

Innovative transformation of China's food production systems and agroecological landscapes

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10246

Countries

China

Project Name

Innovative transformation of China's food production systems and agroecological landscapes

Agencies

FAO, World Bank

Date received by PM

8/24/2020

Review completed by PM

12/21/2020

Program Manager

Paul Hartman

Focal Area

Multi Focal Area

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes, the project is aligned with the relevant GEF IP focal area elements as indicated in table A.

Cleared

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

9/03/20

While the project structure and design shown in table B are broadly appropriate, outputs and outcomes that explicitly link results generated from components 2 and 3 with

greater impacts at scale, particularly on private sector and government policy in China, are missing . Please revise.

12/04/20

Revisions made to Table B and the Component descriptions in order to clarify scaling intended by the project are sufficient

The ToC has improved with additional layers now showing causal pathway from project component outcomes to ?increased capacities, policies/plans, industry-wide standards and partnerships, which will contribute to further replication and scaling at provincial and national level.?

The project's contribution to transformation of China's food system and its global impact are much more clearly detailed.

Cleared

Agency Response

RE Sept 3:

- An emphasis on scaling has been added in the outcome and output wording in Table B, to make clearer that under Components 2 and 3, the project will not only implement, but will scale sustainable practices that lead to global environmental benefits. The indicator ?Number of newly developed or improved standards? has been added under Outcome 2.1 in Table B.

- Additional clarifications have been added in the component description under *Section 3) Proposed alternative scenario*, to make clearer that the outcomes and outputs under the four components are interlinked and iterative. Outcomes under Components 2 and 3 will provide evidence and required experiences to inform the policy reform under Component 1. In turn, policy and planning outcomes as well as partnerships with private sector actors under Component 1 will support implementation and scaling of sustainable practices and restoration under Components 2 and 3. Knowledge sharing mechanisms and platforms under Component 4 will further enhance replication and scaling.

- The Theory of Change has also been revised to highlight that the outcomes of the four components, combined, lead to increased capacities, policies/plans, industry-wide standards and partnerships, which will contribute to further replication and scaling at provincial and national level. This includes public and private sector, including market systems, incentives and investments and traceability systems, among others.

- Additional information has been added in *Section 3) Proposed alternative scenario* to explain that the project will have a significant impact on Chinese agricultural policy and private sector. This mainly includes:

1. Through the implementation of the project, a set of good agriculture practices will be elevated to industry standards by MARA or provincial DARA. These standards will promote technological transformation in the management of staple crop production, influence private sector production and business practices, and contribute to China's capacity for sustainable agricultural development in the target landscapes and beyond.
 2. Project implementation will result in a number of Integrated Landscape Management (ILM) plans for agricultural production at the provincial, municipal and county levels, which have the potential to become legal documents for local governments that result in a long-term impact. The project will also aim to further scale good practices by incorporating them into the local Five-Year Plans and/or land use plans.
 3. The supporting policies of the project for private sectors are also reflected in the development of value chains: attract private enterprises to participate in green organic brand building, and provide financial support and market incentives.
- Additional information has been added in Outcome 2.2 description to explain that the project will involve critical actors across the value chain; and that necessary market incentives will be established, such as through standards, ecological product certifications and traceability systems. This is expected to incentivize responsible, market-oriented agricultural value chains.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Please address the following:

A) There are several confirmation letters that are in Chinese or where the organization name isn't clearly displayed in English. As a result, confirmation of co-financing from

the following entities is unclear and needs to be corrected so that the name of the organization is clearly displayed in English and matches what is in table C:

- Jiangxi Provincial and District Governments
- Guizhou Provincial and District Governments
- Jiangxi Jiafu Agricultural Technology Co., Ltd.
- Jiangxi Zhenghe Ecological Agriculture Co., Ltd.
- Guizhou Rongjiangshan Agricultural Development Co., Ltd
- Guizhou Yueliangshan Agriculture Co., Ltd
- Guizhou Liping Dongxiang Rice Production Co., Ltd.
- World Bank (WB) ? International Bank for Reconstruction and Development (IBRD)
(This is missing from co-financing letters in the combined file)
- Hubei Provincial and County Governments

B) The co-financing from Private sector in Hubei is indicated as being selected during implementation. Per GEF co-financing guidelines, at CEO Endorsement/ Approval, Agencies provide confirmed information regarding the expected amounts, sources and types of Co-Financing and Investment Mobilized, with appropriate supporting evidence. Please ensure that this co-financing is aligned with GEF policy.

12/04/20

Co-financing commitments have been clarified and amounts in letters, which are now provided in English, are consistent with what is detailed in Table C.

The WB PAD serves as proof of Co-financing for the WB sub-project.

Cleared

Agency Response

RE Sept 3:

A) A revised version of the FAO-MARA co-financing letters has been uploaded in the Portal. The overview with page numbers is provided below.

Page	Name of Co-financier	Amount (\$)
1	Ministry of Agriculture and Rural Affairs	6,000,000

2-3	Shandong Provincial and District Governments	10,000,000
4-5	Shandong Changrun Ecological Agriculture Co., Ltd.	1,200,000
6-7	Laizhou Chenggang Road Weisong Plant Protection Professional Cooperative	1,200,000
8-9	Jiangsu Provincial and District Governments	10,000,000
10-11	Nanjing Tianwei Agricultural Technology Co., Ltd.	400,000
12-13	Nanjing Hengcheng Agricultural Development Co., Ltd.	400,000
14-15	Nanjing Junsheng Ecological Agriculture Co., Ltd.	400,000
16-17	Taicang City Donglin Village Farm Professional Cooperative	1,200,000
18-19	Jiangxi Provincial and District Governments	10,000,000
20-21	Fenyi Huayong Agricultural Machinery Specialized Cooperative	200,000
22-23	Fenyi Guigen Grain Planting Professional Cooperative	200,000
24-25	Fenyi Quanfeng Breeding Professional Cooperative	200,000
26-27	Fenyi Qunyuan Agriculture and Animal Husbandry Development Co., Ltd.	200,000
28-29	Jiangxi Jiafu Agricultural Technology Co., Ltd.	400,000
30-31	Jiangxi Zhenghe Ecological Agriculture Co., Ltd.	1,200,000
32-33	Guizhou Provincial and District Governments	10,000,000
34-35	Guizhou Liping Dongxiang Rice Production Co., Ltd.	1,000,000
36-37	Guizhou Yueliangshan Agriculture Co., Ltd.	1,000,000
38-39	Guizhou Rongjiangshan Agricultural Development Co., Ltd	1,000,000
40	Food and Agriculture Organization (FAO)	300,000

- WB-IBRD: The Project Appraisal Document (PAD) serves as the supporting document as per paragraph 6 (a) of the GEF Co-financing Guidelines (2018). The PAD is uploaded in the ?Documents? section of the Portal. This document was officially approved by the World Bank Board in May 2020.

- Hubei Provincial and County Governments: The PAD serves as the supporting document. Please refer to the detailed breakdown of financing on page 2 and 23-24 of the PAD.

B) Supporting evidence is provided through the PAD, which refers to the USD 124 million in private sector co-financing (p. 15). For the first year, four companies have been agreed to in principle. However, a grant agreement is yet to be signed. After that,

the project takes a framework approach, with calls for proposals, assessment of proposals, etc.

The four identified companies for the first year are:

- ? Tongcheng County Tianjian Pig Industry Specialized Cooperative
- ? Honghu City Chunlu Crop Planting Specialized Cooperative Association, and Rice planting farmers in Honghu City
- ? Jingshan County Yinong Rice Planting Specialized Cooperative, Hubei Guobao Qiaomi Co., Ltd.
- ? Nanzhang County Xiangming Tea Specialized Cooperative, Hubei Shuijing Tea Industry Development Co., Ltd.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. In the FAO budget we ask that any expenses related to vehicle (purchase or) hire is covered through project co-finance rather than GEF funds.

We further ask the World Bank to please submit a detailed budget for this project.

12/04/20

The car has been removed from the FAO budget and a detailed budget has been provided by the WB.

We note in the FAO budget that the following position are being charged across all components and under PMC and M&E: i) Project Knowledge management officer, ii) Project Monitoring & Evaluation officer, iii) Project Financial and procurement. From the TORs for these three positions in FAO's prodoc it is not clear that these officers will deliver specific outputs for Component 1, 2, and 3. The TOR for the Project Financial and Procurement Officer in particular only focuses on admin and financial reporting and assistance, making it difficult to justify the charge to project components 1-4. Please revise this these TORs to provide more justification and clearer links to project components outputs or alter the budget accordingly.

12/21/20

The detailed budget and TORs have been revised to now sufficiently reflects the components to which the three positions (Project Knowledge management officer,

Project Monitoring & Evaluation officer, and Project Financial and Procurement) will be charged. Please address additional comments below:

1. There is a discrepancy in the PMC Portal entry Table B compared to the budget table. The Table B PMC in the portal is \$622,185, while the budget table (sum of \$328,185 FAO + \$299,000 WB) is \$627,185.
2. The budget for the M&E Plan is missing in the Portal. Please include it and ensure that the figures in M&E Plan match the M&E figures in Budget.
3. The Project Budget in the Portal (Table posted in Annex F) needs to be reformatted to fit into the page to avoid printout problems once converted to pdf.
4. The budget item "Expert Consultation Fee" charged to PMC in the WB budget requires further clarification. Additionally, "Progress check and report" and "Performance Evaluation" budget items charged to the PMC would seem to be more associated with Monitoring and Evaluation. If so, please charge them to M&E.
5. The Project Inception Workshop in the WB budget should be charged to M&E Plan (not to PMC).
6. The item on financial audits [\$50,000] in the FAO budget is ineligible under M&E.
7. In the FAO budget there is the budget line "Printing of various technical / consulting reports" is charged to component 4. However, there is another budget line namely "Office equipment (computers, printers, copier, etc.). Hence, the "Printing of various technical / consulting reports" seems to be duplicative considering that the project is buying printers and copiers. Please remove the "Printing of various technical / consulting reports" budget line.
8. For the FAO budget line "FAO: PMU support and training," in absence of a Letter of Support signed by the OFP for FAO to carry out this activity that is approved by the GEFSEC, this cost must be charged to the Agency Fee. Please remove this budget line.

