial sustainability of the alternative models developed.

135. Regarding risks to **socio-political sustainability**, the project's approaches are consistent with national political priorities in SFM, biodiversity and CCM and the project has successfully strengthened these priorities. In China's centralized governance system, these national priorities will cascade to provincial and county levels. For these reasons, it is considered that the political risks to sustainability are low.

136. Regarding **institutional sustainability**, the relevant institutions – especially NFGA and the provincial and county forestry bureaus – have a high degree of ownership of the project's achievements and good enthusiasm for the approaches promoted. Similarly, in the state-owned forest farms interviewed, there was enthusiasm to continue the approaches, expand the areas covered by the practices, and continue to foster partnerships to learn from their interventions and continuously improve their practices. For these reasons, risks to institutional sustainability are considered low.

137. There are few **environmental** risks to the sustainability of the project's interventions. Forest fire, pests and the effects of climate change represent risks to interventions, but these apply across the forestry estate in China and are not restricted to the interventions in this project. On the contrary, the practice of converting monocultures to mixed species promoted by the project increases the resilience of forests to pests, diseases and climatic shocks. Also, the project worked with forest farms on novel approaches to pest and disease management and fire prevention and control.

Evaluation question 5.1: What is the degree of ownership of the project's achievements by the main actors at the institutional, regional and local level and to what extent do they have the resources and interests to capitalise on the achievements beyond the duration of the project?

Finding 17. The degree of ownership of the project's achievements by the main actors is strong and they have the resources and interests to capitalise on the achievements beyond the duration of the project.

138. As described under institutional sustainability under Finding 16, the degree of ownership of the project's achievements at the institutional, regional and local level is strong. Most stakeholders showed a very good understanding of the project's interventions and expressed enthusiasm for the project results to continue. There was a strong sense of pride among forest farm managers and an enthusiasm to sustain and replicate "the GEF approach" in their forests. This ownership of the project's achievements by forest farms was notable given the challenges described under Finding 5 of farms not being reimbursed for many activities that they had paid for.

Evaluation question 5.2: To what extent has the project identified, anticipated, and planned for key risks which may affect the sustainability of the project benefits (financial, institutional, environmental, socio-political and others)?

Finding 18. The project has developed a Sustainability Plan / Exit Strategy that includes objectives, criteria for sustainability, and clearly defined actions with assigned responsibility; however, it does not include an analysis of the risks that may affect the sustainability of the project benefits.

139. The project has developed a Sustainability Plan / Exit Strategy (the TE team viewed a document dated 19 December 2024), which has the objective to "describe the tasks to institutionalize and sustain, consolidate, and scale up important project outcomes and outputs and their impacts by identifying responsibilities of national and local forest and grass sectors and stakeholders".

140. The Sustainability Plan / Exit Strategy contains detailed objectives; seven "criteria for sustainability"; information on institutional responsibilities, measures and funds; and six actions with clear identification of defined targets, timelines, responsibility and financial support (in Table 2 of the Plan). However, it does not include an analysis of the risks that may affect the sustainability of the project benefits (financial, institutional, environmental, socio-political and others).

5. M&E design and implementation

5.1.1 M&E design

Rating: MODERATELY UNSATISFACTORY

Evaluation question 6.1: To what extent did the M&E plan sufficiently identify resources and budget for M&E activities in line with the project theory and monitoring and evaluation requirements?

Finding 19. The M&E plan at the time of project endorsement identified sufficient resources and budget for M&E activities. However, the results framework did not include any indicators or targets relating to community beneficiaries (such as the number of direct community beneficiaries or the generation of socio-economic benefits) or the level of effective employment of incentive-based SFM practices, did not include measures to assess the effectiveness of training and capacity building, and some targets for the areas covered by relevant activities and associated carbon emissions reduction were somewhat unrealistic.

141. The Section "Monitoring and Reporting" (pp. 84–88) of the project document described oversight and monitoring responsibilities, indicators and information sources, a reporting schedule, and a monitoring and evaluation plan summary that listed the types of M&E activity, responsible parties, time frame and budgeted costs. The GEF budgeted costs include provisions for an inception workshop and report, design and set-up of the project monitoring system including training of staff and equipment, annual progress review and planning workshops, field based impact monitoring including M&E system operating expenses, the MTR and the TE. Field-based impact monitoring is excluded and is instead reflected in project activities.

142. The M&E plan included the standard FAO and GEF M&E requirements, except for GEF Tracking Tools (see below), and was clear about responsibilities and timing. The M&E budget from the GEF allocation was USD 320 000, which is 4.5 percent of the GEF grant. This is a relatively high percentage for such projects, however it is considered appropriate because it includes design and set-up of the monitoring system and the field based impact monitoring, which are very important elements of the project.

143. The GEF-5 Tracking Tool was completed for BD, CCM and SFM at CEO endorsement, although these are not mentioned in the Monitoring and Reporting section of the project document.

144. For Component 2, the results matrix set indicators and quantitative targets for the areas to be under different SFM practices (hectares) and for carbon emissions reduction (tonnes CO_2-e). In retrospect, some of the area targets appear overly ambitious and difficult to achieve. In particular, the combined target areas for Outputs 2.1.1 and 2.2.2 is 187,000 ha (100,000 ha and 87,000 ha respectively), yet the total area of the 16 target forest farms is only approximately 154,000 ha and relevant activities will only occur on a small percentage of each forest farm. Output 2.2.2 (87,000 ha of enhanced carbon management) is considered particularly unrealistic. The project document was not specific about whether the targets were intended to include co-financed activities from anywhere in the target provinces (rather than only in the 16 forest farms); because the targets were highly ambitious, the TE team used data on relevant co-financed activities from anywhere in the four provinces for assessing progress towards targets.

145. The calculations for carbon stock baselines, removals and targets were based on detailed analysis of activities to be undertaken and areas to be covered in each province, and were provided in Appendix 5 "Forest Carbon Report and Calculations" of the project document. Overall, the

conversion factors for the defined targets were 113.59 tCO_2-e per ha for reforestation and afforestation (4,770,611 tCO_2-e over 42,000 ha over the six-year project period) and 148.60 tCO_2-e per ha for other relevant activities such as forest thinning and reduced impact logging (12,927,948 tCO2-e over 87,000 ha). The TE team was advised during interviews that this conversion factor for reforestation and afforestation is too high for such activities in China. Also, the conversion factor for other forest management activities is higher than for reforestation and afforestation, which is not typical for such systems. For these reasons, the carbon targets are considered to be very difficult to achieve. Nevertheless, this TE uses the conversion factors from the project document for assessing carbon emissions targets, to ensure consistency with the baselines and targets.

146. As described under Finding 3, the results framework did not include any indicators or targets relating to community beneficiaries (such as the number of direct community beneficiaries or the generation of socio-economic benefits) or the level of effective employment of incentive-based SFM practices.

147. A major part of the project is training and capacity development, with Outcome 3.1 being "Enhanced knowledge and capacity of local farmers and government staff to implement SFM practices, create CCM and BD related GEBs and implement the corresponding monitoring systems". Although there are high targets for the number of people to receive training and capacity building, the project design did not include measures to assess the effectiveness of this (e.g. increased capacity).

148. The results framework does not contain gender-disaggregated targets; this is discussed further under Finding 24.

149. The project document did not include any applicable GEF core indicators.

5.1.2 M&E implementation

Rating: MODERATELY SATISFACTORY

Evaluation question 7.1: Was information gathered systematically, in a timely manner, and according to a robust methodology?

Finding 20. The project followed the M&E plan and most information was gathered systematically and in a timely manner. There were some shortcomings to the measurement, reporting and evidence against some indicators in the results matrix, which meant that some progress reporting in PPRs and PIRs was not realistic.

150. The project followed the M&E plan, including the following viewed by the TE team:

- Project Inception Report for the inception workshop that was held from 19–20 October 2016 in Beijing
- Annual work plans and budgets for the years 2017 to 2024 (the 2017 work plan and budget are included in the project inception report minutes)
- Project progress reports (PPRs); the first was for the 12-month period January–December 2017, subsequently these were prepared for all six-month periods until June–December 2024
- Annual Project Implementation Review (PIR) for the years 2018 to 2024
- Co-financing reports - annual reporting included in all PIRs
- The GEF-5 BD, CCM and SFM Tracking Tools were prepared at project endorsement, mid-term and completion in a timely manner
- The MTR was completed in 2020

- Final evaluation (this report).

151. The PMO also prepared a detailed self-assessment report that was provided to the evaluation team during the evaluation. The PMO also provided various targeted documents and materials to provide evidence showing progress towards different indicators, in response to frequent requests from the TE team.

152. One change was made to the results matrix during implementation, with Output 2.2.3 updated in January 2022 to reflect changed circumstances. As described under Finding 3, the expected national carbon trading system (CCER) was not put in place, which meant that the original Output 2.2.3 was not achievable. This output was changed to reflect this, reducing the target for the number of sites from six to three and changing it from "national" to "provincial" carbon trading scheme. The TE team viewed internal FAO email correspondence confirming the changes as part of other minor revisions to the project document as part of the second amendment to the OPA. The change was noted in the 2022 PIR under Minor Project Amendments. The TE team considers this change to be a suitable adaptive response to the changed circumstances and the process followed was appropriate.

153. The end-of-project reporting against outcomes and outputs in the self-assessment report was incomplete and for many indicators there was no explanation of how reported results were obtained and no evidence provided to enable the TE team to validate reported progress (especially with reporting on the area and carbon targets under Component 2 and the training targets in Component 3). For some area targets under Component 2, reporting did not clearly address the activities that were identified in the project document, and the reporting in the self-assessment report against Outputs 2.2.1 and 2.2.2 was identical. For some indicators, inconsistent reporting was received. Extensive discussions were held during the development of this TE report to understand methodologies and collect required evidence. This caused a delay in the TE team's capacity to conduct a holistic assessment of the project's overall progress and achievements. It would have been beneficial if the methodology and data for these measures were defined and documented earlier in the project and provided to the TE team.

154. Further to this, reporting in the PIRs and PPRs on the achievement of some targets – especially quantitative targets for the areas under activities – was very optimistic, stating that targets had been achieved or exceeded, without evidence to support this. Consequently, comments from the BH, LTO and FLO/GTO in the PIRs were consistently positive about progress towards the targets and the project was considered on track from a technical perspective. However, during the data collection for this TE, it has become evident that some of this reporting cannot be verified and some important targets are considered partially achieved. Closer scrutiny during implementation of the reporting and of the methods and evidence used would have enabled these issues to be identified and issues corrected before the TE.

155. During project implementation, the PMO kept gender-disaggregated records of participation in project activities, despite the results matrix having no gender-disaggregated targets. The project would have benefited from the results framework being amended during implementation to formally include gender-disaggregated reporting.

Evaluation question 7.2: To what extent was the collected information used to inform decision-making, foster learning, and support the sustainability and scaling-up of project results?

Finding 21. The project used results from interventions in forests to foster learning and inform training for local forest managers.

156. The monitoring systems set up under Outcome 1.3 are rigorous and specifically designed to provide long-term feedback on management interventions, with controls and treatments established.

157. A key element of the project design was "learning by doing" in Component 2 and the sharing of knowledge by experts to counties and forest farms. This part of the project was delivered well, with diverse training topics tailored to local knowledge needs informed by a training plan.

6. Application of GEF policies and guidelines

6.1 Environmental and social safeguards

Evaluation question 8.1: To what extent were environmental and social concerns taken into consideration in the design and implementation of the project?

Finding 22. The project took appropriate steps to consider environmental and social concerns during design and implementation.

158. The project document did not assign an overall environmental and social risk rating, although it was assessed as Low risk in the first PIR in 2018. In all subsequent PIRs this Low risk was confirmed, although there was no justification given in the PIRs for this rating being confirmed. Given that the project is strongly promoting SFM, biodiversity conservation and CCM and no social and environmental risks have arisen during implementation, the TE team considers the rating of Low risk as appropriate.

159. A brief (one-page) Environmental Impact Assessment was included in the project document (p. 60). This noted that the activities to be implemented would conform with internationally recognised SFM practices, which have high standards of environmental sustainability and are specifically designed to reduce negative environmental impacts in commercial forest management. The assessment concluded that no environmental risks were associated with these practices and that "the project has to be classified as 'Category C', conforming to the pre-approved list of projects excluded from further environmental assessment". No further analysis was conducted. This was consistent with the required process at the time of project development.

160. A social impact assessment was not undertaken as part of project design and an Environmental and Social Management Plan was not prepared. These were not required at the time of project development.

Evaluation question 8.2: To what extent have local communities and/or Indigenous communities been duly informed, consulted and involved in the decision-making process prior to project implementation?

Finding 23. There is little evidence of local communities, including ethnic minority groups, being involved in the decision-making process prior to project implementation.

161. There is little evidence of local communities being involved in the decision-making process prior to project implementation. This is consistent with the weakness in project design identified in Finding 3: there is little content that aims to support local communities outside the target forest farms. The focus of "local" stakeholders is mostly on the managers and staff of county forestry bureaus and forest farms, most of which are state-owned (with the exception of Hainan).

162. There is a high number of people from several different ethnic minority groups in the project sites in Hainan, Fujian and Guangxi, including from the Li, Yao and Zhuang ethnic minority groups. These minority groups were not identified in the project document and were not specifically involved in consultation during project development.

6.2 Gender and inclusion

Evaluation question 8.3: Were gender equality and empowerment and other equity and human rights issues mainstreamed in the project, both in design and implementation?

Finding 24. The project document contained no gender-specific activities, no gender-disaggregated targets and no requirement to develop a gender mainstreaming strategy, and did not address women's empowerment. However, in response to an MTR recommendation, the project was proactive in mainstreaming gender equality during implementation, including providing relevant training, gender-disaggregated reporting, and developing a gender mainstreaming work plan. Women's empowerment was addressed by providing equal opportunities for women to participate in paid labour on a "equal pay for equal work" basis in some project locations.

163. The project design contained no gender-specific activities and the results framework contains no gender-disaggregated targets. No gender analysis was conducted and there was no requirement for the project to develop a gender mainstreaming plan. Also, the project design did not address women's empowerment. It should be noted that, as a GEF-5 project, there were few formal requirements regarding the inclusion of such gender-related components in project design.

164. The MTR in 2020 found that there had been limited attention to gender issues during implementation and made a series of recommendations to address this. In response, the project put in place a range of measures, including:

- Conducted a gender awareness training course in 2021, which included relevant FAO policy and GEF requirements (under the guidance of FAO);
- Conducted follow-up practical training in 2021;
- Commenced collecting and reporting on gender-disaggregated reporting on participation in training and activities; and
- Prepared a Gender Mainstreaming Work Plan (2022–2023) in 2021.

165. These measures represented a notable improvement in the project's approach to gender issues. Furthermore, from 2021 the reporting on gender mainstreaming in the PIRs and PPRs was significantly improved.

166. Some positive results relating to gender mainstreaming and gender equality are:

- Women are provided equal opportunities to participate in labour undertaken by local communities, especially planting, tending and protecting forests, on a "equal pay for equal work" basis for piece-work; the level of female participation in paid labour was up to 50 percent (in Huangbaishan Forest Farm in Henan).
- In Dongfang City in Hainan, the forest farm employs couples rather than individuals to assist family units to remain intact rather than some members leaving the village for other work.
- The CPMO reported that 22.7 percent of training participants were women.
- Female staff were involved in the project at all levels.

167. The equal opportunities for women to participate in paid labour on a "equal pay for equal work" basis represents an effort toward empowerment of these women to access opportunities and resources. There are no other examples of women's empowerment from the project.

168. A gender expert was not engaged to guide this work, with the CTA and FAO experts providing the expertise.

Finding 25. Other equity and human rights issues were not mainstreamed into the project design, although the project advanced human rights when employing local people to undertake work on the forest farms, especially by involving people from ethnic minority groups, supporting them in generating income and other socio-economic benefits, and advancing labour rights for people engaged to undertake manual labour.

169. Other equity and human rights issues were not mainstreamed into the project design. As described under Finding 23, there is little evidence that either local communities or ethnic minority groups were engaged in project design and the project does not contain relevant activities or reporting.

170. The MTR in 2020 found that there had been limited attention to working with ethnic minorities in Fujian, Guangxi and Hainan provinces, where there are high populations of ethnic minorities. The TE team found that there were few formal project processes to involve ethnic minorities, but that there was a high level of involvement in project activities because ethnic minority members had equal opportunities to participate. In addition, the population of ethnic minority in some locations is particularly high, and a high percentage of local staff and other project stakeholders were from ethnic minority groups. An FGD was held with two people from the Yao minority group who were employed to undertake forest tending activities at Shankou forest farm in Guangxi; it was apparent that the employment on the forest farm provided enhanced income and an opportunity to work near their communities and families rather than having to travel away for work. This generated socio-economic benefits to the community.

171. The project also advanced human rights issues by protecting participants' labour rights, especially with the "equal pay for equal work" principle.

6.3 Project partnership and stakeholder engagement

Finding 26. The project has built strong and sustainable partnerships and engaged effectively with most stakeholders during implementation.

172. During implementation, the project built strong partnerships and engaged effectively with stakeholders, including:

- The project built strong and productive expert partnerships, especially between government forestry staff and experts in universities and other research institutions. This includes partnerships within provinces involving provincial experts. The project's monitoring system has underpinned this, with rigorous monitoring enabling robust research projects to be developed.

- These partnerships were partly facilitated by the project's implementation and governance arrangements: provincial PMOs were set up in the provincial forestry departments, and these PPMOs used GEF funds to recruit specialized provincial consultants according to their needs.

- In the locations of the forest farms where the project's interventions were delivered, a variety of partnerships were developed. For example, in Hainan, partnerships were developed with privately managed forests and the project participated in activities that had a focus on economic approaches to achieving SFM, biodiversity and CCM outcomes; and in Guangxi, some forest farms have deliberately developed relationships with local communities, including ethnic minorities, to provide employment and other socio-economic benefits. The good relationships between the county staff and forest farms and the local communities are vital to these partnerships.

- The partnership between NFGA and FAO has been constructive and mutually respectful, underpinned by the OPA, as described under Finding 4.

173. The project document provides little information on the stakeholder engagement undertaken during the design stage. It is presumed that adequate engagement with national government and provincial government stakeholders was undertaken, because the project was well aligned with their priorities and responded well to political and policy trends. Also, the systematic analysis of forest statistics and identification of priority forest farms suggests that county-level government stakeholders were also closely involved. The project document refers to a consultation workshop in Guangxi in November 2013 (p.143).

174. However, as described under Finding 23, there was little evidence of local communities being involved in the design, and the project has only limited content that targets identified priorities of local communities or that aims to ensure that they benefit from the project.

175. The project document did not contain a stakeholder engagement plan.

176. During implementation, stakeholder engagement was good. As described in Appendix 5 under reporting for Outputs 3.1.4, 3.2.1, 3.2.2 and 3.3.2, the project built and promoted the use of various mechanisms for consultations with and between stakeholders and for the dissemination of project-related information to and between stakeholders, including:

- WeChat groups established at national and provincial levels
- Official project website
- 16 issues of project newsletter providing information and update
- Book "Good Practices of Sustainable Forest Management" published
- A "forest classroom" mechanism that combines indoor theoretical lectures with practical field-based learning
- Provincial experts were required under their contracts to visit field sites and share their knowledge.

177. The TE team considers these mechanisms to have been effective. During site visits and interviews, there was a good awareness of these mechanisms for engagement and information sharing, and the level of technical knowledge at provincial, county and forest farm levels was high.

6.4 Communication, knowledge management and knowledge products

Finding 27. Knowledge management has been a strength of the project, reinforced by a wide variety of SFM interventions that are underpinned by monitoring and research, a major training element, and a project culture of "learning by doing". There has been little formal engagement with local farmers outside of the target forest farms to transfer technical knowledge, due to a shortcoming in project design.

178. The project developed a communication strategy (2022–2023) in 2021, in response to a recommendation of the MTR. This identified various knowledge sharing methods that were adopted, including the mechanisms identified under Finding 26 under engagement.

179. Knowledge management was a key element to the strategy of this project, with Component 3 focused on training and capacity development, knowledge management, and M&E. Reporting on Outcomes 3.1 and 3.2 in Appendix 5 provides information on relevant project activities. The key elements of this are described below.

- The M&E system was a key tool, providing a web-based portal providing access to an extensive supply of knowledge products and project tools.
- The M&E system including a database for storing and analysing monitoring data (although forest farm staff could not easily access this).
- Extensive technical training and capacity building was provided to national, provincial and local (county and forest farm) stakeholders. This included a variety of learning models, including the "forest classroom" model and development of close partnerships between provincial experts and project participants.
- The project had a strong culture of "learning by doing", with the interventions under Component 2 intended to inform the policy and regulatory work in Component 1 and the training and capacity building in Component 3.

180. The most significant knowledge product developed was the publication of a book containing many best practices obtained from the project's results; the TE team was provided with hard copies of this book and it is a well-produced and technically rigorous publication.

181. As noted elsewhere, there has been little formal engagement with local farmers to transfer the technical knowledge of project practices and models developed by the project. This is a shortcoming in project design, not in implementation.

7. Conclusions, recommendations and lessons learnt

7.1 Conclusions

Conclusion 1. Relevance and coherence. The project had strong alignment with the country's environmental and developmental priorities and this alignment has increased since the project was designed, especially with priorities around sustainable forest management, biodiversity conservation and carbon sequestration. The project was consistent with three GEF-5 programme strategies (CCM-5, BD-2 and SFM/REDD+), made a strong contribution to the previous FAO Country Programming Framework for China (especially given that SFM was one of seven Impact Focus Areas) and is making a strong contribution to the current CPF. The project was well aligned with the mandates of executing partners, although it did not have a strong component of working with beneficiaries from local communities. The project had good external coherence, because the design responded well to political and policy trends, was well harmonized with the two significant national initiatives that provided the core of the project's co-financing, and added value and avoided duplication of effort. The project was well designed to deliver global environmental benefits and develop SFM models and practices, but design shortcomings – especially the lack of actions to support forest managers outside the forest farms to employ incentive-based SFM practices - meant that there was limited opportunity for the project to meet its environmental objective outside the 16 targeted forest farms. There was poor internal horizontal coherence between the environmental and development objectives.

Conclusion 2. Efficiency. There were significant delays at project startup due to long negotiations of the Operational Partners Agreement between the Operational Partner and the FAO and the time needed to open the project bank account. In spite of these delays, the FAO/OP partnership has been constructive and the implementation modality chosen has reflected strong national ownership. The project only delivered 52.0 percent of the GEF allocation, due to various issues, especially that several state-owned forest farms were not reimbursed for approximately USD 2.4 million worth of SFM project work they had undertaken on their land, because they did not follow procurement requirements when they had engaged services to do the work. These expenditures, originally meant to be charged on the GEF grant, added instead to the co-financing, thus representing a significant proxy of national ownership of the project. There were additional delays during implementation, especially due to COVID-19 impacts and due to challenges with putting in place delivery arrangements for activities in the 16 forest farms; therefore, the project received two no-cost extensions totalling 2 years and 2 months of extension. The cost effectiveness of the total project expenditure and the timeliness are considered moderate.

Conclusion 3. Effectiveness. The project's interventions have successfully strengthened relevant institutional, policy and regulatory frameworks from national to local level, with several policy and adjustments of national policies and guidelines now being administered by the NFGA, although there was no evidence that the project's experience at the local level was used to inform this. A range of high-quality incentive-based SFM, biodiversity and carbon sequestration interventions were made in the 16 forest farms (although the targets for area covered and carbon emissions reductions were partially met). The forest farms now each have an SFM Plan that is used regularly by practitioners in most forest farms. Local monitoring systems are now in place, allowing local forest managers to collect information to guide the local application of SFM practices, although the data collected cannot be easily accessed by the forest farms. The project implemented extensive training and capacity building, and personnel in the 16 forest farms are using the skills learned to implement new SFM practices, although there is no assessment of the effectiveness of the training or improvements in capacity. The project also implemented a range of knowledge sharing and public awareness activities, although there is no information available on the reach or effectiveness of these. The project laid solid foundations towards the environmental objective, with incentive-based SFM practices being implemented on the participating forest farms, but there has been little progress outside forest farms because the project design did not include actions to support

local communities outside the target forest farms to enable them to effectively employ incentive-based SFM practices. Despite only 52.0 percent of the GEF allocation being expended, the GEF grant brought good incremental value in innovative approaches and technologies for SFM, biodiversity conservation and carbon management in forests. The planned co-financing from both the Operational Partner and FAO was fully materialized and made vital contributions to the project's achievements.

Conclusion 4. Sustainability. Important steps have been taken during implementation to increase the likelihood that results will be sustainable, such as through the strengthening of policy and regulatory frameworks, extensive capacity building activities, the development of strong partnerships of experts, and awareness raising about the project's approaches. The main risk is the financial sustainability of the SFM models developed, especially because many of the practices and models used involve higher input costs (such as selective logging and forest tending) and therefore have higher unit costs to produce, and SFM-accredited timber products do not always attract a premium. The project explored various approaches to mitigating this risk, such as developing an under-forest economy and exploring innovative market-based models that generate a sustainable flow of funds to forest managers to care for slow-growing trees.

Conclusion 4. M&E. The M&E plan at the time of project endorsement identified sufficient resources and budget for M&E activities. However, the results framework did not include any indicators or targets relating to community beneficiaries (such as the number of direct community beneficiaries or the generation of socio-economic benefits) or the level of effective employment of incentive-based SFM practices, did not include measures to assess the effectiveness of training and capacity building, and some targets for the areas covered by relevant activities and associated carbon emissions reduction were somewhat unrealistic. The project followed the M&E plan and most information was gathered systematically and in a timely manner, although there were some shortcomings to the measurement, reporting and evidence against some indicators in the results matrix, which meant that some progress reporting in PPRs and PIRs was not realistic.

Conclusion 6. Gender equality and other equity and human rights issues. Although in the project document the consideration of gender issues was weak, the project was proactive in mainstreaming gender equality during implementation, including providing relevant training, preparing gender-disaggregated reporting, and developing a gender mainstreaming work plan. Also, although other equity and human rights issues were not mainstreamed during the project design, the project advanced human rights when employing local people to undertake work on the forest farms, especially by involving people from ethnic minority groups, supporting them in generating income and other socio-economic benefits, and advancing labour rights for people engaged to undertake manual labour.

7.2 Recommendations

Recommendation 1. (CPMO – immediate). The Sustainability Plan / Exit Strategy should be updated by including an analysis of the risks that may affect the sustainability of the project benefits (financial, institutional, environmental, socio-political and others) to identify additional actions that may be necessary to maximize sustainability and replication of the project's results.

Recommendation 2. (NFGA – before 31 December 2025). NFGA should share the M&E and database system with the 16 forest farms so that they can continue to monitor and improve their forest management outcomes.

Recommendation 3. (Provincial and county forestry bureaus and forest farms – Medium term). Build partnerships with research institutes and universities to investigate broader ecological benefits from the innovative SFM practices, especially conversion of monocultures to mixed species forest.

Recommendation 4. (State-owned forest farms – Medium term). State-owned forest farms should work with villages and individual forest farmers to support them to understand benefits and adopt the project's SFM practices**.**

Recommendation 5. (ICC – Future similar projects). Ensure that requirements for procurement and financial management are spelled out clearly at the start of all contractual arrangements. Ensure that a risk assessment is done for any significant changes to project implementation arrangements and responsibilities, including when project partners are assigned new procurement responsibilities.

Recommendation 6. (ICC, FAO China, responsible OCB FLO and GTO – Future projects). When implementing future similar projects, ensure that robust monitoring frameworks are in place and are used to efficiently inform reporting and evaluation, in particular analyse early how indicators and targets will be interpreted, measured and reported against, including having this approved by the LTO and noted by the project steering committee / project advisory committee.

Suggestions:

- Ensure that reporting in PIRs and PPRs is reliable and evidence-based
- Ensure that reporting and evidence are prepared in a timely manner to be ready at the start of MTRs and TEs, including clear explanation of methodologies
- Ensure that training and capacity building for project management at project inception make clear the requirements and expectations around measurement, reporting and evidence
- Ensure that comprehensive records are kept of project training sessions, with the minimum required information being the attendees (including gender), their organization, and the training topic covered.

Recommendation 7. (NFGA, Fujian Provincial DARA, Shunchang Forest Farm – Medium term). Consolidate in a document the innovative practices and knowledge from the "One Yuan Carbon Credit" scheme in Shunchang Forest Farm in Fujian province, and promote the initiative beyond Fujian province, including offering technical training on the model, to facilitate development of similar policies and investment nationwide.

7.3 Lessons learned

Lesson learned 1. Some projects require significant shifts at the MTR to refocus on achieving the objective

182. This project's strategy was well designed to strengthen policy frameworks, develop innovative SFM models and practices, increase institutional capacity and deliver global environmental benefits. However, it was missing actions and indicators that were specifically focused on supporting local communities outside the forest farms. It would have been very valuable at the time of the MTR to have added actions to provide relevant capacity building and support to local communities outside the target forest farms and to add indicators reflecting the benefits that would have been expected. This would have been feasible given the high level of underspend at the time of the MTR (5.5 percent disbursed at that time).