1/19/21

1. The discrepancy has been corrected and the PMC amount in the project budgets now matches what is in Table B.
2. The M&E budget is now included in section 9 of the portal version of the CEO ER and matches the project budget.
3. Project budget now fits and displays clearly in the portal version of the CEO ER.
4. Draft TORs have been prepared and the cost has been moved to the PMC.
5. The Project Inception Workshop cost in the WB budget has been moved to M&E.
6. The explanation provided on various printing costs is sufficient.
7. The cost for PMU Support and training has been removed and the amount dedicated to this re-allocated elsewhere in the budget.

Cleared

Agency Response

RE Sept 3:

The FAO budget has been revised and a new version uploaded to the Portal.

A detailed WB budget has been prepared and uploaded to the Portal. Annex F: Project Budget Table has been revised accordingly.

RE Dec 4:

The budget and Terms of Reference in Annex L1 of the FAO-MARA ProDoc have been revised to clarify the contribution of these positions to the various project components, outcomes and outputs.

i) Project Knowledge Management Officer: This position primarily contributes to Component 4 (Outputs 4.1.2 and 4.1.3 on KM, but also Output 4.1.1, in particular with regard to coordination with the FOLUR Global Coordination Project). In particular, the KM Officer will (i) coordinate the establishment (or improvement) of information dissemination platforms (Output 4.1.2), (ii) lead the creation and sharing of knowledge products to share best practices and support replication and the organization of forums/seminars with other projects and institutions working on similar issues in China (Output 4.1.3), and (iii) coordinate with and participate in national, regional and global IP events and activities and lead KM efforts under these events (Output 4.1.1). The TOR and budget line have been adjusted accordingly.

ii) Project Monitoring & Evaluation Officer: In addition, to project M&E, this position contributes to the delivery of Outputs 1.1.2 (ILM plans), 1.1.4 (development of monitoring systems), and 4.1.1 (coordination with FOLUR Global Coordination Project). In particular, the M&E Officer will assist the Project Coordinator in coordinating the field surveys and assessments in order to capture and use the generated data for the establishment of ILM plans and monitoring systems (Output 1.1.2). He/she will also assist the technical consultants in the elaboration of indicators, guidelines and monitoring systems for farm- and landscape-level monitoring of LD, BD, CC and socio-economic benefits (Output 1.1.4). Finally, the M&E Officer will collaborate closely with the World Bank-Hubei sub-project and the FOLUR Global Coordination Project to ensure alignment of the indicators and M&E system (Output 4.1.1). The TOR and budget line have been adjusted accordingly.

iii) Project Financial and Procurement Officer: The portion under PMC has been increased, but some budget is kept under the components. As clarified in the TOR, this position will contribute to the project results and financial delivery of all project outcomes and outputs. In particular, the Financial and Procurement Officer will (i) support the organization of consultation meetings under Outputs 1.1.1 and 1.1.2, (ii) support implementation of field activities through effective and timely procurement and subcontracting (Outputs 2.1.1 and 3.1.2), and (iii) coordinate contracts related to market linkages/value chains and access to finance for farmers (Output 2.2.2). The TOR and budget line have been adjusted accordingly.

Other positions such as Office Assistants, clerks, vehicles, drivers, office rent, and provincial office costs, are covered from PMC co-financing.

RE 21 Dec:

1. The figures in Table B have been adjusted accordingly, as per the budget files.
2. The M&E Plan with budget for both sub-projects has been added in *Section 9. Monitoring and Evaluation* of the CEO ER.
3. The tables in Annex F have been reformatted.
4. The Project Management positions in the WB-Hubei budget file have been clarified/revise, as follows. Draft Terms of Reference for these positions have been prepared and uploaded to the Portal as Annex L2. The positions are maintained under PMC in line with GEF guidelines.

Project Management - Technical domestic expert/consultant ? ILM/Biodiversity/Agronomy
Project Management - Knowledge management officer
Project Management - Financial management and procurement specialist
Project Management - Project coordinator (including coordination and liaison with WB and MARA)

5. The Project Inception Workshop in the WB budget has been moved to M&E (instead of PMC).
6. The financial audits in the FAO budget have been moved to PMC. Part of the Project Coordinator position has been moved under M&E to account for the monitoring-related tasks (as per the Terms of Reference in Annex L1 of the FAO-MARA ProDoc).
7. The budget lines have been reassessed, but are deemed necessary for the following reasons: Budget line 84 ?Office equipment (computers, printers, copier, etc.)? is required for the day-to-day operation and routine work of the PMU. Budget line 80 ?Printing of various technical / consulting reports? is required to ensure dissemination of technical reports within the project provinces and technical institutions (this is in addition to the more formal publications under budget line 54). This is important to ensure knowledge sharing and dissemination of project results under Component 4. In addition, budget line 80 will cover printing of posters/signboards and

brochures/handouts for farmers. More details have been added in budget lines 80 and 54 to specify the detailed cost estimates.

8. ?PMU support and training? line has been removed and budget moved to MTR budget line to ensure sufficient budget to cover MTR across the four FAO-MARA provinces.

Finally, the reference to Project Coordination has been removed from Component 4.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

09/03/20

While the PPG utilization is reported, it?s doesn?t appear as if the World Bank utilized any of the PPG. Please clarify how then the necessary assessments were undertaken by the WB in the PPG phase and whether any of these funds have been expended to date but aren't being reflected.

12/04/20

The explanation provided of the WB sub-project's PPG usage is sufficient. The WB should ensure that PPG funds are utilized within the allowable period and for eligible project preparation expenditures.

Cleared

Agency Response

RE Sept 3:

For the preparation of the PAD and the CEO ER, WB/IBRD funds were used to hire consultants, conduct consultations, and conduct baseline surveys/assessments. The WB PPG funds will be used over the coming months for additional baseline/ feasibility studies (within the allowable 1-year period and for eligible project preparation expenditures only). TORs to hire experts are currently being finalized. These studies will contribute to more detailed baseline data and consultations.

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Please address the following:

A) The results targeted for core indicator 3 and to a lesser extent core indicator 4 have been reduced since PFD stage. While reasons for this have been explained, additional justification is required in the context of the significant amount of co-financing that is now committed to the project. Please also confirm that the role of co-financing has been factored into the estimate of core indicator results or adjust the targets as appropriate.

B) On indicator 6 we have the following comments:

1- The results are not consistent in the different documents. The overall result is 6 Mt CO₂e in the excel table and 12.6 Mt CO₂e in the Ex-ACT tool uploaded in the Portal. The total mitigation benefit in the CEO Endorsement Request is also different with 13.3 Mt CO₂e. The mitigation resulting from the reduced use of fertilizer and chemical is 1.2 Mt CO₂e in the excel table and 4 Mt CO₂e in the Ex-ACT tool? Please revise accordingly to ensure all the mitigation results are consistent throughout all the documents provided.

2 - There are no restoration results considered in the EX-ACT tool while the project does include restoration work (in farmland boundaries and surrounding ecosystems). Please complete accordingly.

3 - There are no livestock-related results considered in the EX-ACT tool while the project includes livestock improved practices works. Please complete accordingly.

4- In the Ex-ACT tool, it is unclear where the results coming from the improvement of maize and wheat production are captured. Please explain and complete if these commodities are not yet included.

5-In the Portal, the ?Anticipated start year of accounting? (core indicator table) would most likely be 2021 instead of 2020.

12/04/20

1- The explanation provided is ok. The size of the targeted landscapes was reduced from the estimated 1.5 million hectares at PFD stage to 1.07 million hectares at CEO Endorsement Request stage.

2- We take note of the approach detailed. Nevertheless, in the WB-Hubei EX-ACT file under the agroforestry section of the 'Cropland' tab, the area restored is 10,970 ha of improved tea and 14,984 ha of improved fruit. The total would therefore appear to be 25,954 ha; however in the CEO ER the area restored total for this region is 20,000 ha. Please revise and ensure the totals are consistent for the 2 subproject regions (WB-Hubei & FAO MARA)

For comments 3, 4 and 5 - the explanation provided is sufficient.

12/21/20

The explanation provided on how results from the Cropland' tab of the EX-ACT tool calculation were split between sub-indicators 3.1 & 4.3 in order to avoid double counting is sufficient. Please address the comment below

1. The expected Implementation Start date (1/1/2021) in Project Information needs to be adjusted to align with current reality, otherwise when reporting there will be a discrepancy that will go against the Agencies' performance indicators.

01/19/21

The implementation start date has been changed in Project Information section and the timeline is now more realistic.

Cleared.

Agency Response

RE Sept 3:

A) Additional clarifications have been added in Section 8) *Summary of changes in alignment with the original project concept*, and are provided below.

- We confirm that the targets under Core Indicators 3 and 4 include both the targets from GEF financing and from counterpart financing (i.e., counterpart financing has been factored in).
- The Hubei counterpart financing was already foreseen at PFD stage, but was not indicated in the PFD as further consultations were needed. Thus, it was already factored in in the estimates at PFD stage.
- The targets from the PFD stage were assessed as overly ambitious and not achievable within the project's timeframe. The revised targets are still considered ambitious, also when comparing the China child project with other FOLUR IP child projects.

B) Core indicator 6 (GHG mitigated):

1-We would like to provide the following clarifications, in line with *Section 6) Global environmental benefits* and Core Indicator worksheet of the CEO ER. Please also refer to the excerpt below* for details.