Lesson learned 2. Documentation with evidence is critical for project management and reporting

183. Documentation with evidence is a critical part of GEF project management and reporting, to enable transparent validation of reported results. A systematic approach to reporting and evidence should be adopted from project inception. This may include establishing a standardized table to document data and attach evidence, which should be validated by project staff. The information should be readily available and logically presented, rather than relying on sources that cannot be substantiated (such as several years of area reporting from different provinces that cannot be tracked). As described under Recommendation 6, this should include systematic record keeping for all training and capacity building.

Bibliography

References

FAO. 2017. *Guidelines for the assessment of gender mainstreaming*. Rome, FAO. (Also available at https://www.fao.org/publications/card/fr/c/5e86b58b-ab7d-42bd-bd93-e9274ab011cd/).

FAO. 2019a. *OED project evaluation manual for decentralized offices – Planning and conducting project evaluations under Budget Holder's responsibility*. Rome, FAO. (Also available at https://www.fao.org/3/ca4821en/ca4821en.pdf).

FAO. 2019b. *OED Capacity Development Evaluation Framework*. Rome, FAO. Available at http://www.fao.org/3/ca5668en/ca5668en.pdf.

GEF. 2023. *Guidelines for Conducting Terminal Evaluation of Full-sized Projects* (final draft).

UNEG. 2016. *Norms and Standards for Evaluation*. United Nations Evaluation Group. (Also available at http://www.unevaluation.org/document/detail/1914).

UNEG. 2020. *UNEG Ethical Guidelines for Evaluation*. United Nations Evaluation Group. (Also available at http://www.unevaluation.org/document/detail/2866).

Appendices

Appendix 1. People interviewed

Last name	First name	Position	Organization/Location
Aldeco	Carlos	Representative / Budget Holder for GEF 056	FAO in China
Chen	Feihua	Project Manager	Dongfang Yilin Investment Co., Ltd. in Hainan Province
Chen	Zongzhu	Provincial Expert on Biodiversity Conservation	Deputy Dean of the Forestry Academy of Hainan Province
Fan	Fujin	Chief of the Production Section/ Senior Engineer/Farm-level Project Manager	Yangkou State-owned Forest Farm in Fujian Province
Fan	Guangkuo	Deputy Director/Leader in Charge of the GEF Project	the World Bank Project Management Office of Fujian Provincial Forestry Department
Fang	Luming	Senior Engineer at the Professor Level/Farm-level technical focal point	Jiangle State-owned Forest Farm in Fujian Province
Fu	Rong	Programme Officer	FAO China
Chen	Xiaowei	Senior Engineer/Section Chief	Henan Provincial Forestry Ecological Construction Development Center
Cui	Hengjie	Head of the Production Department	Ledong Jiayuan Agricultural Development Co., Ltd. in Hainan Province
Gui	Huiying	Engineer	Forestry Academy of Hainan Province
He	Deli	Villager/contracted worker of Shankou state-owned forest farm	Huaguo Village, Lihu Township, Nandan County, in Guangxi ZAR
Ji	Yazu	Villager/contracted worker of Dongfang Yilin Investment Co., Ltd.	Da'e Village, Donghe Township, Dongfang City in Hainan Province
Jing	Hongwei	Deputy director	Henan Provincial Forestry Ecological Construction and Development Center
Kenichi	Shono	FAO Forestry Officer and Lead Technical Officer (LTO) for GEF 056	FAO in Headquarter
Lei	Guoliang	Director of the Planning and Finance Department/Farm-level Financial Manager of the GEF Project Office	Shunchang County State-owned Forest Farm in Fujian Province
Li	Linming	Deputy Director	Forestry Project Office of Hainan Province
Li	Chenglin	Deputy Director/Project Manager of Farm Level	Jiangle State-owned Forest Farm in Fujian Province
Li	Shuming	Villager/contracted worker of Shankou state-owned forest farm	Huaguo Village, Lihu Township, Nandan County, in Guangxi ZAR
Lian	Fangsong	Deputy Director/Chief Engineer/Senior Engineer	Yangkou State-owned Forest Farm in Fujian Province
Lin	Liuxing	Senior Engineer	Weimin State-owned Forest Farm in Fujian Province
Lin	Renzhong	Senior Engineer/Director of the Business Department/Farm-level Project Manager of the GEF Project	Shunchang County State-owned Forest Farm in Fujian Province
Luo	Zushu	Farm Deputy Director	Weimin State-owned Forest Farm in Fujian Province

Last name	First name	Position	Organization/Location
Meng	Yuehuan	Deputy Chief of the Forest Cultivation and Production Section	Shankou State-owned Forest Farm in Nandan County in Guangxi ZAR
Mo	Weinian	Deputy Director	Shankou State-owned Forest Farm in Nandan County in Guangxi ZAR
Naito	Yurie	FAO GEF Technical Officer for GEF 056	FAO in Headquarter
Qin	Tianyi	Second-level Principal Staff	Forestry Project Center of Guangxi ZAR
Qian	Teng	Program Officer	ICC/NFGA
Ren	Jinxi	Senior engineer/Afforestation Management Section Chief	Minquan State-owned Forest Farm in Henan Province
Tao	Jisong	Engineer/Ecological Restoration Section Chief	Xinxian State-owned Forest Farm in Henan Province
Wei	Jiaguo	Staff Member of the Forest Cultivation and Production Section	Shankou State-owned Forest Farm in Nandan County in Guangxi ZAR
Wei	Mingbao	Chief of the Forest Cultivation and Production Section	Shankou State-owned Forest Farm in Nandan County, in Guangxi ZAR
Wei	Suling	Deputy Chairperson of the Labor Union	Shankou State-owned Forest Farm in Nandan County in Guangxi ZAR
Wan	Jie	Division Director/Project Manager	ICC/NFGA
Wang	Hong	CTA	Chinese Academy of Forestry Sciences
Wang	Limei	Villager/contracted worker of Dongfang Yilin Investment Co., Ltd.	Da'e Village, Donghe Township, Dongfang City in Hainan Province
Wang	Liyin	Senior Engineer/Director of the Carbon Sink Office/Farm-level Focal Point on Carbon Sink of the GEF Project	Shunchang County State-owned Forest Farm in Fujian Province
Xie	Shu	Director of the Forest Chief Office	Shankou State-owned Forest Farm in Nandan County in Guangxi ZAR
Xu	Lijing	PMO staff	Forestry Project Office of Hainan Province
Yan	Dongfeng	Professor/Provincial specialist on Biodiversity Conservation	Henan Agricultural University
Yu	Jinglin	Engineer	Henan Provincial Forestry Ecological Construction Development Center
Zhang	Xiangyang	Professor-level senior engineer and Provincial Specialist on SFM	Henan Provincial Forestry Resources Monitoring Institute
Zhang	Xiaohong	National Specialist on SFM	Chinese Academy of Forestry Sciences
Zhan	Wang	Senior Engineer/Production Technology Section chief,	Nanwan State-owned Forest Farm in Henan Province
Zhao	Shuai	Deputy Director	Natural Resources and Planning Bureau of Dongfang City in Hainan Province
Zhao	Zhaohui	Project Director	Ledong Jiayuan Agricultural Development Co., Ltd. in Hainan Province
Zheng	Qianhui	Researcher	Survey and Planning Institute of NFGA
Zheng	Tiancai	Senior engineer/Director of the Farm PMO	Huangbaishan state-owned Forest Farm in Henan Province

Last name	First name	Position	Organization/Location
Zhong	Zhaoquan	Chief Engineer/Senior Engineer at the Professor Level/Farm-level Leader in Charge of the GEF Project	Shunchang County State-owned Forest Farm in Fujian Province
Zheng	Dexiang	Provincial Specialist on SFM/Professor	Fujian Agriculture and Forestry University
Zhou	Jiang	Project Manager	Dongfang Guibao Garden in Hainan Province
Zhu	Chuanfang	Deputy Chief of the Forestry Administration and Fire Protection Section	Shankou State-owned Forest Farm in Nandan County in Guangxi ZAR
Zhu	Dehua	Project Manager	Dongfang Runsheng Development Co., Ltd. in Hainan Province
Zhuang	Jia	Provincial specialist on Biodiversity Conservation	College of Forestry, Guangxi University
(Name to be determined)		Villager	Village in Lihu Township in Nandan County in Guangxi ZTR
(Name to be determined)		Villager	Village in village Lihu Township in Nandan County in Guangxi ZTR

Appendix 2. GEF evaluation criteria rating table

GEF criteria/dimensions	Rating[7]	Summary comments
A. OUTCOMES (relevance, coherence, effectiveness and progress to impact, efficiency)		
A1. Relevance	**S**	Very high alignment with the country's environmental and developmental priorities and this alignment has increased since the project was designed; well aligned with the mandates of executing partners. See Section 3.1.
A2. Coherence	**MS**	Project design responded well to political and policy trends, and was well harmonized with the two significant initiatives that provided most of the project's co-financing; well designed to deliver global environmental benefits and develop SFM models and practices, but limited vertical alignment with its environmental objective because it did not include actions to support forest managers outside the forest farms. There was also poor internal horizontal coherence between the environmental and development objectives. See Section 3.2.
A3. Effectiveness	**MS**	The project laid solid foundations towards the environmental objective and made low progress towards development objective, due to project design shortcomings; successfully strengthened policy and regulatory frameworks, made a range of good-quality SFM, biodiversity and carbon sequestration interventions, and made a substantial contribution to strengthening capacities; achieved 23 of 26 indicators and 3 were partially achieved; not all targets for the area of forest under improved management and CO_2-e reduction were achieved, and reported training activities were only partially verified. See Section 3.4.
A4. Efficiency	**MU**	Startup delays and COVID-19 delays led to 2 years and 2 months of extension; relationships between OP and FAO were good; the modality reflected strong national ownership and institutional capacities were enhanced; low GEF disbursement (52.0 percent) due to various issues, including non-reimbursement of project partners for some incurred costs; cost-effectiveness was moderate and timeliness was moderate. See Section 3.3.
B. SUSTAINABILITY (financial, sociopolitical, institutional and governance, environmental dimensions including risks to sustainability)	**Moderately likely**	Sustainability is considered moderately likely; the main risk is the financial sustainability of the SFM models developed, although the project explored various innovative approaches to mitigating this risk. See Section 4.
C. IMPLEMENTATION	**MS**	Worked closely with the CPMO and OP in attempts to address the project's delays and accelerate the required procurement and reimbursement for works on the forest farms, although the agreed solution had mixed success; also, did not identify and correct shortcomings with project reporting against targets in PPRs and PIRs; otherwise fulfilled requirements as GEF Agency. See Section 3.3.1.

[7] See rating scheme in Appendix 3.

GEF criteria/dimensions	Rating[7]	Summary comments
D. EXECUTION	**MS**	Showed strong ownership, delivered technically good results, and generally fulfilled the requirements as OP. Liaison with PPMOs and forest farms over contractual and procurement arrangements for delivery of SFM works took several years and the agreed solution to the difficulties had mixed success; also, there have been shortcomings in reporting against some project indicators during PIRs and PPRs and for this terminal evaluation. The OP will facilitate follow-up to the project, especially through application of the national guidelines and standards. See Section 3.3.2.
M&E plan	**MU**	M&E plan identified sufficient resources and budget for M&E activities; however, the results framework did not include any indicators or targets relating to community beneficiaries or the level of effective employment of incentive-based SFM practices, did not include measures to assess the effectiveness of training and capacity building, and some targets for the areas covered by relevant activities and associated carbon emissions reduction were somewhat unrealistic. See Section 5.1.1.
M&E implementation	**MS**	Project followed M&E plan and most information was gathered systematically and in a timely manner. There were some shortcomings to the measurement, reporting and evidence against some indicators in the results matrix, which meant that some progress reporting in PPRs and PIRs was not realistic. See Section 5.1.2.
Overall project rating	**MS**	

Appendix 3. GEF Rating scheme and descriptors

As mentioned in section 3.1 of the TOR template, the overall rating of the project outcome will be based on the following criteria: relevance, coherence, effectiveness and efficiency.
Appendix Table 2 below presents performance descriptors[8] for each specific rating. In most instances, actual performance may not fully correspond to any of the rating descriptions. Therefore, a rating will be based on the description that provides the best fit based on the evidence. Where available evidence is insufficient to provide rate performance, the performance will be rated as unable to assess. The performance will be rated on a six-point scale.

Appendix Table 1. Outcomes ratings

Ratings	***Description***
Highly satisfactory (HS)	*The outcomes exceed targets, and they are highly relevant and cost effective.*
Satisfactory (S)	*Level of outcomes achieved meets targets. The outcomes are relevant and cost effective.*
Moderately satisfactory (MS)	*Level of outcomes achieved was generally close to the targets. Majority of the targets were met or almost met but some were not. The outcomes are generally relevant and cost effective.*
Moderately unsatisfactory (MU)	*Overall, the level of outcomes achieved is lower than targets, although some outcomes were substantially achieved. The outcomes are generally relevant but not sufficient given the costs or alternatively generally cost-effective but not adequately relevant.*
Unsatisfactory (U)	*The expected outcomes were not achieved, or achievement was substantially lower than expected, and/or the achieved outcomes are not relevant. Alternatively, the outcome was cost ineffective compared to alternatives.*
Highly unsatisfactory (HU)	*Negligible level of outcomes were achieved and/or the project had substantial negative consequences, that outweigh its benefits.*
Unable to assess (UA)	*The available information does not allow an assessment of the level of outcome achievement*

[8] The 2022 final draft of the GEF Terminal Evaluations Guidelines presents new descriptors here reported.

SUSTAINABILITY

The sustainability will be assessed taking into account the risks related to financial, socio-political, institutional and environmental sustainability of project outcomes. The evaluator may also take other risks into account that may affect sustainability. The overall sustainability will be assessed using a six-point scale:

Appendix Table 2. Sustainability ratings

Rating	***Description***
Highly likely (HL)	*There is negligible risk to continuation of benefits and based on the progress made so far it is expected that the long-term objectives of the project will be achieved.*
Likely (L)	*Either there is negligible risk to continuation of benefits or there are some risks, but the magnitude of their effect is too small and/or the probability that they will materialize is too small. Overall, it is likely that the net benefits of the project will continue.*
Moderately likely (ML)	*There are some risks to sustainability, and they may have some effect on continuation of benefits if they materialize. However, probability of materialization of these risks is low. Net benefits are more likely to continue than abate.*
Moderately unlikely (MU)	*There are significant risks to sustainability. The effect on continuation of benefits would be substantial if these risks materialize and the probability of materialization of these risks is significant. Overall, net benefits of the project are likely to abate.*
Unlikely (U)	*Because of the high risks it is unlikely that net benefits of the project will continue to accrue, and the progress made so far is likely to be lost. It is unlikely that the project will achieve its long-term objectives.*
Highly unlikely (HU)	*It is expected that the project will not achieve its long-term objectives. Major risks have either already materialized and halted accrual of net benefits or have high probability of materializing soon and will halt accrual of net benefits when they materialize.*
Unable to assess (UA)	*Unable to assess the expected incidence and magnitude of risks to sustainability.*

PROJECT IMPLEMENTATION AND EXECUTION

Quality of implementation and of execution will be rated separately. Quality of implementation pertains to the role and responsibilities discharged by the GEF agencies that have direct access to GEF resources. Quality of execution pertains to the roles and responsibilities discharged by the country or regional counterparts that received GEF funds from the GEF agencies and executed the funded activities on ground (this could be the very same FAO with co-executor partners or an executing partner identified by an FAO Operational Agreement). The performance will be rated on a six-point scale.

Appendix Table 3. Implementation and execution ratings

Ratings	Implementation	Execution
Highly satisfactory (HS)	Performance of the GEF Agency was exemplary. Project preparation and implementation were robust. The Agency ensured that relevant GEF policies were applied in project preparation and implementation. Project supervision was strong— the Agency identified and addressed emerging concerns in a timely manner. The Agency ensured that project implementation stayed on track and project activities were completed on time.	Performance of the executing entity was exemplary. Execution of project activities was timely and of high quality. Relevant GEF policies and requirements were adhered to. Guidance from the GEF Agency was followed, and any corrective actions required were taken promptly. Measures were undertaken to mitigate risks to sustainability, and steps were taken to support follow-up to the project. Project activities were completed on time.
Satisfactory (S)	Performance met expectations and did not have any salient weaknesses. Project preparation and implementation were robust, and relevant GEF policies were applied. The GEF Agency supervised the project well—it identified and addressed emerging concerns in a timely manner. The Agency ensured that project implementation was on track.	Performance met expectations and did not have any salient weaknesses. Execution of project activities was timely and of good quality. Relevant GEF policies and requirements were adhered to. Guidance from the GEF Agency was followed. Measures were undertaken to mitigate risks to sustainability of project outcomes.
Moderately satisfactory (MS)	Performance had some weaknesses but met expectations overall. Project preparation and implementation were adequate and relevant GEF policies were applied, although there are some weak areas. Project supervision was adequate—the GEF Agency identified and addressed emerging concerns, although some may have been inadequately addressed. Project implementation had minor delays, and a few activities may have been dropped.	Performance had some weaknesses but met expectations overall. Execution of project activities was generally timely but with some instances of delay. Relevant GEF policies and requirements were adhered to, although some minor slip-ups may have been observed. Guidance from the GEF Agency was followed, and problems were fixed. There were some areas for improvement in execution.
Moderately unsatisfactory (MU)	Performance did not meet expectations, although there were some areas of solid performance. Project preparation and implementation had weaknesses, although these were not too severe. Project supervision was somewhat weak—although the GEF Agency identified most emerging concerns, many remained unaddressed or inadequately addressed. Project implementation was delayed, and a few activities were dropped or reduced in scale because of issues that were largely under Agency control.	Performance did not meet expectations, although there were some areas of solid performance. Execution of project activities was delayed, and executing entity capabilities observably limited project execution. Several slip-ups in adherence to GEF policies and requirements were observed. Guidance from the GEF Agency was generally followed and problems were fixed, but such actions usually were not timely. There were several areas for improvement in execution.
Unsatisfactory (U)	Performance did not meet expectations. Project preparation and implementation were weak. Project supervision was weak—emerging concerns were not identified in time and remained unaddressed or inadequately addressed. Activities were not implemented in time or were	Performance did not meet expectations. Execution of project activities was delayed, and at least some activities were dropped due to factors largely under the control of the executing entity. Many slip-ups were observed in adherence to GEF policies and requirements. Guidance from the GEF Agency was not put into practice, or was applied with considerable delay.

Ratings	Implementation	Execution
	not undertaken. Project implementation was delayed, and several activities were dropped or reduced in scale.	
Highly unsatisfactory (HU)	Performance had severe shortcomings. The GEF Agency mismanaged project implementation, and its supervision was poor. Emerging concerns were not identified in time, including those that should have been obvious. Although instances of mismanagement were discovered, corrective actions were not undertaken. Project activities were poorly implemented, and several had to be dropped.	Performance had severe shortcomings. There were several instances of mismanagement by the executing entity. Emerging concerns were not addressed in time, including those that should have been obvious. Most activities were very poorly executed and/or experienced delays, and some activities were dropped. GEF policies and requirements were not applied.
Unable to assess (UA)	The available information is not sufficient to allow rating of performance.	The available information is not sufficient to allow rating of performance.

MONITORING AND EVALUATION

Quality of project M&E will be assessed in terms of: i) quality of design of project M&E plan and ii) quality of project M&E during implementation. The table below presents relevant descriptors for each rating.

Appendix Table 4. Monitoring and evaluation ratings

Ratings	M&E plan	M&E implementation
Highly satisfactory (HS)	The M&E plan is a good practice and does not have any weaknesses. Its alignment with the project theory of change is robust. Complete baseline data have been provided. The specified indicators are appropriate, and arrangements for plan implementation are adequate. Overall, the M&E plan exceeds expectations and is exemplary.	M&E plan implementation was excellent. Weaknesses in the M&E plan, if present, were addressed promptly. M&E activities were conducted in a timely manner, and data from M&E were used to improve project implementation. Overall, M&E implementation exceeds expectations and was exemplary.
Satisfactory (S)	The M&E plan is robust and has no or only minor weaknesses. Its alignment with the project theory of change is robust. Baseline data are provided or their collection is planned at project start. The specified indicators are appropriate, and arrangements for M&E plan implementation are adequate. The plan meets expectations.	M&E plan implementation was generally robust. Weaknesses in M&E were addressed in a timely manner. M&E activities were conducted in a timely manner, and data from M&E were used in improving project implementation. Overall, M&E implementation meets expectations.
Moderately satisfactory (MS)	The M&E plan is solid overall. Its alignment with the project theory of change is solid. The specified indicators are generally appropriate, and arrangements for M&E plan implementation are adequate. There are areas where the M&E plan could be strengthened but, overall, it is adequate.	M&E plan implementation was generally robust, with some weaknesses. Weaknesses in M&E were generally addressed although some remained. Some M&E activities were delayed. M&E data were used for reporting but had little use in improving project implementation. Overall, M&E implementation meets expectations with some areas of low performance.
Moderately unsatisfactory (MU)	The M&E plan is weak overall, although it has strengths in some areas. Its alignment with the project theory of change is somewhat weak. The specified indicators are generally appropriate but additional indicators are required to adequately capture project results, and/or arrangements to gather data on indicators are not adequate. The plan needs several improvements to meet expectations.	M&E plan implementation was weak and/or did not address weaknesses in the original plan. Most M&E activities were completed, with some either dropped or delayed. M&E data were not reported in a timely manner, and there is little evidence to suggest that the data were used to improve project implementation. Overall, M&E implementation does not meet expectations, although there are some areas of adequate performance.
Unsatisfactory (U)	The M&E plan has severe shortcomings. Its alignment with the project theory of change is weak. No baseline data are provided nor is there any indication that these would be collected at project start. Indicators do not adequately address project outcomes and other results; relevant indicators have not been specified for several results. There are gaps in arrangements for M&E plan implementation. Either no budget or an inadequate budget has been provided for M&E.	M&E plan implementation was flawed and/or did not address severe weaknesses in the original plan. Several M&E activities were either dropped or were incomplete. The data collection methodology was not sound. M&E data were not reported in a timely manner, and there is little evidence to suggest that the data were used to improve project implementation. M&E implementation does not meet expectations.
Highly unsatisfactory (HU)	No M&E plan was prepared.	No, or negligible, M&E activity was implemented other than conduct of the project evaluation.
Unable to assess (UA)	Unable to assess because project documents are not available.	Unable to assess as the terminal evaluation does not cover M&E implementation adequately.

Appendix 4. GEF co-financing table

Appendix Table 5. Co-financing table

Name of the co-financer	Co-financer type	Type of co-financing	Co-financing at project start (Amount confirmed at GEF CEO endorsement/approval by the project design team) (in USD)			Materialized co-financing at project final evaluation (Amount reported at 30 June 2024) (in USD)		
			In-kind	**Cash**	**Total**	**In-kind**	**Cash**	**Total**
National Forestry and Grassland Administration and provincial Forestry Departments	National government and provincial governments	In-kind and cash	40,800,000	7,200,000	48,000,000	915,442	46,853,214	47,768,656
Food and Agriculture Organization of the UN	GEF Agency	In-kind[1]	400,000		400,000	458,304	0	458,304
Grand total (in USD)			41,200,000	7,200,000	48,400,000	1,373,746	46,853,214	48,226,960

[1] The FAO co-financing commitment was changed from "Grant" in the original project document to "In-kind" in the revised project document in January 2023

Appendix 5. Progress against results framework

[1] Confirmed and collected from various sources, especially 2024 Self-Assessment Report, 2024 and 2023 PIRs, data and documents provided by PMO, discussions with PMO, and interviews with stakeholders.

[2] Includes information on the evidence used to verify reported achievements.

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
Component. 1: Strengthened institutional, policy and regulatory frameworks for the implementation of sustainable forest management from national to local level, creating a basis for enhanced biodiversity conservation and carbon sequestration			**SATISFACTORY**	
Outcome 1.1: Improved implementation framework translating the SFM principles and goals embodied in national policies into tangible choices and priorities for on-the-ground SFM activities.			**SATISFACTORY**	
Output 1.1.1 National and provincial level implementation guidelines facilitating implementation of existing SFM policies, legal provisions and standards.	No implementation guidelines for translating SFM policies into practice at local level	Interconnected set of implementation guidelines: 1 national 4 provincial 16 county	**Achieved** Interconnected set of 35 implementation guidelines prepared: 7 national (national guidelines covering SFM, precious tree species forestation, biodiversity, SFM specific threats, CCER, carbon sequestration, and the National Plan for Implementation of Pilot Demonstration) 12 provincial (3 for each of the 4 target provinces, covering SFM, biodiversity, and forest carbon sequestration) 16 Project Implementation Guidelines (one for each forest farm)	Verified by reviewing documents and confirming that they meet the intent of the indicator
Output 1.1.2 Incorporation of implementation guidance on the biodiversity standards for certification (China Forest Certification	No implementation guidelines; no BD incorporation	Full incorporation of BD considerations into implementation guidelines following CFCS requirements	**Achieved** Project contributed to development of 2021 National Standard "China Forest Certification Scheme (CFCS)", covering biodiversity conservation and environmental impact reduction	Verified by reviewing document and confirming that it meets the intent of the indicator

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
Scheme, CFCS).			standard	
Output 1.1.3 Incorporation of implementation guidance to improve forest inventory procedures and MRV for carbon sequestration and GHG emission reductions from forests, land-use and land-use change including the existing methodology for obtaining tradable carbon certificates from enhanced SFM.	No implementation guidelines; no BD incorporation	Full incorporation of CCM considerations into implementation guidelines following SFM methodology criteria for carbon certification	**Achieved** Prepared National Guideline for Carbon Sequestration and Emissions Reduction The national trading scheme was not established so there was no opportunity to include the methodology for tradable carbon certificates from enhanced SFM	Verified by reviewing document and confirming that it meets the intent of the indicator
Outcome 1.2: Strengthened local level application and coherent planning of SFM practices, including biodiversity conservation and carbon benefit enhancements			**SATISFACTORY**	
Output 1.2.1 Local SFM plans (following 1.1.1 provisions) for each project area containing a set of modifications in forest regulations, policies and guidelines.	No fully-fledged local SFM plans; existing forest management plans do not explicitly incorporate SFM practices and principles	Drafting of comprehensive SFM plans for each of the 16 project areas	**Achieved** SFM Plans developed for each of the 16 forest farms These are different from the forest farm plans described under Output 1.1.1 – the project developed both a GEF Project Implementation Guidelines document and an SFM Plan for each forest farm	Verified by reviewing all 16 documents and confirming that they meet the intent of the indicator, and through discussions with forest farm managers and staff; also, these were inspected and accepted through a 3rd-party validation process that was established by the CPMO
Outcome 1.3: Local monitoring systems guide the application of SFM practices, biodiversity conservation and carbon sequestration efforts			**SATISFACTORY**	
Output 1.3.1 Development of overarching national level monitoring system for collecting and processing	Building-blocks exist, but need to be integrated, gaps filled	Fully functional national level SFM monitoring system established and applied for the 4 pilot provinces	**Achieved** Prepared "Monitoring and Evaluation Plan for the Project of Sustainable Forest Management to Enhance Forests' Capacity to Mitigate Climate Change in	Verified by reviewing the document and confirming that it met the intent of the indicator; it is detailed and technically sound Also verified monitoring system by

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
information on SFM activities in the 4 provinces (envisioned for national roll-out)			China" (2019), which included **SFM**, biodiversity, and forest carbon sinks Established overarching national-level monitoring system for collecting and processing information on SFM activities, and applied this in the 4 target provinces	receiving an overview of the system from relevant staff in NFGA and through discussions with provincial forestry department staff to confirm that the monitoring system was applied; the field data collection involves hard-copy data sheets rather than electronic field data entry
Output 1.3.2 Development of national level framework and action plan for establishment of a forest carbon sequestration and emission reductions monitoring system	Building-blocks exist, but need to be integrated, gaps filled	Fully functional national level forest carbon monitoring system established and applied for the 4 pilot provinces	**Achieved** Prepared "Monitoring and Evaluation Plan for the Project of Sustainable Forest Management to Enhance Forests' Capacity to Mitigate Climate Change in China" (2019), which included SFM, biodiversity, and **forest carbon sequestration** Contributed to development of National Guide of CCER Project Preparation Procedures and Implementation, issued by NFGA in 2020 Established a national-level forest carbon monitoring system, and applied this in the 4 target provinces	Verified by reviewing the documents and confirming that they meet the intent of the indicator; it is detailed and technically sound Also verified monitoring system by receiving an overview of the system from relevant staff in NFGA and through discussions with provincial forestry department staff to confirm that the monitoring system was applied; the field data collection involves hard-copy data sheets rather than electronic field data entry
Output 1.3.3 Design of local level BD monitoring systems integrated with the national level system and following guidance provided under 1.1.2.	No local level BD monitoring system in place	Fully functional BD monitoring system established and applied in 16 counties	**Achieved** Established fully functional local-level BD monitoring system and applied in the 16 forest farms / counties, following guidance provided under 1.1.2; sampling plots were established, monitoring occurred by forest farm staff or contracted experts, and data was provided to NFGA	Verified by receiving an overview of the system from relevant staff in NFGA, through discussions with provincial and forest farm staff to confirm that the monitoring was established and implemented, and through field inspection of some monitoring plots; the field data collection involves hard-copy data sheets rather than electronic field data entry