- i) A revised overview file has been uploaded in the 'Documents' section of the Portal, which now includes both the FAO and WB sub-projects.
- ii) There are two separate EX-ACT calculations, one for World Bank-Hubei (EX-ACT tool) and one for FAO-MARA (see embedded link to various EX-ACT files in the overview file).
- iii) Total GHG mitigated in the **WB-Hubei** EX-ACT calculation is **-14'140'162**. Note that this amount includes -12'597'922 from the 'Results' tab plus an additional -1'542'240 for livestock (which has been calculated separately based on national methodology, see 'Calculations' tab, line 37 for details). These 14.14 Mt include 8.48 Mt direct and 5.66 Mt indirect.
- iv) Total GHG mitigated in the **FAO-MARA** EX-ACT overview is **-6,020,713**. This number is composed of results of several EX-ACT files (link is included in the overview file). The various files could not be combined because there are different soil types, yields, etc. in the FAO-MARA target districts/provinces and because there are limited rows in some sections of the EX-ACT tool. These 6.02 Mt include 4.82 Mt direct and 1.2 Mt indirect.
- v) As explained in Section 6), for FAO-MARA, 20% of the GHG mitigated are considered indirect, i.e. attributable to the long-term outcomes of GEF activities that remove barriers, such as capacity building, innovation, and catalytic action for replication. This percentage is 40% for WB-Hubei due to the specificities of the IBRD loan project and its focus on upscaling.
- vi) **Grand total** (WB-Hubei and FAO-MARA) is, thus, **14.14 + 6.02 = 20.16 Mt**, composed of 13.3 Mt (direct) and 6.86 Mt (indirect).
- vii) Reduced use of fertilizer and chemicals: The 1.2 Mt is from the FAO-MARA calculation. The 4 Mt is from the WB-Hubei calculation.

2-Please note that restoration results are included in the EX-ACT calculations, as follows:

- i) The **WB-Hubei** EX-ACT file has taken into account agroforestry and minor restoration activities in farm boundaries. To avoid double-counting, these were estimated together with the agroforestry section of the 'Cropland' tab in the EX-ACT tool. The GHG emission balance per year (tCO₂eq/year) from this was estimated ca. -168,100 (total -3,361,942 over 20 years).
- ii) In the **FAO-MARA** overview, restoration interventions are grouped under '2. Cropland ? perennial / LUC / grassland?' (includes ecological restoration and agroforestry, total -3,301,429). Please refer to the detailed EX-ACT files (embedded link) for details. As explained above, the various files could not be combined because there are different soil types, yields, etc. and because there are limited rows in some sections of the EX-ACT tool.

3- Please note that livestock-related GHG mitigated are included in the WB-Hubei EX-ACT sheet. The GHG emission reductions from livestock production and waste management were based on parameters/coefficients and methods of the Chinese Ministry of Agriculture and Rural Affairs (MARA). These are shown in the ?Calculations? tab of the EX-ACT tool. Improvement in livestock production and waste management due to the project is estimated to reduce GHG emission balance per year (tCO₂eq/year) by ca. -77,100 (total -1'542'240 over 20 years). (The FAO-MARA EX-ACT calculation does not include livestock, as there are no interventions related to livestock in the FAO-MARA provinces.)

4-Maize and wheat are included in the FAO-MARA EX-ACT calculation. (Not relevant for WB-Hubei.) Please refer to the overview file, section ?1. Cropland ? annual?.

5-Thank you for the suggestion. Anticipated start year of accounting has been adjusted to 2021 in the CEO ER.

***Excerpt from Section 6) Global Environmental Benefits**

It is estimated that the project interventions will result in direct GHG emissions mitigated (carbon sequestered or emissions avoided) of **13.3 million** tons of CO₂eq (FAO 4.82 million and WB 8.48 million, for a 20 years period in line with the IPCC methodology). The indirect GHG emissions mitigated resulting from the project interventions are estimated at **6.86 million** tons of CO₂eq (FAO 1.2 million, WB 5.66 million).

An overview of the GHG targets is provided below:

FAO-MARA Sub-Project GHG calculation

Category	GHG mitigated (tons CO ₂ e)
1. Cropland ? annual	
- Wheat-maize improved management (Shandong)	-293,777
- Wheat-rice improved management (Jiangsu)	-207,082
- Double-rice improved management (Jiangxi)	-674,606
2. Cropland ? perennial / LUC / grassland	
- Ecological restoration / agroforestry	-3,301,429
3. Cropland ? flooded rice systems	
- Rice with water conservation, green manure, straw resource utilization (Guizhou)	-440,287
- Ecological cultivation (rice-fish) (Guizhou)	+108,026
4. Inputs	
- Reduced fertilizer and chemical use	-1,211,558
TOTAL	-6,020,713
Of which direct	-4,820,000
Of which indirect*	-1,200,000

*20% of the GHG mitigated are considered indirect, i.e. attributable to the long-term outcomes of GEF activities that remove barriers, such as capacity building, innovation, and catalytic action for replication.

WB-Hubei Sub-Project GHG calculation

Category	GHG mitigated (tons CO ₂ e)
1. Cropland ? annual	
- GAP for annual crops	-1,202,180
2. Cropland ? perennial	
- GAP for perennial crops	-3,361,942
3. Cropland ? flooded rice systems	
- Improved flooded rice	-3,976,304
4. Inputs	
- Reduced fertilizer and chemical use	-4,057,496
5. Livestock (not in EX-ACT, separate calculation)	
- Improved livestock production and waste management	-1,542,240
TOTAL	-14,140,162
	Of which direct
	-8,480,000
	Of which indirect*
	-5,660,000

*40% of the GHG mitigated are considered indirect, i.e. attributable to the long-term outcomes of GEF activities that remove barriers, such as capacity building, innovation, and catalytic action for replication (this percentage is higher than in the FAO-MARA sub-project due to the specificities of the IBRD loan project and its focus on upscaling).

RE Dec 4:

2- As there is some convergence between the definitions of GEF Sub-Indicators 3.1 (area of agricultural land restored) and 4.3 (area of landscapes under sustainable land management in production systems), only 20,000 ha out of the total area indicated in the agroforestry section is counted towards 3.1. The remaining is counted toward 4.3, as part of the total area of 100,000 ha (3S GAP practices) indicated for Hubei under 4.3.

In other words, in order to avoid double-counting between Core Indicators 3 and 4, only 20,000 ha out of the total 25,954 ha of ?improved perennial systems? are counted towards Core Indicator 3. This was done based on expert assessments during PPG. These 20,000 ha are the areas where the main focus will be on reducing soil erosion and increasing soil fertility. The remaining 5,954 ha are counted towards Sub-Indicator 4.3 (included in the 100,000 ha under improved GAP). A footnote has been added in Section 6) *Global environmental benefits* of the CEO Endorsement request to make this clearer.

Due to the differences in landscapes and slightly different focus of the FAO-MARA sub-project (FAO-MARA does not have 3S GAP and has an increased focus on Outputs 3.1.1 and 3.1.2 compared to Hubei), the restoration interventions in the FAO-MARA EX-ACT file include not only agroforestry but also ecological restoration.

RE 21 Dec:

1. The expected implementation start date has been changed to 12 April 2021.

Part II ? Project Justification

- 1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Please address the following:

A) Please note that as the FOLUR China project is a child project of an Impact Program, there was no PIF and reference in this document should be removed or the terminology changed to reflect the project concept at the PFD stage.

B) As there was no PIF, the CEO ER should be a stand-alone document, serving as the primary file through which the project is described. Where feasible please include relevant information in the CEO ER rather than referencing the ProDocs.

C) We appreciate the brief explanation in the introduction on the two sub-projects, however, in order to justify and provide a sufficient rationale for this two sub-projects arrangement, a more detailed and expansive explanation should be included in the project narrative on how they are operating both independently and, particularly, jointly to contribute to project outcomes. Without this clearly outlined in the CEO Endorsement submission, the project runs the risk of being viewed as two independent projects that have no bearing on the national strategy.

D) The CEO ER describes 7 commodities in five provinces, but much less information is provided on specific landscapes targeted as is called for in the FOLUR design. Root causes and barriers are detailed in broad terms within China and at the provincial level, but a clearer description of the landscapes (i.e. counties) and the specific challenges, barriers and root causes they face vis-?-vis degradation of the natural environment as a result of FOLUR targeted commodities production (and targeted approaches to address these) is required. Please revise.

E) Commodities such as Tea, fruits and vegetables are not among those on the target list for the FOLUR program. Without an understanding conveyed in the CEO ER on how they fit within a specific landscape management approach of a targeted commodity, these aren't eligible for FOLUR financing.

12/04/20

A&B. Revisions have been made to address points A & B that are sufficient.

C. Explanation in the Introduction and Proposed alternative scenario is improved. Explanation of institutional arrangement has improved in terms of the coherence of the project

D. Figure 2: 'Agro-ecological regions of GEF-7 target provinces' is helpful in understanding the spatial relationship of the 5 provinces. The criteria applied for the selection of the landscapes is now more clearly laid out. The Basic information and specific challenges table now provides details on the specific counties where the work will be undertaken and a clearer understanding of the barriers and root causes faced by the natural environment as a result of commodities production

E. The role and importance of perennial crops and how it is a component of the approach in the Hubei landscape is now better justified.

Cleared

Agency Response

RE Sept 3:

A) Reference to PIF has been changed to 'project concept at PFD stage' throughout the CEO ER and ProDoc.

B) Additional information has been added throughout the CEO ER, in particular in *Section 1a. Project Description*, Sub-Section 1) *Global environmental and/or adaptation problems* and 3) *Proposed alternative scenario*. In addition, the FAO-MARA results framework (Annex A1 of the ProDoc) has been inserted in Annex A of the CEO ER, in addition to the WB-Hubei results indicators.