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
Output 1.3.4 Design of local level CCM monitoring systems integrated with the national level system and following guidance provided under 1.1.3.	No local level CCM monitoring system in place	Fully functional CCM monitoring system established and applied in 9 counties Advanced monitoring system in accordance to carbon credit certification standards established and applied in 6 counties	**Achieved** Established fully functional local-level CCM monitoring system and applied in 9 forest farms / counties, following guidance provided under 1.1.3; sampling plots were established, monitoring occurred by forest farm staff or contracted experts, and data was provided to NFGA	Verified by receiving an overview of the system from relevant staff in NFGA; the evidence not yet received that the system was established and applied in 9 counties
Outcome 1.4: Enhanced national level policy, legal and regulatory framework based on feedback of project experiences and identified gaps			**MODERATELY UNSATISFACTORY**	
Output 1.4.1 Several adjustments to national forest policies, legal provisions and/or regulation directly linked to and informed by experiences gained from project implementation at the local level.	No feedback loop from local level back to national level provisions National level policies with some remaining weaknesses and gaps	All national level provisions reviewed according to feedback from project experience at local level Weaknesses and gaps identified and addressed	**Partially achieved** The project's CTA and Project Director were lead authors for the review of the National Standard "Sustainable Management Guidelines For National Timber Reserve Forest" (2023). Also, the PMO reported that the project's national expert participated in the revision of the *Forest Law*. Otherwise, no direct evidence was received of *"all"* national level policies and legal provisions being reviewed and adjusted *"according to feedback from project experience at local level"* in accordance with the target; also, no evidence was received of *"weaknesses and gaps identified and addressed"* in this context.	Verified partial achievement by reviewing relevant document
Component 2: Demonstration and adoption of SFM practices, enhancing carbon storage and improving biodiversity conservation			**MODERATELY SATISFACTORY**	
Outcome 2.1: County forestry bureaus and local communities empowered and capacitated to apply a large spectrum of SFM practices selected in accordance with			**SATISFACTORY**	

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
location-specific needs and challenges				
Output 2.1.1 Strengthened SFM capacity at local level; at least 100,000 ha of economically used forest benefitting from enhanced SFM practices across the 4 provinces.	0 ha	100,000 ha	**Partially achieved** 79,945 ha of economically used forest benefitting from enhanced SFM practices across the 4 provinces, comprising the following: - 75,261 ha under the EIB-GOC project (co-financed activities) - 3,146 ha under the GEF project up to 2023 - 1,538 ha additional activities under the GEF project up to 2024 Relevant activities are: forest tending/thinning; reduced impact logging; restoration of degraded forest; converting monoculture to mixed species forest; reforestation and afforestation with rare tree species; and pest, disease and fire management.	Verified areas covered by collating relevant data from three independent inspection and acceptance reports commissioned by NFGA: - Inspection and Acceptance Report for EIB-GOC-funded Activities (2020) - Inspection and Acceptance Report for GEF-funded Activities (2023) - Inspection and Acceptance Report for GEF-funded Activities (2024) See Appendix 10 for collated data. Activities that align with this output are defined in pages 44–51 of the original project document.
Outcome 2.2: Carbon sequestration enhanced and GHG emissions from forests reduced through re-forestation of damaged forest, rehabilitation of degraded forest, as well as enhanced SFM practices leading to emission reductions			**MODERATELY SATISFACTORY**	
Output 2.2.1 42,000 ha of reforestation and forest restoration/rehabilitation yielding 4,770,611 tCO2e (project duration).	0 tCO2e of added emission reductions through application of SFM practices	4,770,611 tCO2e of added emission reductions through application of SFM practices	**Achieved** 54,989 ha of reforestation and forest restoration/rehabilitation, comprising the following: - 53,798 ha under the EIB-GOC project (co-financed activities) - 931 ha under the GEF project up to 2023 - 260 ha additional activities under the	Verified areas covered by collating relevant data from three independent inspection and acceptance reports commissioned by NFGA: Inspection and Acceptance Report for EIB-GOC-funded Activities (2020) Inspection and Acceptance Report for GEF-funded Activities (2023) Inspection and Acceptance Report for GEF-funded Activities (2024)

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
			GEF project up to 2024 Reduced emissions by 6,246,201 tCO_2-e (according to the conversion factor in the project document). Relevant activities are: restoration of degraded forest; reforestation and afforestation with rare tree species.	See Appendix 10 for collated data. Activities that align with this output are defined in pages 44–51 of the original project document. Note that the area covered under this reporting includes double-counting of the area reported under Output 2.3.2. The carbon emissions reduction was calculated by the TE team using the conversion factor from the project document for this target (4,770,611 tCO_2-e / 42,000 ha = 113.59 tCO_2-e per ha over the six-year project period).
Output 2.2.2 87,000 ha of enhanced carbon management yielding 12,927,948 tCO2e (project duration).	0 tCO2e of added emission reductions through application of SFM practices	12,927,948 tCO2e of added emission reductions through application of SFM practices	**Partially achieved** 24,942 ha of enhanced carbon management, comprising the following: - 21,463 ha under the EIB-GOC project (co-financed activities) - 2,201 ha under the GEF project up to 2023 - 1,278 ha additional activities under the GEF project up to 2024 Reduced emissions by 3,706,381 tCO_2-e (according to the conversion factor in the project document). Relevant activities are: forest tending/thinning; reduced impact logging; restoration of degraded forest; converting monoculture to mixed species forest; and pest, disease and fire management.	Verified areas covered by collating relevant data from three independent inspection and acceptance reports commissioned by NFGA: Inspection and Acceptance Report for EIB-GOC-funded Activities (2020) Inspection and Acceptance Report for GEF-funded Activities (2023) Inspection and Acceptance Report for GEF-funded Activities (2024) See Appendix 10 for collated data. Activities that align with this output are defined in pages 44–51 of the original project document. This output does not include afforestation or restoration. The carbon emissions reduction was calculated by the TE team using the conversion factor from the project document for this target (12,927,948 tCO_2-e / 87,000 ha = 148.60 tCO_2-e per

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
				ha over the six-year project period).
Output 2.2.3 Three project sites successfully create carbon credits under the SFM methodology for China's provincial carbon trading scheme.	No carbon credits gained from application of SFM	Creation of certified carbon credits under the provincial SFM methodology in 3 counties	**Achieved** Certified carbon credits created in 3 counties under the Fujian provincial SFM methodology - Forest Carbon Credit registered by Shunchang State-owned Forest Farm with 154,828 tCO_2e from 2006 to 2016 (257,361 tCO_2e from 2006 to 2026) in 2016 and exchanged for CNY 2 882 903 in 2017 - Bamboo Carbon Credit registered by Shunchang State-owned Forest Farm with 119,415 tCO_2e from 2010 to 2017 in 2017 and exchanged for CNY 1 229 580 in 2019 - Forest Carbon Credit registered by Yangkou State-owned Forest Farm in 2017 with 78,720 tCO_2e from 2007 to 2017 (208,089 tCO_2e from 2007 to 2026)	Verified by viewing formal certifications and records of transactions
Outcome 2.3: Enhancement of forest biodiversity through protection and conservation of rare and endangered native species			**SATISFACTORY**	
Output 2.3.1 35,000 ha of additional forest area certified under CFCS with particular focus on CFCS biodiversity requirements.	0 ha	35,000 ha	**Achieved** 40,6230 ha of additional forest area certified under CFCS, at 6 locations: - 6469.00 ha of Weimin Forest Farm (Fujian) - 3146.67ha of Minquan Forest Farm (Henan)	Verified by viewing CFCS certificates

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
			- 9661.00ha of Xinxian Forest Farm (Henan) - 8459.59ha of Nanwan Forest Farm (Henan) - 7066.66ha of Huangbaishan Forest Farm (Henan) - 12295.98 ha of Huangbaishan Forest Farm (Guangxi)	
Output 2.3.2 15,000 ha of forest restoration efforts incorporate the planting of rare species.	0 ha	15,000 ha	**Achieved** 43,463 ha of forest restoration efforts incorporate the planting of rare species, comprising the following: - 42,682 ha under the EIB-GOC project (co-financed activities) - 607 ha under the GEF project up to 2023 - 174 ha additional activities under the GEF project up to 2024 Relevant activities are: Relevant activities are: reforestation and afforestation with rare tree species; and cultivation and protection of rare tree species.	Verified areas covered by collating relevant data from three independent inspection and acceptance reports commissioned by NFGA: Inspection and Acceptance Report for EIB-GOC-funded Activities (2020) Inspection and Acceptance Report for GEF-funded Activities (2023) Inspection and Acceptance Report for GEF-funded Activities (2024) See Appendix 10 for collated data. Activities that align with this output are defined in pages 44–51 of the original project document. Note that the area covered under this reporting includes double-counting of some of the area reported under Output 2.2.1.
Output 2.3.3 Nurseries for rare tree species created or improved.	-	5 nurseries improved, expanded and/or newly created	**Achieved** 7 nurseries improved, expanded and/or newly created, through GEF (4 nurseries) and EIB (3 nurseries) funding: 2 in Henan (Huangbaishan FF and Xinxian FF)	Verified by viewing independent inspection and acceptance reports from 2023.

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
			3 in Guangxi (Yachang FF, Daguishang FF, Weidu FF) 1 in Fujian (Citouban FF) 1 in Hainan The nurseries cover several rare tree species.	
Output 2.3.4 Implementation of business models for revenue generation from rare species protection.	No business plans	Business models designed and implemented in at least 3 counties	**Achieved** Business models designed and implemented in 4 counties: - Report on the Business Model for Cultivating and Protecting Rare and Endangered Tree Species in Hainan - Under-forest Economy of Tropical Timber Plantations in Hainan (Case study by Forestry Project Management Office of Dongfang City) - Design of Rare and Endangered Tree Cultivation and Protection Business Model for Huangbai Mountain Forest Farm and Xinxian Forest Farm in Henan Province The target was exceeded.	Verified by reviewing documents and confirming that they meet the intent of the indicator, by viewing and discussing implementation of the business model with farm managers in Hainan, and by reviewing reports on implementation in Henan
Component 3: Training and capacity development; awareness raising and knowledge exchange; monitoring, evaluation and dissemination of best practices			**SATISFACTORY**	
Outcome 3.1: Enhanced knowledge and capacity of local farmers and government staff to implement SFM practices, create CCM and BD related GEBs and implement the corresponding monitoring systems			**SATISFACTORY**	
Output 3.1.1 National level as well as cross-provincial trainings for stakeholders from all project provinces	Knowledge and practical skills on SFM is limited; capacity and information on BD conservation as well as CCM through	200 Provincial and county-level forest bureau staff trained	**Achieved** 1,874 provincial and county-level forest bureau staff trained, including 559 women (29.8%).	Verified by viewing various sources of information (such as notices of training workshops, workshop photos, lists of participants with signatures, financial documents for cost reimbursement, and

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
including international experts and exchange at international level	forest management is insufficient		This comprised 15 on-line and offline training workshops covering project management, SFM, biodiversity, carbon and CCM.	media reports with photos) to provide evidence that training sessions occurred. Comprehensive training records that included attendance details were not kept. Online training sessions during COVID-19 were especially difficult to verify, therefore the TE team verified training sessions since 2023. Training before COVID-19 was not verified.
Output 3.1.2 Provincial and county-level forest bureaus as well as local community forest managers trained in SFM practices with specific focus on CCM and BD benefit creation. [Total number of trainees across the four provinces: 4000]	Knowledge and practical skills on SFM is limited; capacity and information on BD conservation as well as CCM through forest management is insufficient	4000 Provincial and county-level forest bureau staff as well as local community forest managers trained	**Achieved** Total 4,005 provincial and county level forest bureau staff were trained in Henan, Guangxi, Fujian and Hainan provinces, including 810 women (20.2%). This comprised 77 training workshops on SFM (19 workshops with 988 participants including 195 females), SFM with a focus on biodiversity (7 workshops, 478 participants including 122 females), SFM with a focus on CCM (10 workshops with 519 participants including 115 females).	Verified by viewing various sources of information (such as notices of training workshops, workshop photos, lists of participants with signatures, financial documents for cost reimbursement, and media reports with photos) to provide evidence that training sessions occurred. Comprehensive training records that included attendance details were not kept. Online training sessions during COVID-19 were especially difficult to verify, therefore the TE team verified training sessions since 2023. Training before COVID-19 was not verified. Reporting for Outputs 3.2.1 and 3.2.3 that the TE team received was lumped into one total rather than providing two separate totals, therefore the TE split the reported workshops into the two outputs according to the reported subject matter.

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
Output 3.1.3 Provincial and county-level forest bureaus as well as local community forest managers trained in the setup and application of carbon as well as biodiversity monitoring systems as designed under component 1.	No monitoring systems, no corresponding capacity	4000 Provincial and county-level forest bureaus as well as local community forest managers trained	**Achieved** Total 4,005 provincial and county level forest bureau staff were trained in Henan, Guangxi, Fujian and Hainan provinces. Training on the application of carbon as well as biodiversity monitoring systems was delivered in 6 workshops with 311 participants that included county forestry bureau staff, forest farm staff and community foresters, including 69 females (22.2%).	Comprehensive training records that included attendance details were not available. Partially verified by viewing various sources of information (such as notices of training workshops, workshop photos, lists of participants with signatures, financial documents for cost reimbursement, and media reports with photos) to provide evidence for reported training sessions since 2023. Online training sessions during COVID-19 were especially difficult to verify, because record-keeping was very limited. Training before COVID-19 was not verified. Reporting for Outputs 3.2.1 and 3.2.3 that the TE team received was lumped into one total rather than providing two separate totals, therefore the TE split the reported workshops into the two outputs according to the reported subject matter.
Output 3.1.4 Improved provision of relevant data and knowledge to project stakeholders.	No dedicated channels and mechanisms for BD and CCM data and information provision in place	Establishment of dedicated mechanisms for data and knowledge dissemination on BD and CCM	**Achieved** Various data and knowledge dissemination mechanisms were established: - WeChat groups established at national and provincial levels to enable communication and exchange of information - Official project website established - Training and capacity building disseminated knowledge on BD and CCM, under Outputs 3.1.1, 3.1.2 and 3.3.3 - 16 issues of project newsletter	Verified through discussions with project stakeholders, through viewing website, by viewing newsletters; for training, see under Outputs 3.1.1, 3.1.2 and 3.3.3

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
			providing information and updates - Published book "Good Practices of Sustainable Forest Management", containing several document good practices from the project Also, see reporting under Output 3.3.2	
Outcome 3.2: System for peer-to-peer teaching and regular exchange of knowledge and experiences between project site staff within and between the four provinces			**SATISFACTORY**	
Output 3.2.1 Mechanisms and communication channels for regular exchange of knowledge and experience incl. peer-to-peer teaching between local forest managers and government administrators at county and provincial level established.	No mechanisms exist	Peer-to-peer or similar mechanisms established for all project counties and provinces	**Achieved** In addition to the mechanisms described under 3.1.4, the following relevant mechanisms were established: - A "forest classroom" mechanism that combines indoor theoretical lectures with practical field-based learning, including a peer-to-peer component involving provincial forestry staff and forest farm staff - In addition, provincial experts were required under their contracts to visit field sites and share their knowledge regarding relevant practices with county / forest farm staff	Verified through discussions with participants and viewing of photographs and other evidence of the forest classrooms
Output 3.2.2 Mechanisms and communication channels for exchange of knowledge and experience between project stakeholders from different provinces established.	No mechanisms exist	Regular channel for knowledge exchange between provinces established	**Achieved** Regular channels for knowledge exchange between provinces established, especially WeChat groups and network conference (organised by the CPMO), to help achieve real-time communications; the M&E system is a portal for provincial staff to access key project documents and other information	Verified through demonstration of WeChat groups, discussions with provincial staff to confirm their use of the identified channels, and demonstration of M&E system

Indicators	Baseline	Target	Level of achievement[2]	Evaluation team comments[3]
Output 3.2.3 Interaction on SFM utilized to strengthen social networks and new social capital among local forest managers (possibly including creation of forest manager associations where suitable).	No interactions on SFM	Extensive interactions on SFM through mechanisms established under 3.2.1 and 3.2.2	**Achieved** Local forest managers used the channels established under 3.2.1 and 3.2.2 No specific reporting was received against this indicator, but the TE team confirmed that the interviewed local forest managers did use the channels No forest manager associations were created	Verified through discussions with forest farm staff and county officers to confirm their use of the identified channels Note that the target does not define what should be considered "*extensive*" interactions
Outcome 3.3: Establishment of project monitoring and evaluation system measuring project progress and achievements			**SATISFACTORY**	
Outcome 3.3.1 Project M&E system designed, established and applied throughout the project and across all components, provinces and project sites.	No project M&E system	Fully functional M&E system	**Achieved** Developed a project M&E system that was used to manage and make available a wide variety of project information.	Verified through a demonstration of the M&E system while in the NFGA Beijing office
Outcome 3.3.2 Publication and dissemination of project information and experiences; public awareness raising	No publication and dissemination	Comprehensive dissemination of SFM related information to the public	**Achieved** Relevant information was disseminated to the public through the following: - Dedicated page within NFGA website - 2 videos ("Typical technologies for sustainable forest management to address climate change" and "GEF 056 project introduction") - 16 issues of project newsletter providing information and updates - Published book "Good Practices of Sustainable Forest Management", containing several document good practices from the project	Verified through viewing relevant information and channels

Appendix 6. Evaluation matrix

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
1. Relevance*			
1.1 To what extent are the three project components and objectives aligned with current country environmental and development priorities, GEF focal areas/operational programme strategies, the FAO Country Programming Framework, the mandates of executing partners, and the needs and priorities of targeted beneficiaries?	Identify current country environmental and development priorities – discuss during interviews Indicator: Alignment (qualitative)	Assess against strategies, priorities, frameworks and needs at design phase and through to the end of implementation, wherever possible.	Methods: - Desk review - KIIs/FGDs Information sources: - strategies, priorities and frameworks - informants especially executing agencies, FAOR, beneficiaries at project sites
	Compare with GEF focal areas/operational programme strategies and the FAO Country Programming Framework – discuss during interviews Indicator: Alignment (qualitative)		
	Identify the mandates of executing agencies – discuss during interviews Indicator: Alignment (qualitative)		
	Identify the needs and priorities of target beneficiaries – discuss during interviews; ask about their involvement in project design Indicator: Alignment (qualitative)		
2. Coherence*			
2.1 *External coherence*. Is the intervention	Assess project document to determine whether intervention was well harmonized during design	Assess at the design stage and during implementation	Methods:

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
harmonized with the actions implemented by other actors in the same context (e.g. development agencies, other GEF projects)? Does the intervention add value compared to others and was duplication of effort avoided?	Discuss during interviews Identify areas where the intervention has added value Identify areas where duplication was avoided or where duplication appears to have occurred – discuss during interviews Indicators: assessment against these sub-questions (qualitative)		- Desk review - KIIs/FGDs - Site visits Information sources: - Project document, other project preparation documents, reporting - All stakeholders, including partners
2.2 *Internal coherence*. To what extent did the project design provide a practical approach for addressing the targeted environmental concern in terms of coherence of the vertical and horizontal logic in the results framework? To what extent do the project components, activities, and M&E system align with the project objectives?	Analyse the design (including using the reconstructed theory of change) - Was it practical and feasible? - Did it address the targeted environmental concern? - Analyse the vertical logic in the results framework - – do the project components, activities, and M&E system align with the project objectives? - Analyse the horizontal logic Indicators: assessment against these sub-questions (qualitative)	The reconstructed theory of change in this inception report will be an important tool	Methods: - Desk review, especially of design - KIIs/FGDs - Site visits (was the project practical?) Information sources: - Project document + results framework, other project preparation documents, M&E - All stakeholders

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
3. Effectiveness*			
3.1 Is the intervention achieving its objectives? To what extent did the project contribute to: • Strengthening institutional, policy and regulatory frameworks for the implementation of SFM from national to local level? • Strengthening institutional and stakeholder capacities to effectively employ incentive-based SFM practices in reforestation and forest restoration activities, enhancing carbon storage and sequestration as well as biodiversity conservation? What are the results of the demonstration of SFM practices?	Assess achievement of the three components, outcomes and outputs against the revised results framework. Identify additional or unintended results (positive or negative) Indicators: Achievement of indicators and targets (quantitative) and narrative descriptions of contributions (qualitative)	Baselines, targets, milestones and means of verification in revised results framework in pro doc.	Methods: - Desk review, including of project M&E - KIIs/FGDs - Site visits Information sources: - PIRs, PPRs, self-assessment report, other reporting, project deliverables and other documentation - All stakeholders

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
4. Efficiency*			
4.1 To what extent has the FAO/OP partnership facilitated or hampered project execution, timely resolution of issues during project implementation and contribution to project results and objectives?	Clarify the partnership arrangements and modality. Has this partnership been smooth and facilitative or have there been challenges?	The project is indirect execution through an Operational Partners Agreement (OPA) between FAO and OP.	Methods: - Desk review, especially OPA and amendments - KIIs Information sources: - OPA and associated documentation, PAC minutes, other reporting - FAO and the OP informants
	What are the main issues that have required addressing? How have these changed during execution? How have FAO and the OP collaborated to i. achieve timely resolution of issues and ii. contribute to project results ad objectives? Has the OP efficiently met the requirements of the OPA or have there been challenges? Indicators: assessment against these sub-questions (qualitative)		
5. Implementation*			
5.1 How is FAO monitoring progress and technical quality of the work of the OP? Is the BH / project team appropriately equipped to monitor and oversee the OP? Does it get support if needed, does it lead to the implementation of corrective actions and improvement of identified weaknesses?	Document FAO's system for monitoring progress and technical quality of the work of the OP Identify resources (including human resources) allocated to this		Methods: - Desk review - KIIs Information sources: - OPA and associated documentation, PAC minutes, other reporting
	Has the OP received appropriate support from FAO and does it lead to corrective actions or improvement of weaknesses – ask during interviews Are the resources allocated appropriate / sufficient?		

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
	Indicators: assessment against these sub-questions (qualitative)		- FAO BH, FAO backstopping staff, FAO country office staff, OP informants
6. Execution*			
6.1 To what extent have the executing agencies, including the selected OP, effectively fulfilled their roles and responsibilities in the management and administration of the project?	Identify the OP's roles, responsibilities and commitments in project document and OPA Review OP's performance against identified roles, responsibilities and commitments Discuss executing agency's role / performance with FAO and other stakeholders where appropriate Indicators: assessment against roles, responsibilities and commitments (qualitative)	The project document and OPA set out roles and responsibilities of the OP and FAO	Methods: - Desk review - KIIs Information sources: - OPA, amendments and associated documentation, PIRs and PPRs, other reporting - FAO country office staff, FAO backstopping staff, OP informants, other stakeholders where appropriate
7. Additionality			
7.1 What is the incremental value the GEF grant has brought about to results achieved (in terms of innovative approaches, technologies, and climate resilience)?	Indicators: documentation of findings against these sub-questions (qualitative)		Methods: - Desk review - KIIs, FGDs - Site visits Information sources: - Project reporting - All informants

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
8. Sustainability*			
8.1 What is the degree of ownership of the project's achievements by the main actors at the institutional, regional and local level and to what extent do they have the resources and interests to capitalise on the achievements beyond the duration of the project?	Identify ownership by the main actors at the institutional, regional and local level Discuss interest in continuing and capitalising on achievements during interviews	Discuss sustainability in <u>all</u> KIIs / FGDs	Methods: - Desk review - KIIs, FGDs - Site visits Information sources: - All project reporting and documentation, especially information on sustainability planning - Knowledge products and dissemination, capacity building - Implementing partners, beneficiaries
	What resources will they bring to sustaining and capitalising on results? Assess adequacy of resources Indicators: documentation of findings against these sub-questions (qualitative)		
8.2 To what extent has the project identified, anticipated, and planned for key risks which may affect the sustainability of the project benefits (financial, institutional, environmental, socio-political and others)?	Was sustainability planned for from early in project? Was a sustainability / exit strategy developed?	Discuss sustainability in <u>all</u> KIIs / FGDs	
	Identify key positive and negative factors that contribute to the likelihood (in categories financial, institutional, environmental, socio-political and others)? Did the project identify, anticipate and plan for these?		
	Indicators: documentation of findings against these sub-questions (semi-quantitative and qualitative)		

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
9. M&E*			
9.1 (M&E design*) To what extent did the M&E plan sufficiently identify resources and budget for M&E activities in line with the project theory and monitoring and evaluation requirements?	Assess completeness of M&E plan against requirements Is the M&E plan in line with the theory of change? Break down M&E budget and compare with similar GEF projects Indicators: M&E budget as % of budget – compare with other projects (quantitative and qualitative)		Methods: - Desk review and analysis of findings - KIIs Information sources: - All documents, especially project document (including M&E plan and budget), PIRs and other reporting, data, etc - PMO and other project personnel, FAO CO, FAO LTO and GTO
9.2 (M&E implementation*) Was information gathered systematically, in a timely manner, and according to a robust methodology?	Assess implementation against each component of the M&E plan Is the project clear about each indicator and how it is being measured / reported against? Assess adaptive management and the use of M&E (especially check PIRs and PPRs and raise during interviews) Assess how M&E is being used during implementation to inform decisions, foster learning, and support sustainability and scaling up Indicators: documentation of findings against these sub-questions (qualitative)		
9.3 (M&E implementation) To what extent was the collected information used to inform decision-making, foster learning, and support the sustainability and scaling-up of project results?			
10. Co-financing			
10.1 To what extent did the materialized co-	Is reporting of co-financing substantiated?		Methods:

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
financing contribute to project results, reflecting nationally ownership?	Are records kept of co-financing and is it reported in PIRs / other reporting? Analyse committed vs materialized from different co-financers Assess contribution of co-financing to results Indicators: materialized contribution (quantitative) and assessment against sub-questions (qualitative)		- Desk review and analysis of findings - KIIs Information sources: - Project document and associated documentation, co-financing reporting (especially PIRs), and other relevant reporting on contributions - PMO, FAO CO, FAO GTO, co-financers
11. Application of GEF policies and guidelines			
11.1 To what extent were environmental and social concerns taken into consideration in the design and implementation of the project?	Review project document and associated documents from project preparation Assess whether agreed measures have been taken and if not, investigate why not Have there been environmental and social issues that were not fully considered during implementation? Indicators: documentation of findings against these sub-questions (qualitative)	Consider environmental and social safeguards requirements at the time of project preparation / implementation of relevant approved measures / and any changes in approach during implementation	Methods: - Desk review and analysis of findings - KIIs - field visits Information sources: - Project document and associated documents from project preparation, relevant reporting on environmental and social concerns (especially PIRs and PPRs) - PMO, OP, FAO CO, FAO LTO, beneficiaries

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
11.2 Were gender equality and empowerment and other equity and human rights issues mainstreamed in the project/programme, both in design and implementation?	Assess how gender equality and empowerment and other equity and human rights issues were mainstreamed into the project. The following questions will be considered regarding gender: - Were relevant gender issues addressed in the project document? - Was a gender analysis undertaken and were gender-specific activities, targets and monitoring established? - Were sex-disaggregated data collected relating to project activities and outcomes? - Was there an appropriate gender balance in participation in project activities? - Were gender specialists involved in project inception and implementation stages? - Did the project have a gender focal point? Indicators: documentation of findings against these sub-questions (qualitative)	Consider mainstreaming of the issues at the time of project preparation and during implementation; identify any changes in approach during implementation	Methods: - Desk review and analysis of findings - KIIs, FGDs - field visits Information sources: - Project document and associated documents from project preparation, relevant reporting on gender and other equity and human rights (especially PIRs and PPRs) - PMO, OP, FAO CO, FAO LTO, beneficiaries
11.3 To what extent have local communities and/or indigenous communities been duly informed, consulted and involved in the decision-making process prior to project implementation?	Identify local communities / ethnic minorities present Analyse the extent to which they were informed, consulted and involved Indicators: documentation of findings against these sub-questions (qualitative)		Methods: - Desk review and analysis of findings - KIIs, FGDs - field visits

Evaluation Questions	Sub-Questions/Indicators	Comments	Methods/Informants
			Information sources: - Project document and associated documents from project preparation, relevant reporting (especially PIRs and PPRs) - PMO, OP, FAO CO, FAO LTO, beneficiaries

Appendix 7. Glossary

[Source: GEF. 2019. GEF Evaluation Policy. June 13, 2019. https://www.thegef.org/council-meeting-documents/gef-evaluation-policy*]*

Agency fee: the financing provided to a GEF partner Agency in connection with a GEF project or programme.