C) Additional information has been added in the introduction section, *Section 3) Proposed alternative scenario*, as well as in *Section 6. Institutional Arrangement and Coordination*. The two sub-projects share the same goal, outcomes and components. Jointly, they contribute to the achievement of the global environmental benefits. The FAO-MARA sub-project primarily builds on a baseline of existing investments by public and private sectors in sustainable agriculture technologies, which it aims to scale up and out through the project interventions; the WB-Hubei sub-project additionally builds on an IBRD loan that will enable the target counties in Hubei to make even greater investments in innovative technologies. The two sub-projects have been joined with the aim of having a larger reach and impact, in order to support the project's ambitious goal of transformation of the food production systems and agricultural landscapes in China through an integrated landscape and value chain approach. The

FAO-MARA sub-project has a more national reach covering several provinces in different agro-ecological regions, starting from the national level down to the provincial and county level; the WB-Hubei sub-project has a county/provincial focus enabling it to reach a larger coverage and transformation within a single province while also generating lessons and standards that can be applied at national scale. The FAO-MARA sub-project primarily focuses on the staple crops wheat, maize and rice; while Hubei focuses on rice, livestock and agroforestry. Combined, the two sub-projects have the necessary reach and influence to contribute to national and provincial upscaling through the development of standards and policies, sustainable value chains, national capacities, and by generating and exchanging best practices and establishing partnerships towards sustainability.

Additionally, the project organization structure has been revised to have one Technical Advisory and Coordination Committee (TACC) for the China child project. Please refer to question 20 below for details. MARA as the leading ministry on agriculture and REEA as the leading national agency for agriculture environment protection will ensure national coordination of policies developed at the provincial level, and will ensure that national policy is based on experiences from the field.

D) Additional information has been added in *Section 1) Global environmental and/or adaptation problems*. Please refer to table ?Basic information and specific challenges?, and table ?Overview of target commodities in the GEF-7 target counties?.

E) The following information has been added in the sub-section on Tea, fruits and vegetables, under *Section 1) Global environmental and/or adaptation problems*:
?While these perennial crops are not among the target commodities of the FOLUR Impact Program, they represent important crops in the agricultural landscapes of Hubei and are critical to addressing challenges from food systems and land use, such as overuse of chemicals and soil erosion, within the target counties. They are also critical to the large-scale adoption of the 3S standards across the target landscapes in Hubei. Agroforestry systems built around these crops/commodities will be used as an important mechanism for restoring degraded land while providing incentives for smallholders to restore soil fertility and productivity.?

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

09/03/20

Please review & add any on-going GEF projects of relevance within the target provinces.

12/04/20

GEF projects of relevance have been added to the baseline.

Cleared

Agency Response

RE Sept 3:

The following information has been added in *Section 2) Baseline scenario* of the CEO ER. Additionally, the World Bank GEF-5 ?Climate Smart Staple Crop Production Project? is mentioned in the sub-section on World Bank.

Ongoing GEF projects of relevance

As described in *Section 6. Institutional Arrangement and Coordination*, the China child project builds on important experiences and lessons learned from a number of GEF and other projects. In particular, the project will coordinate closely with the following ongoing GEF projects in the target provinces:

? UNDP-led GEF-6 ?PRC-GEF Partnership Program for Sustainable Agricultural Development? and its child project ?Conservation and sustainable use of indigenous agricultural genetic diversity in Hubei?. The project will strengthen incentive mechanisms for agricultural biodiversity, and will demonstrate, in particular, incentive mechanisms for rouge rice in Yunyan County, wild kiwi in Wudang Mountain City, and Matou goat in Yunxi County of Hubei. The GEF-7 project will collaborate with this project to capture lessons learned and exchange knowledge on agricultural biodiversity conservation.

? Furthermore, in Shandong, Hubei, Jiangsu and Jiangxi provinces, the GEF-7 project will exchange with the UNDP GEF-6 project ?Phase out of Endosulfan in China?. Although the GEF-6 project is focused on cotton and tobacco, the GEF-7 project can benefit from the systems and IPM mechanisms and practices established by this project in the target provinces.

? In Jiangxi Province, the GEF-7 project will exchange with FAO?s GEF-5 project ?Piloting Provincial-level Wetland Protected Area System in Jiangxi Province (Poyang Lake)?. Although not implemented in the same counties, the two projects have indirect linkages as the GEF-7 project aims to reduce agricultural pollution in river systems upstream of Poyang Lake. When developing biodiversity indicators, the project will seek inputs from the GEF-5 project.

? In Jiangxi and Guizhou, linkages will be established with IUCN?s GEF-6 project ?Building Climate Resilient Green Infrastructure: Enhancing Ecosystem Services of Planted Forests in China through Forest Landscape Restoration and Governance Innovation?, which is part of the global program The Restoration Initiative (TRI). Although not working in the same landscapes/counties, the two projects can exchange lessons learned in particular with regard to technologies and species selection for ecological restoration and agroforestry.

? World Bank in collaboration with the Rural Energy and Environment Agency (REEA) of MARA is implementing the GEF-5 ?Climate Smart Staple Crop Production Project? in Anhui and Henan Provinces (adjacent to the GEF-7 landscape, bordering Shandong, Jiangsu, Jiangxi, and Hubei). The project focuses on China?s three main staple crops under two major crop production systems: the wheat-rice system in Huaiyuan County of Anhui Province and the wheat-maize system in Yexian County of Henan Province. The project is ending in 2020. Lessons and good practices, as well as policies and guidelines developed under this project have been, and will continue to be used to inform the GEF-7 project, in particular with regard to the Conservation Agriculture (CA) and fertigation approaches and technologies implemented under the project.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

09/03/20

No. Please address the following:

A) The section on entry points and components in the proposed alternative scenario should better explain the role of and engagement with critical supply chains and the private sector as a way to apply market pressure/provide market incentives to transform practices (if this is indeed the case). It would be helpful to provide a concrete example of specifically how this will be done in one of the provinces. This is clearly an important component of the project and key FOLUR approach.

B) The ToC diagram and description should be revised to reflect a unified approach that articulates how the two sub-projects are linked to deliver the innovative transformation in China?s food system.

C) The four components of the project aren?t specifically mapped into the ToC so that one can understand the causal links from these to the outcomes, goal and impact. Please revise.

12/04/20

A. Additional actors along agricultural supply chains have been included as has the role of demand-side incentives.

B. The TOC has been improved and represents a more coherent project.

C. The components of the project have now been mapped in the ToC and their linkage to the long term outcomes, goals and impact been made clearer.

Cleared

Agency Response

RE Sept 3:

A) Additional explanations have been added in *Section 3) Proposed alternative scenario*. Two more entry points have been added, as follows: (iv) Increased private sector support and commitment to sustainability across the target commodities? value chains; and (v) Partnerships that support replication and scaling.

- Multi-stakeholder platforms, bringing together representatives from public and private sectors, will be established to advance and foster collaboration towards achieving sustainable food systems and land use goals. This will involve both private and state-owned enterprises.

- Additional information has been added in Outcome 2.2 description to explain that the project will involve critical actors across the value chain; and that necessary market incentives will be established, such as through standards, ecological product certifications and traceability systems. This is expected to incentivize responsible, market-oriented agricultural value chains.

- Two examples of market pressure/incentives have been added under Outcome 2.2 description, as follows:

1) Technical standards and traceability systems

In Shandong, technical standards and traceability systems for sustainably produced wheat and maize will be introduced or improved. Value chain actors including producers, processors, and state-owned enterprises (such as aggregators and traders) will be engaged to raise their awareness on sustainability standards. Branding of sustainably produced wheat will also be used to raise awareness of consumers. This is expected to increase market incentive/demand for sustainably produced wheat. Combined with policy incentives and regulations, and payment for agro-ecological services incentive mechanisms, it is anticipated that this will lead to a large-scale shift in adoption of sustainable practices such as GAP, conservation agriculture, and restoration of soil fertility and farmland biodiversity.

2) Local branding

In Jiangsu and other rice-producing provinces, in addition to the above, interventions under Outcome 2.2 will involve establishing local brands for sustainably produced local rice varieties through ecological product certification. The local government invests and organizes relevant public service agencies and the private sector to register regional agricultural product public brands, and establish corresponding agricultural product production specifications and brand quality standards, including environmental standards; private sectors engaged in the sale, production and marketing are encouraged to use the brand, and small subsidies are provided in the production and operation process. There is government funding to support private sectors to directly establish

partnerships with individual farmers to help them produce and sell products in accordance with technical specifications and brand quality requirements. Once ecological product certification standards and related government incentives are in place, this model can be replicated by other private sector entities throughout the province.

Example: the "Nanjing Good Rice" public brand in Jiangsu Province. Nanjing Department of Agriculture and Rural Affairs established the "Nanjing Rice Industry Association" with the cooperation of more than 10 private sectors engaged in rice production, processing and sales, such as the government technology extension service department and the Nanliang Group, and jointly created the Nanjing rice regional public brand "Nanjing Good Rice". The "Nanjing Rice Industry Association" is responsible for formulating standards for the environment of rice production bases, variety selection, planting management, harvesting, drying, and processing and other aspects to ensure green ecology and high quality. Farmers, farmer cooperatives, processing and sales companies willing to follow the standards of the association can apply to join. The government of Nanjing, Jiangsu Province provides financial subsidies for the operation of the association, construction of demonstration bases and brand marketing every year. This model helps "Nanjing Rice Industry Association" to effectively organize Nanjing rice companies, brands, bases and production companies, etc. through standardization, ordering, brand integration, and complementary advantages jointly create a regional brand of Nanjing rice to meet public consumption demand and environmental standards, promote high quality and increased prices, and drive the village collective economic organizations and farmers to increase income.

B) The TOC has been revised to make clearer how the China child project, as a whole, contributes to the project outcomes and global environmental benefits. As explained above, both sub-projects share the same goal, outcomes and components; thus the TOC does not emphasize the two sub-projects separately - rather, it emphasizes the unified approach. "Hubei" has been added in brackets in those boxes that only apply to Hubei. All other boxes apply to both sub-projects.