CEO Approval: the approval of a fully developed medium-sized project or enabling activity by the GEF CEO.

CEO Endorsement: the endorsement of a fully developed full-sized project by the GEF CEO.

Child project: a project that forms part of a programme, as set out in a programme framework document.

Co-financing: financing additional to GEF project financing, and that supports implementation of a GEF-financed project or programme and the achievement of its objectives.

Evaluation: Evaluation is the systematic and impartial assessment of planned, ongoing, or completed activities, projects, programmes in specific focal areas or sectors, policies, strategies and their implementation, or other topics relevant to the GEF partnership and organization.

Full-sized project: a project with GEF project financing exceeding US$2 million.

GEF additionality: the additional effects (both environmental and otherwise) that can be directly associated with a GEF-supported project or programme

GEF Agency: an agency eligible to request and receive GEF resources directly for the design, implementation, and supervision of GEF projects and programmes

GEF-financed activity (or intervention): any programmatic approach, full-sized project, medium-sized project, or enabling activity financed from any GEF-managed trust fund, as well as regional and national outreach activities

GEF Operational Focal Point:[9] nominated by the recipient country, the GEF Operational Focal Point ensures that GEF proposals and activities in the country are consistent with country priorities and the country commitments under global environmental conventions; identifies project ideas to meet country priorities; endorses project proposals; facilitates broad based in-country consultations on GEF operational matters; and provides feedback on GEF activities, including implementation of projects.

Global Environmental Benefits: these relate to international conventions and commitments the GEF is mandated to serve. GEF projects must demonstrate that the project activities are delivering global environmental benefits.

Goal: a higher-order objective to which a GEF-financed project or programme is intended to contribute.

Knowledge management: the process by which organizations within the GEF partnership generate value and improve performance from their intellectual and knowledge-based assets.

Impact: the positive and negative, primary and secondary long-term effects produced by a project or programme, directly or indirectly, intended or unintended.

[9] GEF. 1996. GEF FOCAL POINTS. https://www.thegef.org/sites/default/files/council-meeting-documents/C.8.Inf_.5_5.pdf

Indicator: a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to a project or programme, or to help assess the performance of an organization.

Lead agency: The Agency that coordinates all activities under a programme.

Medium-sized project: a project with GEF project financing of up to USD 2 million.

Mid-term review: an assessment of a project or programme's performance and results carried out for adaptive management purposes at the midpoint of a project or programme's intended duration.

Monitoring: a continuous or periodic function, carried out by project or programme management, that uses a standardized and systematic process of collecting and analysing data on specific indicators to provide decision-makers and management of a GEF-financed activity with information on progress in the achievement of objectives and in the use of allocated funds.

Outcome: an intended or achieved short- or medium-term effect of a project or programme's outputs.

Output: a product or service that results from the completion of activities implemented within a project or programme.

Portfolio: a subset of projects focusing on a specific theme, GEF focal area, geographic region, country, or GEF Agency.

Programme: a coherent set of interventions designed to attain specific global, regional, country, or sector objectives, consisting of a variable number of child projects.

Programme's added value: the additional results brought in by the GEF funding delivered as a programme compared with either a pre-existing or a hypothetical set of stand-alone full- and/or medium-sized projects or other comparable alternatives.

Programme framework document: the document that sets forth the concept of a programme that is proposed for GEF financing.

Result: Include intervention outputs, outcomes, progress toward longer-term impact including global environmental benefits, and should be discernible/measurable.

Stakeholder: an individual or group that has an interest in the outcome of a GEF project or programme or is likely to be affected by it, such as local communities, Indigenous Peoples, civil society organizations, and private sector entities; stakeholders may include national project or programme executing agencies, or groups contracted to conduct activities at various stages of the project or programme.

Stakeholder engagement: a process that begins with stakeholder identification and analysis, and includes planning; disclosure of information; consultation and participation; monitoring, evaluation, and learning throughout the project cycle; addressing grievances; and ongoing reporting to stakeholders.

Terminal evaluation: evaluation of a project or programme's design, performance, and results carried out at the end of implementation.

Appendix 8. GEF incremental investment relative to baseline investment and core co-financing

The following extract is from Section 1.2 Rationale (pages 20 to 22) of the project document. It provides detail on the European Investment Bank – Government of China Loan Project and the National Strategic Timber Reserve Programme, their co-financing contributions and the arrangements for this co-financing, and the GEF investment relative to this baseline.

(a) Baseline projects and investments for the next 3-5 years addressing the identified GEB threats and causes (main co-financing sources of the project)

The GEF incremental investment will be firmly rooted in a significant baseline investment that combines a:

- **European Investment Bank-Government of China (EIB-GOC) Forestry Framework Loan** (project implementation period 2014-2018), and the
- Government of China's own forest sector investments under the **National Strategic Timber Reserve Programme (NSTRP)**.

The two baseline initiatives are already closely interrelated and designed to complement each other in terms of areal coverage. They share their main focus on expanding commercial forest area through re- and afforestation efforts. **While especially the investments under the EIB loan feature several considerations on sustainability of forest ecosystems, the baseline projects do not include targeted activities to maximize GEB creation in the restored forest areas.** Consequently, the GEF project will on the one hand use the extensive organizational and administrative structures as well as mechanisms for knowledge dissemination created through the baseline initiatives. On the other hand, the GEF activities will serve to demonstrate alternative ways and methods to incorporate SFM practices into the larger baseline projects. Thereby, the baseline initiatives will become the primary vehicle for direct roll-out and up-scaling of the GEF project's activities well beyond the confines of the actual GEF project sites. The combination of the baseline projects and the GEF project therefore represents an excellent balance between compatibility and complementarity that has proven a crucial success factor for long-term impact of GEF projects in the past. The opportunity for leveraging co-financed activities to create high levels of additional GEBs with relatively small investments is particularly pronounced for this project.

Co-Financing arrangement

The co-financing arrangement and respective co-financing amounts will be described in more detail in section 2.3 (Financial planning and management). **The overall amount of co-financing provided by the Government of China through the State Forest Administration totals US$48,000,000, combining resources from both major nation-wide initiatives listed above** (US$40,650,000 from the EIB-GOC loan project and US$7,350,000 from the NSTRP). Throughout this document, the National Government and the NFGA will be listed as Co-financier as both of the related programmes have their resources pooled and managed at the national level. However, the total co-financing amount includes proportions of resources that are allocated to the provincial level, making the four province governments de facto co-financers. The distribution of co-financing commitments follows the relative distribution of EIB-GOC and NSTRP resources between the four pilot provinces.

EIB-GOC Loan Project

Co-financing source	Co-financier	Brief Description of Co-funded Baseline Project Activities	Type	Amount (USD)
National Government	NFGA	- FA staff services and procurement of facilities.	In-kind	124 000 000 (€100 000 000)

		- Establishment of forests demonstrating fire protection & control. - Focuses on state managed and controlled plantation areas. - Carbon monitoring at national level - CFCS in late stages of development; early stages of use. - Voluntary carbon market for AFOLU in nascent stages.		
Multi-lateral	EIB	- Afforestation, protective forests for erosion control/timber forest plantation; economic trees, - tendering or modification of low-efficiency forest, - establishment of biomass plantations & capacity building	Loan	124,000,000 (€100 000 000)
			Total	**USD248 000 000**

Table 5: Summary of EIB-GOC project

The EIB-GOC loan project focuses on four main areas of work:

i. **establishment of protective forests for soil and water erosion control/timber forest plantation; economic trees,**
ii. **tendering or modification of low-efficiency forest,**
iii. **sustainable development of forest ecosystems,**
iv. **establishment of biomass plantations.**

Activities funded under this new framework loan will include capacity building, long-rotation re- and afforestation and the development of socially and economically important forests having high and sustainable income generation potential. In Henan Province, The project is active in 27 project sites across the province. Its main focus is a re- and afforestation effort with planned 41,950 km^2 of afforestation and 22,400 km^2 of reforestation and forest rehabilitation. The GEF incremental investment will leverage the project's reforestation investments to create additional GEBs. In Guangxi Autonomous Region, the project covers commercially used forest areas in 13 counties and 7 state owned provincial forest farms. Main focus is on re- and afforestation of 21,500 km^2. The GEF incremental investment will only leverage reforestation activities. In addition, the project provides funding for enlargement of two existing nurseries and establishment of one new nursery. This funding will be used directly as co-financing for the GEF investment, aiming at utilizing nurseries for the growing of rare and endangered species as preparation for creating mixed forest areas that include rare species. In Hainan Island, the EIB-GOC project focuses on returning original forest land from its current use as farm land back to forest. The target area is 6667 km^2. **The resources allocated under this project that are so closely connected to the GEF Project to be dedicated as co-financing amount to a total of USD 40 650 000.** As resources are managed at national level, NFGA will be considered the sole co-financer, knowing that the respective co-financing resources are part of the province level resource allocations.

National Strategic Timber Reserve Programme

The NSTRP is a recently established umbrella project designed and managed by NFGA to coordinate nation-wide public investments into commercial forest expansion and management. The main objective

of the programme is the long-term security and stability of supply of timber resources. In order to ensure availability and access to timber resources, the NSTRP aims to increase China's productive forest area by approximately 20 million hectares annually and to do so in a nationally coordinated, strategic and coherent way. This baseline investment offers a unique chance for a GEF incremental investment to complement the forest expansion driven by economic considerations with aspects of environmental sustainability with regard to biodiversity and climate change mitigation. SFM provides the framework to maximize the synergies between the economic productivity of commercially used forest areas and the creation of global and local environmental benefits.

The programme links most directly and significantly with the GEF project in Henan Province, which is a focus region of the NSTRP. Accordingly, Henan Province has three forest farms that receive public funds for improving forest management under the NSTRP: Minquan Forest Farm in Shangqiu Municipality, Huangbaishan Forest Farm in Xinyang Municipality and Nanwan Forest Farm. The GEF incremental investment will leverage the NTRSP funds as co-financing in these three project areas. **The resources allocated under this project that are so closely connected to the GEF Project to be dedicated as co-financing amount to a total of USD 7 350 000.**

GEF incremental investment in relation to baseline

The combination of the two baseline initiatives features a strategic gap accurately fitting the planned GEF incremental investment, i.e. the piloting and subsequent roll-out of new and innovative tools and incentives for mainstreaming biodiversity (using the tool of forest management certification) and sequestering and avoiding CO2 emissions (leveraging emerging incentive opportunities of the national emissions trading scheme). Complementing the baseline initiative, the GEF investment will enable stakeholders to focus more on: a) enhancing forest productivity to avoid the losses of carbon from management neglect/forest decay and enhance carbon sequestration; and b) the mainstreaming of biodiversity conservation objectives and practices into local level SFM. Following GEF requirements, the GEF project will concentrate on SFM-based reforestation and forest restoration efforts linked to corresponding parts of the baseline initiative. The GEF incremental investment will thus not be used in the context of afforestation activities.

During the project preparation phase, the FAO team in close collaboration with the GOC counterparts has analysed the baseline programs determining which parts of the EIB Framework Loan and GOC financing can be directly leveraged to enable the GEF project activities and catalyse their replication and scaling-up beyond the project's scope. According to these calculations, USD 48 million of the total baseline program amount (see above) will be directly used and leveraged by the GEF resources, therefore representing the project's co-financing.

Appendix 9. Timeline of key events, communications and decisions relating to the procurement and application for reimbursement for works in 2021–2022 in forest farms in Guangxi, Fujian and Henan

As described under Finding 5, approximately USD 2.4 million of costs for SFM activities incurred by the participating forest farms in Guangxi, Fujian and Henan were not reimbursed, because the procurement requirements were not met.

The following provides a timeline of relevant key events, communications and decisions associated with this procurement and reimbursement outcome. This has been collated by the TE team from various sources. Where available, the evidence evaluated for each point is listed.

1. The project document, OPA and project implementation manual (PIM) all stipulate that procurement activities will follow strict procedures:

    a. Project document: Section 4.4 (Procurement) states that procurement will be in accordance with the National Procurement Law 2002, confirms that procurement tender procedures will follow both international standards and Chinese governmental procurement standards, and establishes some procurement procedures and rules. The project document also states that procurement rules and procedures will be established in the Project Implementation Manual and OPA. It also stated that procurements at provincial level will follow the same procedures.

    b. OPA: Article IX (Procurement) states that "subject to approval by FAO, the OP will procure any goods, services and works following its own rules and regulations and any further guidance provided by FAO" (p. 9). The OP confirmed in the OPA that its rules and regulations "conform to generally accepted international standards for public procurement".

    c. PIM: Confirms the arrangements in the OPA (with slight amendments to the text).

2. The project management and procurement requirements were communicated at various meetings by both CPMO and FAO, including:

    a. At the Project Inception Workshop on 19 October 2016, the agenda shows that "Project Implementation Method (Draft)" was introduced and provided to participating PPMOs and forest farms, although the minutes do not provide sufficient detail to indicate whether procurement was specifically discussed.

    b. At the 15 May 2018 PAC meeting (attended by representatives from the four PPMOs), FAO officials communicated regarding operational issues, including addressing questions from PPMOs and confirming that procurement should be in line with agreed methods and should follow national procedures.

    c. At the 2 May 2018 PAC meeting (attended by representatives from the four PPMOs), the minutes record that procurement was discussed, confirming that the four provinces and 16 farms were required to proceed with contracts according to the project's approved procurement requirements.

    d. A project financial management training workshop was delivered to PPMO staff by the CPMO in April 2019, at which various relevant topics were discussed including explaining the "Project

Financial Management Measures"; minutes were not kept, so it is not clear whether procurement was specifically discussed.

3. During 2020, the three PPMOs working with state-owned forest farms (Guangxi, Fujian and Henan) advised the CPMO and FAO that they were experiencing challenges proceeding with contracts with the forest farms. This was because, for the forest farms, their usual practice was to engage their own labour and other workers, and it was unusual practice to have provincial PMOs inviting external bidders based on competitive selection to carry out works in their forest. The CPMO and FAO advised the TE team that frequent verbal discussions were held at this time to try to identify solutions.

4. Also in 2020, the MTR recommended that GEF funds were assigned to engage a third-party to "conduct checks of the project activities in the forest farms to sort out the backlog in reimbursements" (MTR Recommendation 5(a)).