C) The TOC has been revised to map the four components and related outcomes more clearly. Thank you for the suggestion.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

09/03/20

Please address the following:

A) As already referenced, within the CEO ER, the description of the landscapes and the value chain dimension should be strengthened.

B) The CEO ER should demonstrate clearer differentiation from a traditional ag project focused on supporting farmers to enhance production of crops and livestock systems. The priority to reduce negative environmental externalities from agriculture that is sought by the FOLUR design through an integrated supply chain approach should be made more prominent throughout. Please revise.

12/04/20

A. Description of the landscapes and the value chain dimension have been strengthened

B. An improved case has been made on the priority the project places on reducing negative environmental externalities.

Cleared

Agency Response

RE Sept 3:

A) Please refer to the responses under Questions 2 and 8.

B) The description under *Section 3) Proposed alternative scenario* has been revised slightly and reference to 'sustainable production' has been replaced with 'sustainable agricultural practices'. The link with sustainable value chains that incentivize sustainable agricultural practices, as well as the integrated landscape and value chain approach, has been made clearer throughout the CEO ER.

- The project description, including baseline and alternative scenario, is already primarily focused on achieving sustainability and environmental outcomes. Sustainability is the key pillar of the China child project (measured, in particular, by reduced pesticide use, reduced GHG emissions, the adoption of good agricultural practices, increased biodiversity, and reversed land degradation). This is the main focus of the project. The reference to productivity, food security and rural livelihoods is mentioned as a prerequisite to the adoption by farmers and local institutions of new technologies contributing to global environmental benefits. The main problems addressed by the project are environmental degradation, overuse of chemicals, loss of biodiversity, and GHG emissions in line with national and subnational priorities.

- Agricultural production is mentioned as part of the root causes to the global environmental problem, but is also part of the solution, by aligning incentives for farmers with environmental outcomes. A key assumption of the project is that sustainable agricultural practices can be achieved without compromising productivity/yield. This is critical to be in line with the country's food security and sustainable agriculture goals. Lastly, sustainable production is one of the key pillars of

the FOLUR IP as highlighted in the Global Knowledge to Action Platform project document.

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Please address the following:

A) A further explanation of how the project will contribute to transformation of the food production system would be clarifying. How will the entry points work together to generate outputs and outcomes that will help transform the system?

B) Please further develop the incremental cost reasoning and expected contribution from baseline for Component 3 in the table of the CER in section 5 so that it provides a better idea of what can be expected from the project in this area.

12/04/20

A. As mentioned in question 2 above, a much clearer description of how the project will lead to transformation of the food production system has been provided

B. The incremental cost reasoning and expected contribution from baseline to component 3 as detailed in the section 5 table has improved.

Cleared

Agency Response

RE Sept 3:

A) Additional information has been added in *Section 3) Proposed alternative scenario* and in the TOC. The mentioned entry points will work together to generate capacities, policies/plans, industry-wide standards and partnerships that are important enabling conditions for further replication and scaling at provincial and national level.

B) Additional information for Component 3 has been added in the table in *Section 5) Incremental/additional cost reasoning* of the CEO ER.

RE 21 Dec:

An addendum has been uploaded to the Portal, signed by MARA, confirming the type of co-financing for all co-financing letters of the FAO-MARA sub-project.

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Given a large proportion of the biodiversity benefits will be "indirect," as stated in the CEO ER, how is the project working to capture these (reporting against Indicator 4.1 is only 130,000 hectares for the entire project area)?

12/04/20

i.) GEF resources should be used to have direct impact on globally significant biodiversity, and as such this response should be revised to indicate how this is the case. Note that proximity or the spatial location of the actual activity/intervention in relation to the biodiversity impact itself is not necessarily the differentiating factor between direct and indirect impacts. The differentiating factors are intention, and prediction (in terms of causality). Please justify project biodiversity targets (namely sub-indicator 4.1) accordingly. or revise if necessary.

ii.) Please provide further description of what is envisioned under component 3 in terms of biodiversity benefits.

iii.) Comment cleared.

iv.) Commented cleared. Does the project intend to monitor these remote/long-term benefits?

12/21/20

The explanations provided and revisions made to Section 6 Global environmental benefits, and Component 3 are sufficient. It has also been clarified that monitoring systems will be developed during project implementation.

Cleared

Agency Response

RE Sept 3:

The following clarifications are provided:

- i) Only the benefits to *globally* important biodiversity (Sub-Indicator 4.1) will be indirect, i.e. resulting from interventions outside of these areas of global importance (such as through reduced pollution of rivers upstream). Other benefits to biodiversity such as physical improvements in the environment (e.g., soil and soil carbon, nutrient recycling, diversity and functionality of vegetation cover, micro-climates, improved habitat for pollinators, and water), in line with the FOLUR IP programming (Sub-Indicators 4.3 and 3.1), will be direct, i.e. resulting directly from the GEF interventions in the target areas. As explained in *Section 6) Global environmental benefits*, since the project operates primarily in agricultural landscapes, these are the main biodiversity benefits of the project.
- ii) Biodiversity benefits will be captured through the project's indicators such as chemical fertilizer and pesticide reduction and the species and ecosystems indicators to be developed under Component 3.
- iii) The presence of globally significant biodiversity (in particular avifauna and agrobiodiversity) in the project's target areas will be further analysed during the more detailed biodiversity surveys under Output 1.1.2. Additionally, during the development of the ILM plans and monitoring systems under Component 1, the landscape linkages and ways to monitor benefits to globally (and nationally) important biodiversity will be further analysed.
- iv) It is anticipated that the project's policy interventions will lead to provincial and national upscaling in the long term, thus further increasing benefits to biodiversity in globally important rivers systems (Yellow River, Yangtze River) and coastal wetlands (Bohai and East China Sea) through reduced non-point source pollution and increased vegetation along rivers and streams.

RE Dec 4:

i.) Thank you for the clarification. Based on this, we agree that these benefits are not 'indirect', but rather targeted benefits outside of the project's direct (on-the-ground) intervention area. The wording 'indirect' has been removed from *Section 6) Global environmental benefits* and the following revised response is provided. The targets under Sub-Indicator 4.1 remain unchanged, as the detailed explanations in Section 6 remain valid. The areas counted under Sub-Indicator 4.1 are those areas included in the ILM plans that host globally significant biodiversity and that are expected to be positively impacted by the project interventions (as described in the table in Section 6).

- i) The benefits to globally important biodiversity (Sub-Indicator 4.1) will primarily result from interventions outside of these areas of global importance (such as through reduced pollution of rivers upstream).
- ii) Biodiversity benefits will be captured through the project's indicators such as chemical fertilizer and pesticide reduction and the species and ecosystems indicators to be developed under Component 3.
- iii) The presence of globally significant biodiversity (in particular agrobiodiversity and avifauna) in the project's target areas will be further analysed during the more

detailed biodiversity surveys under Output 1.1.2. Additionally, during the development of the ILM plans and monitoring systems under Component 1, the landscape linkages and ways to monitor benefits to globally (and nationally) important biodiversity will be further analysed. Indicators and targets for globally important BD will be elaborated as part of the monitoring systems.

- iv) It is anticipated that the project's policy interventions will lead to provincial and national upscaling in the long term, thus further increasing benefits to biodiversity in globally important rivers systems (Yellow River, Yangtze River) and coastal wetlands (Bohai and East China Sea) through reduced non-point source pollution and increased vegetation along rivers and streams.
- v) In Hubei, the project will also contribute to reducing plastics pollution in the agri-food system and their runoff into waterways.

Furthermore, a clarification has been added in Component 3 description to emphasize that the interventions will include "identifying and conserving globally and nationally important plant and animal species in farmland boundaries and surrounding ecosystems".

ii.) Component 3 will contribute to the biodiversity benefits described in a way that is complementary to Component 2. As described in *Section 3) Proposed alternative scenario*, interventions under Component 3 will include interventions to maintain and increase diversity in the landscape as well as implementation and scaling up of ecological restoration/rehabilitation for improved farmland biodiversity and ecological landscapes.

Interventions to maintain and increase diversity:

- ? Increased crop diversity/crop varieties
- ? **[NEWLY ADDED]** Identifying and conserving globally and nationally important plant and animal species in farmland boundaries and surrounding ecosystems.
- ? Integrated and diversified planting models (e.g., agroforestry for tea, oil tree, fruit trees)
- ? Identifying and conserving important habitat for farmland biodiversity (while increasing productivity on adjacent farmland)

Ecological restoration/rehabilitation:

- ? Revegetation of slopes to combat soil erosion and protect water sources upstream
- ? **[NEWLY ADDED]** Prevention and control of invasive alien species
- ? Ecological corridors
- ? Trees on farm
- ? Vegetation buffers (on slopes and nearby waters)
- ? Hedgerows/wind breaks to reduce wind erosion
- ? Ecological ditches for nutrient interception (to reduce nitrogen loss), beetle dikes and three-dimensional ecological networks (arbor-shrub-grass compounds)
- ? Soil and water conservation and ecosystem rebuilding

Similarly to the interventions under Component 2, these interventions will result in benefits to farmland biodiversity through physical improvements in the environment (such as soil biodiversity, soil carbon, nutrient recycling, diversity and functionality of vegetation cover, micro-climates, and water), but will also lead to interception of pollutants and, thus, contribute to reduced pollution in areas of globally significant biodiversity/water bodies. Furthermore, as described in Section 6, through the interventions under Component 3 the project will generate benefits in terms of agrobiodiversity by increasing the number of crop varieties and by avoiding further loss in plant and crop species. Finally, by protecting vegetation along rivers and streams and at the edge of farmland, the project will contribute to the conservation of crop wild relative (CWR) species of national importance such as wild buckwheat (also used for medicinal purposes) and wild soybean. Some additional budget has been shifted to Component 3 to ensure adequate resources.

iv.) Yes, the monitoring systems to be developed under Output 1.1.4 are intended to also cover long-term outcomes and in the wider landscape. Details will be elaborated during project implementation.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Please address the following:

A) Sustainability: Please provide specifics/examples of the ongoing government and private sector efforts that the project will be embedded in, as indicated in the CEO ER.

B) Scale up: while engagement of local, provincial and national actors is necessary component of scaling, more proactive steps and planning are required if the project is to scale and make a significant contribution to food system transformation. Please elaborate on what these steps might be.

12/04/20

A. Additional detail has been provided on the project's approach to sustainability that is acceptable.

B. A clearer focus on scaling has been presented in the alternative scenario and potential for scaling sections.

Cleared

Agency Response

RE Sept 3:

A) Additional information has been added in Sub-Section on Sustainability, under *Section 7) Innovativeness, sustainability, potential for scaling up and capacity development* of the CEO ER.

In Hubei, the project is embedded in ongoing efforts of the province to become a national leader in agricultural sustainability and to scale up its emissions trading scheme (ETS) pilot. The project is embedded in the province's commitment to the 3S approach and associated IBRD loan, which will be influencing government and private investments in the coming years. In other provinces such as Shandong, the project is embedded in existing provincial plans and policies that promote sustainability, including the Ecological Protection and Construction Plan of Shandong Province (as outlined in *Section 2) Baseline scenario*). The project is also closely linked with ongoing chemical fertilizer and pesticide reduction projects in Laizhou City and Qihe. Qihe county is a National Agricultural Green Development Pioneer Area, and good practices can be scaled up within the county and beyond. Project investments will be linked with ongoing and planned investments in ecological agriculture by companies such as Shandong Changrun Ecological Agriculture Co., Ltd. The project will enhance incentives and capacities to enable these stakeholders to scale up sustainable practices. In Jiangxi, the project builds on experiences from 20 demonstration counties for reducing fertilizer and increasing efficiency. In all five provinces, the project builds on the momentum of a rapidly increasing number of cooperatives and agricultural enterprises, which enables the adoption of standards and practices at greater scale.

B) Additional information has been added in Sub-Section on *Potential for scaling up*, as well as in *Section 3) Proposed alternative scenario* (Component 2 and 3 description). Please also refer to the response to Question 2.

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes, these have been provided.

Cleared

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

09/03/20

The expected results of the project if it achieves all that is set out, in terms of food system transformation in aggregate terms isn't clear. For example: The project aims to transform XX% of China's/the world's wheat/maize/rice production to sustainable production preventing XXX in GHG emissions and XX BD and LD impacts in the next year/decade etc. Please revise and clarify here and elsewhere how this investment will generate impact at a global-scale and contributes to the transformation proposed.

12/04/20

The additional description of the how improved sustainability of target crops in the project will contribute to food systems transformation is clear and helpful.

Cleared

Agency Response

RE Sept 3:

Additional explanation has been added in *Section 3) Proposed alternative scenario and 1c. Child Project*.

The project is expected to have a large-scale transformational impact on food systems in the target landscapes (around 1.07 million ha) and beyond, aiming to transform the FOLUR target commodities/crops' production and value chains at a scale that is significant at the global level. The project provinces Shandong, Jiangsu, Jiangxi, and Hubei are all major grain producing areas in China. The rice, wheat, and maize planting areas in the four provinces account for 29.2%, 31.5%, and 14.6% of the country, respectively [1]. China is the largest producer of the targeted FOLUR IP grain crops in

the world, ranking first in rice and wheat production, and second in maize production. It produces 30% of the world's rice, 17.5% of wheat, and 25% of the world's maize. It is the world's largest producer of pork and second largest producer of poultry. The transformation of China's crop and livestock production systems has a huge impact globally. China represents 14% of global agriculture related GHG emissions. According to the project estimates, the reduction of greenhouse gas emissions in the project area can reach an average of 0.6 ton per year per hectare, or 12 tons for the scale of 20 years per hectare; thus, the potential for carbon sequestration and emission reduction based on the project outcomes, along with land degradation and biodiversity benefits, is huge.

[1] Guizhou is less significant in terms of production area and is, thus, not included here. Nevertheless, Guizhou is important for quality/ecological rice production and sustainable rice-based livelihoods.

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes. The FAO Stakeholder engagement report and the WB Social Assessment reports in the respective prodocs provide a summary of engagement in the PPG phase and plan for engaging during implementation phase.

Cleared

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

09/03/20

Gender analysis by both sub-projects have been completed. Gender responsive activities and gender sensitive indicators are included. didn't upload properly in the portal submission. Please upload this document again.

12/04/20

The FAO Annex N 'Gender Analysis and Action Plan' has now been uploaded. Both sub-projects have completed gender analyses and action plans that identify gender differences, gaps and opportunities linked to project objectives and activities. Gender-responsive activities, gender-sensitive indicators and expected results have also been included in the CEO ER. However, please provide a justification for why the project activities will target fewer women than men.

12/21/20

The clarification provided on the disaggregated gender target is sufficient.

Cleared

Agency Response

RE Sept 3:

Annex N has been uploaded again in the 'Documents' section of the Portal.

RE Dec 4:

As explained in Section 8 ('Summary of main changes from PFD stage?'), the target of 'over 50% women' was adjusted to a total target of 240,000 women (out of the total 550,000 beneficiaries, i.e. 43.6%) based on the analysis of the farmer structure in the target landscapes. Indeed, in some counties (in particular, in Guizhou and Jiangxi) male farmers are still predominant; a higher target of women beneficiaries is, thus, not considered realistic. Nevertheless, engagement of women remains central to the project's strategy as described in the CEO ER.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Please address the following:

A) The linkage to large e-commerce companies such as Alibaba and Jingdong Group is potentially very positive. Please clarify how the contributions of these two companies will be explicitly beneficial to the environment and generate GEBs as it appears most of their goals deal with non-environmental themes (e.g. poverty alleviation).

B) It would be helpful to understand where private sector partners on the project fall within the chain in diagram 5 of the CEO ER. We suggest that a column is added to the table of partners found below this diagram to indicate this. We also note that private sector in Hubei isn't reflected in either the diagram or table.

12/04/20

A. A clear description of the potential for Alibaba and other e-commerce companies to be engaged by the project will generate environmental benefit is now provided

B. The addition of a column to the table under figure 7 demonstrates that companies with roles across the supply chain will be engaged by the two sub-projects.

Cleared

Agency Response

RE Sept 3:

A) An explanation has been added in *Section 4. Private Sector Engagement* on how the engagement will generate GEBs. Additional information has also been added in *Section 2) Baseline Scenario*, Sub-Sections *FAO* and *Private Sector* to explain Alibaba's (the main e-commerce company engaged by the project) commitment to environmental sustainability. The revised text is copied below for reference.

Engagement with Alibaba and potentially other e-commerce companies will generate global environmental benefits in several ways. First, in Guizhou mostly, the project will create market incentives for farmers (through e-commerce, local branding and access to rural finance) to preserve or restore less intensive, low-chemical and biodiversity-friendly agricultural systems and landscapes through the promotion of local products such as red rice. Second, under its Output 2.1.3, the project will explore innovative digital solutions, including those developed by e-commerce companies, that would help farmers reduce chemical fertilizer and pesticide inputs, including through improved pest early warning and precision agriculture. Third, when developing technical standards, the

project will seek to incorporate lessons learned from Alibaba on ensuring quality and safety of agricultural products. Lastly, the project will seek to engage Alibaba and potentially other e-commerce companies in global forums and exchange under FOLUR IP, in order to encourage them to further expand elements of environmental sustainability in their agriculture related business, in particular the rural finance and e-commerce activities, and inspire other key supply chain actors to do the same.?

?Among the four proposed collaboration areas of the MOU, one is dedicated to ?Ecological conservation for sustainable agriculture development, contributing to climate change mitigation and adaptation?. It includes joint research and experience sharing of Ant Financial practices for forestry restoration, and collaboration through activities and projects to explore the impacts of ecological conservation through digital platforms on poverty reduction and greener lifestyle, and raise public awareness on ecological conservation.?

?Alibaba Group is committed to environmental sustainability in their corporate strategy. Freshhema, Alibaba?s subsidiary in the fresh grocery sector, in 2019, announced to work closely with 500 agriculture bases in China to provide agricultural products with good quality, and transform the production of food systems. According to ?A Letter Home 2019? published in Chinese, Alibaba Foundation established in 2011 is dedicated to water environment conservation and nature education. Cainiao, Alibaba?s logistic platform, is promoting environmental sustainability through various green initiatives such as a package recycling programme and the use of biodegradable package materials and digital invoices. Ant Forest, a green initiative on the Alipay mobile platform, planted about 122 million trees in China, and provided employment to 330,000 famers with the total salary increase of 50 million yuan. Ant Forest received a 2019 Champions of the Earth award, the UN?s highest environmental honour, for turning the green good deeds of half a billion people into real trees planted in some of China?s most arid regions.?

B) A column has been added in the table in *Section 4. Private Sector Engagement* to show where within the value chain the project?s main private sector partners fall. The diagram has been revised to include Hubei.

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

09/03/20

The project has elaborated risks including climate change and social and environmental risks. Please address the following comments:

- A) Integration of COVID impacts as a project risk factor should be strengthened.
- B) WB ESMF table 1-2 seems to depict the positive impacts being accrued in the social and living environment, whereas the vast majority of the impacts to the Natural Resource and Natural Environment are negative. Given the GEF FOLUR investment is all about accruing significant Global Environmental benefits across a variety of sectors, it is hard to understand how to reconcile the perceived positive impacts of this World Bank project with the intended benefits to the global environment. Please explain.
- C) Table 4-1 of the ESMF lists areas to be excluded from project activities or sub-activities, but it would seem that some of these areas are potential targets for inclusion, at least within the broader landscape context. Please explain.
- D) Resettlement: The ESMF states there is no involuntary resettlement taking place, but it is not yet known whether there will be any resettlement within the project/sites. But then Table 5-7 is a public consultation for resettlement. Please clarify whether this project will involve any resettlement and if so, what scale and to what end?