5. In 2021, to identify a solution to accelerate project delivery, the CPMO and FAO staff agreed that the 16 forest farms are eligible entities to implement the project activities, following the implementation procedures (including competitive procurement) outlined in the project document, OPA and PIM. The forest farms would be reimbursed the costs for work completed, subject to third party quality checks of the work undertaken and submission of appropriate financial packages for approval. This decision was confirmed in the minutes of a Project Task Force meeting on 27 May 2021. Representatives of the four PPMOs were also present at this meeting.

6. The TE team understands that this decision was communicated by the CPMO to the 16 forest farms, although no documented evidence was received of this.

7. Agreed project demonstration construction works commenced in 2021 on the 16 forest farms, with the forest farms now responsible for arranging implementation of the activities. Most works were completed during 2022, with some finishing in 2023.

8. In 2023, third-party checks were implemented to ensure that all construction works were undertaken according to required technical standards. This was part of the assurance process for the CPMO to determine whether the forest farms could be reimbursed for the works. All completed works passed these quality checks, as confirmed in the Inspection and Acceptance Report for GEF-funded Activities (2023).

9. After the quality checks, financial reporting packages were submitted to CPMO to seek reimbursement for the cost of the works conducted. These packages included documentation of the procurement processes followed. The forest farms in Guangxi, Fujian and Henan were found not to have followed the required procedures and were not reimbursed. The forest farm in Hainan was found to have followed appropriate procedures and was reimbursed.

10. In interviews during this TE, representatives from the Guangxi, Fujian and Henan PPMOs stated that they thought the procurement processes followed were appropriate and that it was unexpected when reimbursement did not occur.

Appendix 10. Collated data of forest areas covered by co-financed and GEF-financed activities

Collated by the TE team from the following sources:

[1] Inspection and Acceptance Report for EIB-GOC-funded Activities (2020)
[2] Inspection and Acceptance Report for GEF-funded Activities (2023)
[3] Inspection and Acceptance Report for GEF-funded Activities (2024)

Province	Afforestation /reforestation with rare and precious high-quality timber trees	Forest tending / thinning	Forest restoration	Nursery	Conversion of monoculture	Reduced impact logging	Pest and disease fire management	Cultivation and protection of rare tree species	Total
EIB-GOC project[1]									
Henan	17,100.4	16,239.2	5,617.9	-	-	-	-	-	38,957.5
Guangxi	22,821.5	5,224.3	-	20.1	-	-	-	-	28,065.8
Hainan	2,760.0	-	5,497.6	-	-	-	-	-	8,257.6
Fujian	-	-	-	-	-	-	-	-	-
Subtotal EIB-GOC	**42,681.9**	**21,463.5**	**11,115.5**	**-**	**-**	**-**	**-**	**-**	**75,260.9**
GEF Project by 2023[2]									
Henan	35.3	85.5	189.0	1.7	94.3	77.2	309.6	173.3	965.9
Guangxi	267.5	152.0	49.7	7.8	212.8	122.7	-	-	812.4
Hainan	-	390.0	-	-	-	-	-	-	390.0
Fujian	84.4	46.7	305.6	3.5	234.7	193.1	62.5	46.9	977.3
Sub-total GEF by 2023	387.3	674.1	544.3	12.9	541.8	393.1	372.1	220.2	3,145.7
GEF Project in 2024[3]									
Henan	114.0	122.7	73.5	-	175.5	40.0	83.3	-	609.0
Guangxi	60.3	801.3	12.0	-	-	-	-	-	873.7
Hainan	-	55.0	-	-	-	-	-	-	55.0
Fujian	-	-	-	-	-	-	-	-	-
Sub-total GEF 2024	174.3	979.0	85.5	-	175.5	40.0	83.3	-	1,537.7

Total of GEF	**561.6**	**1,653.1**	**629.7**	**12.9**	**717.4**	**433.1**	**455.4**	**220.2**	**4,683.4**
Grand total EIB-GOC + GEF	**43,243.5**	**23,116.6**	**11,745.3**	**12.9**	**717.4**	**433.1**	**455.4**	**220.2**	**79,944.3**

Appendix 11. Summary of activities in the four participating provinces

1. The project's achievements and highlights under Component 2 in the four provinces are summarized below.

2. Hainan – activities in one forest (Dongfang County Forest):

    - Non-stated owned forest, so the project developed strong partnerships with private companies in four different forests

    - Mostly focused on rare and precious species, especially *Dalbergia odorifera* (known locally as Huali), a slow-growing species that produces high-quality, valuable timber

    - Included development of non-timber *Dalbergia* products, such as tea and honey

    - Included investigations into developing an "under-forest economy", for example using cash crops (such as medicinal herbs) and livestock under trees

    - Two farms were implementing innovative models that generate a sustainable flow of funds to the forest managers to care for the slow-growing trees through a public sponsorship model

    - Tourism was also a part of the models being used in the four privately owned forests.

3. Guangxi – activities in four forests (Yachang Forest Farm, Qipo Forest Farm, Xing'an County Forest, and Shankou Forest Farm):

    - A strong focus on conversion of monoculture forests to mixed species forests.

    - Included SFM practices such as selective logging with less environmental impact

    - Included managing for large diameter timber

    - Technically sound practices in place to plan interventions by setting "cultivation objectives" that established the aim of the interventions

    - Monitoring of dbh, height and stems/ha, with controls and treatment sites established

    - Included good work on SFM certification

    - Also established a precious tree nursery containing several species, including *Castanopsis hystrix, Phoebe bournei* and *Machilus pauhoi*.

4. Fujian – activities in six forests (Yangkou Forest Farm, Datian County Forest, Minhou Baisha Forest Farm, Shaowu Weiming Forest Farm, Jiangle Forest Farm, Shunchang Forest Farm):

    - Also a strong focus on converting reforested monocultures of Chinese fir (*Cunninghamia lanceolata*) to an uneven-aged mixed conifer-broadleaf forest, using rare local broadleaf timber species (such as *Phoebe bournei* and *Castanopsis hystrix*)

    - The TE team viewed several before and after photos showing changes at intervention sites. Examples of these are provided in Figure 4, showing (a) changes in structure from a dense

monoculture of Chinese fir to a mixed forest with a sparser overstorey and a mid-storey of growing broadleaf trees; (b) changes from a monoculture of Chinese fir to a mixed forest of rare timber trees; and (c) changes after ecological logging from a dense monoculture of Chinese fir to a sparser overstorey with a diverse midstorey and understorey.

- Monitoring is also in place for these interventions
- Includes practices such as ecological logging and under-forest economy (e.g. medicinal herbs) – there has been a good level of success with this
- An innovative model was applied in the state-owned Shunchang Forest Farm, in which the forest farm can operate in the form of a shareholding system or cooperative operation to work with communities in community forest management. Through this, state-owned forest farms may be directly involved in afforestation and sustainable forest management practices to high standards, which can accelerate the creation of mixed forests, increase the growth rate of forests, enhance the economic benefits for community farmers, and better leverage the multiple benefits of forests.

5. Henan – activities in five forests (Huangbaishan Forest Farm, Nanwan Forest Farm, Minquan Forest Farm, Xinxian County Forest, Dengfeng County Forest):

- Included conversion of monoculture forests to mixed species forests
- Four areas received CFCS certification (see under Output 2.3.1 in Appendix 5)
- Included areas of restoration, recovery and forest quality enhancement
- Implemented the "Poplar + *Amorpha fruticose*" multi-functional protection forest cultivation model in Minquan Forest Farm, leading to improved wind breaking, soil fertility and sand fixation functions, and increased income from timber and *Amorpha* shoots
- The Henan PPMO described the benefits of combining demonstrations in the field with promotions and technical capacity building, which was a key element to the project's strategy (see **Error! Reference source not found.**).

(a) Before Monoculture to Mixed Forest in Jiangle Forest Farm in 2019

After Monoculture to Mixed Forest in Jiangle Forest Farm in 2025

(b) Before Rare Timber Tree Reforestation in Shunchang Forest Farm in 2019

After Rare Timber Tree Reforestation in Shunchang Forest Farm in 2024

(c) Before Ecological Logging in Shunchang Forest Farm in 2019

After Ecological Logging in Shunchang Forest Farm in 2024

Figure 4: Photopoint photos showing changes in forest after interventions in three sites in Shunchang Forest Farm, Fujian; source: CPMO

Appendix 12. OED validation scheme

GEF criteria to be rated	Rating assigned by ET	Rating assigned by OED	OED's comments
A. OUTCOMES	MS	MS	Average consistent with ratings assigned and validated at A1, A2, A3 and A4. Therefore, OED validates the "Moderately Satisfactory" rating to project's outcomes.
A1. Relevance	S	S	The report provides evidence of strong project alignment with current country environmental and development priorities, GEF focal areas/operational programme strategies, the FAO Country Programming Framework, the mandates of executing partners, and the needs and priorities of targeted beneficiaries. Therefore, OED validates the "Satisfactory" rating to project's relevance.
A2. Coherence	MS	MS	The TE reports that whereas external coherence is evident (added value and no duplication of effort), internal coherence presented some limitations. In particular with regards to the horizontal coherence between the environmental and development objective, missing key actions that could have fostered use of incentive-based SFM practices outside the state forest farm. Therefore, OED validates "Moderately Satisfactory" rating to project's coherence.
A3. Effectiveness	MS	MS	The report provides evidence that the project laid solid foundations towards the environmental objective, thanks to a wide variety of incentive-based SFM practices and practices in forest biodiversity enhancement and certification being developed on the forest farms. However, the project design did not support local communities outside these forest farms to enable them to effectively employ incentive-based SFM practices, therefore - despite efforts made by the project in working with local communities - progress towards the objective outside forest farms was low. Most targets were met, with three being partially met. Two of the targets that were not met were for core project SFM activities under Component 2, the component under which approximately 75 percent of the GEF allocation was allocated (see Table 2). Therefore, OED validates a "Moderately Satisfactory" rating to project's effectiveness.
A4. Efficiency	MU	MU	The TE reports on significant delays at project startup due to the time taken to negotiate the OPA between the OP (ICC of NFGA) and the FAO and the time taken to open the project bank account. Also, due to the change in the OP in 2018 and related administrative challenges, explained in detail in the report, the second payment instalment was finally received only after four years – in 2022. Despite this, the FAO/OP partnership was constructive, and the indirect execution modality chosen

			(OPIM) was pivotal to project implementation continuing even in the absence of project funds. In fact, given that only 52.0 percent of the GEF grant was delivered, the OP co-financing largely compensated for this representing an important proxy of project national ownership. In consideration of significant delays in project start up and transfer of GEF grant, compensated by good coordination between FAO and the OP and cost-effectiveness in the use of available co-financing, OED also validates a "Moderately Unsatisfactory" rating to project's efficiency.
B. SUSTAINABILITY	ML	ML	The TE gave a "Moderately Likely" rating to sustainability while identifying financial risks to future adoption of SFM models outside state-owned forest farms (considering their high input costs and low attractiveness of SFM-accredited timber products). The project explored various innovative approaches to mitigating this risk (e.g. developing an under-forest economy, public sponsorship model, etc.). Therefore, OED validates a "Moderately Likely" rating to project's sustainability.
C. IMPLEMENTATION	MS	MS	The TE reported that after the delays at start-up the supervision and support to the OP were efficiently delivered, although some weaknesses were present (shortcomings with project reporting against targets in PPRs and PIRs). FAO staff worked closely with the CPMO and OP in attempts to address the project's delays and address the grant delivery issues. Nevertheless, the agreed solution had mixed success because, although agreed works were delivered, the 15 state-owned forest farms from Guangxi, Fujian and Henan were found not to have followed required procurement procedures and the associated GEF funds were not disbursed. Otherwise, FAO fulfilled requirements as GEF Agency. Despite weaknesses at project preparation and implementation would warrant a "Moderately Unsatisfactory" rating, OED agrees that project supervision was adequate and FAO identified and did its best - together with the OP - to address emerging concerns. Therefore, OED validates a "Moderately Satisfactory" rating to project's implementation.
D. EXECUTION	MS	MS	The TE provides evidence of the OP strong ownership and technically good results in project execution. However, liaison with PPMOs and forest farms over contractual and procurement arrangements for delivery of SFM works took several years. The OP will facilitate follow-up to the project, through application of the national guidelines and standards that the project assisted with and through its continuing relationships with the provincial forestry departments in the target provinces. Therefore, OED validates a "Moderately Satisfactory" rating to project's implementation.
M&E plan	**MS**	**MU**	The TE reported that the results framework did not include any indicators or targets relating to community beneficiaries (such as the number of direct community

			beneficiaries or the generation of socio-economic benefits) or the level of effective employment of incentive-based SFM practices, did not include measures to assess the effectiveness of training and capacity building, and some targets for the areas covered by relevant activities and associated carbon emissions reduction were somewhat unrealistic. Nevertheless, it provided the rating "Moderately Satisfactory" to project's M&E plan, which is not in line with the descriptors provided by the GEF IEO. Hence, OED downgraded the rating to "Moderately Unsatisfactory" and the evaluation team accepted OED's suggestion.
M&E implementation	MS	MS	According to the TE, despite limitations in the M&E system design, the project followed the M&E plan and most information was gathered systematically and in a timely manner. There were some shortcomings to the measurement, reporting and evidence against some indicators in the results matrix, which meant that some progress reporting in PPRs and PIRs was not realistic. Therefore, OED validates a "Moderately Satisfactory" rating to project's M&E implementation.
Overall project rating	**MS**	**MS**	Despite shortcomings mostly concerning internal coherence, efficiency and implementation, the project achieved most of its targets laying solid foundations towards the environmental objective. Therefore, OED validates a "Moderately Satisfactory" rating as an overall project rating.

Legend:

All criteria but sustainability
Highly satisfactory (HS)
Satisfactory (S)
Moderately satisfactory (MS)
Moderately unsatisfactory (MU)
Unsatisfactory (U)
Highly unsatisfactory (HU)
Unable to assess (UA)

Sustainability
Highly likely (HL)
Likely (L)
Moderately likely (ML)
Moderately unlikely (MU)
Unlikely (U)
Highly unlikely (HU)
Unable to assess (UA)

Annexes

[Annexes should be published as separate documents and made available on the website as per example below. Provide any detail needed to retrieve them.]

Annex 1. Terms of reference for the evaluation http://www.fao.org/evaluation/en/

Annex 2. Standalone case studies, surveys, field studies, context analysis, etc. (if applicable) http://www.fao.org/evaluation/en/

[Annexes follow the same style as the report.

Links to annexes will be added by the communications team for OED-managed evaluations.]