12/04/20

- A. A thorough summary of COVID Risks and opportunities presented by the project in Section 5 on Risk
- B. A clarifying explanation of the WB risk rating has been provided
- C. A logical explanation has been given on why these areas were excluded.
- D. We now understand the explanation on public consultation mentioned in Table 5-7 was held to inform stakeholders about the process in case of potential resettlement, but that it isn't anticipated that any significant resettlement will take place under the project. Please note that in the unlikely event that voluntary or involuntary resettlement is required in the WB subproject landscape, GEF financing for this activity should not be used. Please include text to this effect in project documentation.

12/21/20

Additional language has been added to the ESM Plan denoting that GEF Funding will not be used in the unlikely event that voluntary or involuntary resettlement is required by the World Bank sub-project

Cleared

Agency Response

RE Sept 3:

A) Additional information has been added in *Section 5. Risks* on COVID-19 impacts/risks.

Impact on project implementation

Impacts of COVID-19 may lead to a delay in implementation, and/or reduced ability to conduct face-to-face interactions with stakeholders. Furthermore, national technical experts may not be able to travel to the project sites if COVID-19 restrictions are reinstated.

At present, the office works, transportation, meetings, training, etc. have all returned to ordinary work. According to the national epidemic prevention regulations, areas with sudden outbreaks will be blocked, but with the continuous improvement of epidemic monitoring and prevention and control measures, the range of blocked areas are expected to become smaller and smaller. If an epidemic occurs in individual areas of the project, activities such as conference and technical training can be carried out through online networks. The virtual communication systems have been popularized by grassroots governments and farmers. During the project design phase, remote communication via email, video conference and phone was used increasingly to adjust to the new situation. During implementation, the project will apply adaptive management. The work plan and stakeholder engagement plan would be adjusted, if necessary, and submitted to the Project Steering Committees for approval. In case of travel restrictions, local facilitators or officials would be briefed remotely, and would be in charge of ensuring adequate engagement of local stakeholders (including implementation of FPIC and the gender action plan).

Impact on project co-financing

Impacts of COVID-19 may delay or negatively affect the realization of co-financing.

The impact of COVID-19 on China's national and local economies has been significant, but the situation is gradually improving. As the province most affected by COVID-19, the Chinese Government has established a special fund for Hubei to help it resume economic development as soon as possible. In other regions, economic growth has been affected, but there has been no significant reduction in investment in agriculture and the ecological environment. Thus, it is not anticipated that co-financing support from relevant development partners and the private sector would be significantly reduced. The co-financing letters that were issued already reflect the new situation based on COVID-19.

Impact on target beneficiary communities

COVID-19 may lead to negative impacts on the poor and vulnerable groups.

Most of the project areas are rural areas. Due to scattered residence and low mobility, the occurrence of COVID-19 in these areas is low. China's national and local governments have a relatively well-developed system for ensuring the supply of basic necessities in areas at high risk of COVID-19, as well as corresponding assistance policies for poor and vulnerable groups. In its interventions, the project will also focus on strengthening the resilience of agricultural supply chains in the face of COVID-19 and potential future similar crises.

Additionally, the project will assist communities to continue to undertake preventive measures to stop the spread of COVID-19, including through social distancing and other public health measures such as minimizing large meetings. In Hubei, in the implementation of the livestock related activities, particular attention will be devoted to the human-animal interface and preventing the spread of infectious diseases.

Finally, the project will contribute to the country's COVID-19 recovery by strengthening investments in sustainable agriculture, food security and environmental protection of natural resources.

Migration to rural areas

Potential migration to rural areas due to economic crisis may increase pressure on natural resources.

Long-term demographic changes will be monitored by the project and the project intervention strategy would be revisited if the project context changes, to ensure any potential pressures on natural resources are addressed and opportunities such as increased labour availability taken into account.

Opportunity to support green agricultural development, as well as improvement of agricultural supply chains, as part of the COVID-19 recovery

Food security has become a priority in the face of the COVID-19 pandemic. By improving traceability and supply chains, the project will make an important contribution to improving agricultural distribution systems and making them more resilient in the face of potential similar crises in the future. The State Council promulgated the opinions on the protection and utilization of agricultural resources, which remains a priority. The project will contribute to post-pandemic recovery by investing in green agricultural development. Importantly also, by supporting agricultural emissions reduction, the project will contribute to the recent commitment by President Xi to achieve carbon neutrality by 2060.

Additional information on COVID-19 has also been added in *Section 1) Global environmental problem*, as follows. "As of September 22, 2020, a total of 85,307 confirmed COVID-19 cases have been reported in 31 provinces (autonomous regions and municipalities) in Mainland China. In the last month, only 20 new confirmed cases have been newly diagnosed every day, all of which were imported from abroad. China's

COVID-19 prevention and control work has achieved important results. Industries have been resuming work and production; schools and universities have reopened; and domestic tourism and hotel industries are also recovering. The impact of COVID-19 on the agricultural supply chain network is gradually diminishing, and the relevant suppliers of production materials, producers, processors and consumers are gradually returning to normal. Nevertheless, the impact of COVID-19 on China's national and local economies has been significant. The epidemic has prompted national and local governments to pay more attention to agriculture, food security and environmental protection of natural resources, and corresponding financial support has been committed.?

B) Table 1-2 is the preliminary screening of the potential ES impacts of the project where the potential impact on natural resources and natural environment is rated -1 which means the negative environmental impacts are very minor or negligible. The ratings in this table are categorized into three numbers, e.g. 1 (minimal and negligible), 2 (moderate) and 3 (significant), and minus means negative, and plus means positive. The screening table shows that the potential negative environmental impacts of the project are minimal, which justifies that the Category of the project is B according to the safeguard policies of the WB. In addition, the positive environment benefits of the project are significant in terms of reducing nutrients pollution in ecosystem, reducing soil erosion, improving water, energy and material efficiency, and reducing GHG emission. These benefits will be achieved by adoption of good and sustainable agricultural practices which have been designed as an integral part of the project.

C) These areas listed in the Table 4-1 are sensitive areas, such as the natural reserves, forest parks, wetland parks, physical cultural sites, etc, under strict protection by government. Precautionary approach has been adopted by the project to avoid any ES impacts on these sensitive areas to comply with China's laws and regulations. In the ESMF, a comprehensive ES management procedure (Chapter three) has been established with key steps to avoid, minimize and mitigate negative ES impacts. Among it, a key step is to screen and exclude the project activities from these sensitive areas. This procedure has been integrated into the project operation manual. This is in line with the project's intervention strategy as explained in *Section 6) Global environmental benefits*. As described in this section, the benefits to areas of globally significant biodiversity mostly result from interventions *outside* of these areas. The project interventions will focus on agricultural land, not nature reserves, forest parks, wetlands, etc., but will have positive impacts on these through reduced chemical pollution, in particular.

D) Preliminary social impact assessment indicated that there is no resettlement for activities to be funded in the first year. Detailed assessment will be conducted for activities planned for future years once project activities are confirmed. A Resettlement Policy Framework has been prepared to guide preparation and implementation of resettlement in case resettlement or land acquisition is unavoidable. This is a standard

approach for safeguards under World Bank projects where not all of the investments are identified up-front. Any resettlement/land acquisition under the project is expected to be minor and limited to small-scale activities such as improvement of field roads to enable improved farmland operation/water management etc. The public consultation mentioned in Table 5-7 was held to inform stakeholders about the process in case of potential resettlement.

RE Dec 4:

D. Yes, this understanding is correct. The following text has been added in the risk section of the CEO ER.

?Preliminary social impact assessment indicated that there is no resettlement for activities to be funded in the first year. A detailed assessment will be conducted for activities planned for future years once project activities are confirmed. A Resettlement Policy Framework has been prepared to guide preparation and implementation of resettlement in case resettlement or land acquisition is unavoidable. In the unlikely event that voluntary or involuntary resettlement is required in the WB sub-project landscape, GEF financing will not be used for this activity.?

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. We ask that you consider these suggestions below and and revise the institutional arrangement to reflect them, as appropriate:

A) The implementation arrangements diagram included in the CEO ER seems to emphasize separation, especially as there are two separate ?green? boxes. The diagram and description should be revised to reflected an institutional and governance framework that demonstrates how coherence and consistency is reflected in the design, and how this will be carried through to implementation

B) We suggest a third box on top of the two where decisions can be made to foster coherence and consistency, and serve as link to the Global platform K2A project. The two agency boxes should be removed as FAO, as lead, is responsible for coordinating the whole project. Arrows leading to GEF logo are not required as it should be the Global Knowledge to Action (K2A) platform project where program linkages are managed.

C) We suggest that the TACC should be for the "project," in which case it cannot be "Joint." The TACC should link to the Global K2A platform project and also serve as anchor for linking the project to other relevant initiatives in the country. It could be co-chaired by the two EAs, with representation from FAO, WB and other relevant stakeholders at national, provincial and local levels.

12/04/20

The implementation arrangements diagram and institutional arrangements have been revised and are now clearer and more reflective of a coherent program.

Cleared

Agency Response

RE Sept 3:

A) Thank you for the suggestion. The diagram and description in *Section 6. Institutional Arrangement and Coordination* have been revised to emphasize coherence/collaboration rather than separation.

B) The diagram has been revised to add a Technical Advisory and Coordination Committee (TACC) on top that will oversee the implementation and provide strategic guidance to the China child project. The TACC will be co-chaired by the two Executing Agencies (MARA and Hubei Provincial DARA), with representation from FAO, WB and other relevant stakeholders and experts at national and provincial levels. FAO is shown as the overall coordinating agency. However, it is important to project partners to also show WB as the co-agency. Please see the original Letter of Endorsement from the GEF OFP in the Chinese Ministry of Finance. It was emphasized from the beginning that the World Bank would be a Co-Implementing Agency for the GEF grant, and the World Bank portion of the project is providing the vast majority of the co-financing including a \$150 million World Bank loan. The World Bank also plays an important role in the project with regard to replication and scaling.

C) The diagram and the implementation arrangements description have been revised accordingly.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes, the project describes well the alignment with identified national strategies and priorities.

Cleared

Agency Response

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes, the KM approach is adequately elaborated.

Cleared

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. While FAO includes budgeted M&E plan. The WB M&E plan in the prodoc and Annex A doesn't indicate a budgeted amount. Please provide this.

12/04/20

A budget for the WB Hubei sub-project has been provided that includes a budget for M&E.

Cleared

Agency Response

RE Sept 3:

A budget has been prepared for WB and uploaded in the 'Documents' section of the Portal. The WB budget in Annex F has been revised to indicate the budgeted amount under M&E. Please note that the project plans to use government co-financing to support KM and public communications.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

09/03/20

No. While descriptions of these benefits are found in the CEO ER and respective prodocs, it has not been made clear how these benefits translate in supporting the achievement of GEBs. Please clarify in the CEO ER.

12/04/20

The additional verbiage included in Section 10 is sufficient.

Cleared

Agency Response

RE Sept 3:

Additional information has been added in *Section 10. Benefits*.

These socio-economic benefits and increased capacities will enable stakeholders to adopt and sustain agricultural technologies and practices that involve reduced chemical inputs, enhanced soil and water management, restore degraded land, and increase vegetation and farmland biodiversity, thereby supporting the achievement of global environmental benefits. Furthermore, the project will realize opportunities for linking restoration, biodiversity and GHG mitigation goals with production objectives, helping to address trade-offs in the landscape.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes.

Cleared

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes

Cleared

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

09/03/20

No. The following comments on the China project were included in the FOLUR PFD review sheet by GEFSEC for resolution in the PPG phase. Please indicate that they were reviewed/resolved in the PPG phase:

1) The total number of hectares under improved practice in the core indicators table equals 750,000 ha despite the estimate of 950,000 ha targeted in the landscapes.

2) The GHG estimate of 6,000,000 t CO₂e mitigated seems low given the GEF investment and co-financing

3) While the project will not use CW funds, it would still seem appropriate to include an estimate of metric tons of chemicals eliminated or avoided as this will surely be a co-benefit of the investment activities in sustainable agriculture.

12/04/20

GEF comments provided at the time of the PFD addendum have been addressed.

Cleared

Agency Response

RE Sept 3:

We confirm that these points were reviewed/resolved in the PPG phase, as follows.

1) The 950,000 ha of landscapes referred to in the child project concept of the PFD included both Core Indicator 3 and 4 targets (200,000 ha and 750,000 ha, respectively). The targets were reviewed and revised in the CEO ER based on the baseline assessments and stakeholder consultations conducted during PPG, as explained in the CEO ER.

2) The GHG estimates were recalculated during PPG and the target was increased to 13.3 million t CO₂e direct and 6.86 million t CO₂e indirect. Please refer to Question 7 for details.

3) In the CEO ER, a target is included under Sub-Indicator 9.5, ?Number of low-chemical/non-chemical systems implemented? (please refer to *Section 6) Global environmental benefits* and the Core Indicator worksheet). Through the implementation of the Integrated Pest Management Plan and the 3S risk assessment systems, it is expected that the project will result in a reduction in the use of highly hazardous pesticides (HHPs), namely Isocarbophos, Omethoate and Carbosulfan, in particular in Fenyi County of Jiangxi. The project will also support a reduction in the use of chemical pesticides more generally, as well as improved management of discarded pesticides and pesticide containers. These chemicals do not classify as persistent organic pollutants (POPs) and are, thus, not captured under Sub-Indicator 9.1 of Core Indicator 9, but only under Sub-Indicator 9.5.

Council comments

Secretariat Comment at CEO Endorsement Request

09/03/20

Please confirm that Council comments have been reviewed and address any that are relevant to the China project.

12/04/20

Council comments have been sufficiently addressed.

Cleared

Agency Response

RE Sept 3:

The Council comments have been reviewed and responses have been added in *Annex B: Response to Project Reviews* of the CEO ER.

Germany Comments

? The [PFD] text systematically narrows landscape ecosystem challenges down to forest resources. Consequently, the lack of conclusive regulatory frameworks on soils and targeted incentives for sustainable soil management are not addressed in the [PFD]. Germany would like to suggest, that the vital role of soil ecosystem services are more specifically spelled out in the program description and analysis of root causes, and to include GSP/FAO in the list of relevant stakeholders.

Response: *Sustainable soil management (including associated incentive systems) is an important element of the China child project design, in line with the FOLUR IP strategy, as expressed explicitly in the Theory of Change, in Outputs 1.2.1, 2.1.1, 2.1.3, and 3.1.3, and in Section 3) Proposed alternative scenario. Furthermore, soil and water conservation is an important objective of China's LDN targets, as explained in Section 7. Consistency with National Priorities. Reference to the Global Soil Partnership has been added in Component 4 description.*

? Furthermore, Germany would like to suggest stronger reference to Land Degradation Neutrality (SDG 15.3) targets and policies. The link of [the PFD] to the LDN conceptual framework (SPI/UNCCD) needs more systematic elaboration and should include an explicit reference to UNCCD as the custodian agency for SDG 15.3.

Response: *Reference to and alignment with China's LDN targets is included in the CEO ER. Through its interventions, the project will enhance and restore agro-ecological services and contribute to land degradation neutrality (LDN) in the target landscapes by preventing and reversing land degradation. In particular, the project contributes to the following objectives of China's LDN targets: Soil and water conservation, and Arable land protection/conservation.*

Norway-Denmark Comments:

? In our view this program seems to be a series of individual projects or activities which have been put together under one program. It is unclear how this is a program which has been built with the intention to tackle a specific issue or problem. The program tries to convert all the individual project activities into higher level outcomes.

Response: *Close alignment with the Global Knowledge to Action (K2A) platform project was sought during the China child project development, including alignment of outcomes, outputs and indicators where relevant. Project M&E will be closely coordinated with the program M&E.*

United States Comments

? Gender. It is insufficiently clear how the program will incorporate actions that will address the institutional constraints on gender equity and women's economic empowerment on the part of implementing partners (government agencies) and key stakeholders (non-gender oriented CSOs). For example, although the program expresses an interest in providing greater training of women and in increasing their number in leadership roles within groups supported by FOLUR, there is no mention of how government policies and practices (at the national or decentralized levels) will continue to support these initiatives upon the completion of the program cycle. There is also no mention of promoting gender sensitive procurement to encourage economic empowerment of women. Another concern is the gendered rates of literacy; if literacy rates are low, how will female small holder farmers be guided on how to read the labels of agro-chemical inputs so that applications can be applied in a safe and environmentally friendly manner? The issue of gendered literacy also extends to access to credit and land tenure (e.g. title deeds). What strategies are being considered to encourage best practices for measures to increase access to credit for female smallholder farmers and gender sensitive procurement? Finally, the sustainability/durability of interventions to incorporate gender equity and economic empowerment of women at the conclusion of the program cycle could be made clearer.

Response: *A detailed gender analysis was conducted for the China child project and gender actions incorporated into the project design. Please refer to CEO ER Section 3. Gender Equality and Women's Empowerment for details. Among others, the Gender Action Plan explicitly includes reference to mainstreaming gender into national and provincial policy formulation, as well as into the ILM planning process, in line with Government of China policies and priorities. There are no significant gender differences in the target provinces with regard to access to education, land property rights and access to microcredit. In fact, microcredit programs in rural areas are mainly designed for rural women, playing an important role in female poverty alleviation and self-development. However, there are still gender gaps with regard to funding between male and female-owned cooperatives. The project will, therefore, prioritize investing in women-led cooperatives and enterprises, or those with a defined significant share of women members, which will contribute to women's economic empowerment in the long term.*

Regarding education, compulsory education is universal in China, and men and women enjoy equal rights to education. Most farmers in the project area have received basic education. Farmers in rural areas of Guizhou Province may require further training to improve their skills, which will be provided as part of the project activities.

? Additional questions. Given the demographic changes in much of Africa and Asia, how will the program address the various constraints (financial, legal, etc.) that impede the ability of youth (18-25 years) to access productive inputs such as land?

Response: *Women and youth empowerment is an important consideration in the China child project and has been included as integral part of the project design (please refer to Section 3) Proposed alternative scenario, and Gender Action Plan). In the China child project context, one of the main challenges is the ageing of farmers and how to create incentives for young farmers to remain engaged in agriculture.*

STAP comments

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes.

Cleared

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes, but see comments in the PPG box (question 6) above.

12/04/20

Yes.

Cleared

Agency Response

RE Sept 3:

Please refer to Question 6.

Calendar of expected reflows (if NGI is used)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

09/03/20

Yes, provided.

Cleared

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

09/03/20

No. Please address the comments provided.

12/04/20

No. Please address the remaining comments.

12/21/20

No. Please address the remaining comments in Part one questions 5 & 7, and the additional comments below:

1. Project Component 4 includes "Project Coordination", which should be a function this is part of Project Management Cost.
2. None of the co-financing letters in the attachment (Revised co-financing letters Oct2020) confirm the type of co-financing (in-kind or grant), as required by the policy.

1/19/21

Comments in Part one ,questions 5 & 7 have been addressed sufficiently. In addition:

1. Project coordination has been removed from component 4.
2. A co-financing letter has been submitted by the lead Chinese government executing agency that confirms the type of co-financing (in-kind or grant) from each of the co-financiers.

The CEO Endorsement is recommended.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	9/3/2020	
Additional Review (as necessary)	12/4/2020	
Additional Review (as necessary)	12/21/2020	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

**Additional Review
(as necessary)**

1/19/2021

**Additional Review
(as necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations