

## GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS

**Country/Region:** China  
**Project Title:** China: CBPF Jiangsu Yancheng Wetlands System Protection  
**GEFSEC Project ID:** 3670  
**GEF Agency Project ID:** GEF Agency: ADB  
**GEF Focal Area (s):** Biodiversity  
**GEF-4 Strategic Program (s):** BD-1;BD-7;  
**Anticipated Project Financing (\$):** PPG:\$0      GEF Project Allocation:\$2,250,000      Co-financing:\$76,390,000      Total Project Cost:\$78,640,000  
**PIF Approval Date:** January 26, 2010      Anticipated Work Program Inclusion: March 17, 2010  
**Program Manager:** Yokoy Watanabe      GEF Agency Contact Person: Alvin Lopez

| Review Criteria       | Questions  | Secretariat Comment at PIF/Work Program Inclusion   | Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP) |
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| Eligibility           | 1. Is the participating country eligible?  | China has ratified the CBD and eligible for GEF funding.  | 21 DEC 2011 UA:<br>Yes.                                    |
|                       | 2. If there is a non-grant instrument in the project, check if project document includes a calendar of reflows and provide comments, if any. |   | n/a  |
|                       | 3. Has the operational focal point endorsed the project?   | An endorsement letter dated 20 Jan 2008 is attached, which confirms total of \$3m BD RAF allocation to this project.  | 21 DEC 2011 UA:<br>Yes, see comments at PIF stage.         |
|                       | 4. Which GEF Strategic Objective/ Program does the project fit into?   | No Strategic Programs Found.  | n/a  |
|                       | 5. Does the Agency have a comparative advantage for the project?   | The project includes a large investment component which is cofinanced by the ADB (\$50 million). ADB is also a key partner for the CBPF. The comparative advantage of the agency is recognized. | 21 DEC 2011 UA:<br>Yes, see comments at PIF stage.         |
| Resource Availability | 5. Is the proposed GEF Grant (including the Agency fee) within the resources available for (if appropriate):                                 |   |  |
|                       | <ul style="list-style-type: none"> <li>• The RAF allocation?</li> </ul>  | The project requests GEF finance of \$2.43 million for the project and 0.3 million for the PPG. The total project budget is identified at   | 21 DEC 2011 UA:<br>Yes, in line with WPI.                  |

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|                |   | <p>\$3 million. Considering that China has gone beyond its 50% of BD RAF allocation, the project would be considered for the first intersessional work program after July 2008.</p> <p>26 Oct 2009<br/>China has a remaining RAF allocation of \$10,991,517. This project (\$2.75 million) is within the available finance.</p>  |  |
|                | <ul style="list-style-type: none"> <li>• The focal areas?</li> </ul>      | Refer above.   | 21 DEC 2011 UA:<br>Yes, in line with WPI.              |
|                | <ul style="list-style-type: none"> <li>• Strategic objectives?</li> </ul> | n/a  | n/a  |
|                | <ul style="list-style-type: none"> <li>• Strategic program?</li> </ul>    | The project is part of the programmatic approach in china, under the China Biodiversity Partnership Framework for Action.  | 21 DEC 2011 UA:<br>The projects is linked to the CBPF. |
| Project Design | 6. Will the project deliver tangible global environmental benefits?       | <p>The two project sites, the Yancheng National Nature Reserve and the Dafeng Milu National Nature Reserve are both recognized as Ramser site and UNESCO World Biosphere Reserves. The sites are important flyways for the red-crowned cranes, and home for other flagship species.</p> <p>Though the global significance of the two sites are generally recognized, GEF would prefer to see system level intervention and impact at least at the provincial level, and possibly at the national level. Moreover, the sites' priority among other sites in China needs to be clarified under the section on linkage to national strategy and plan.</p> <p>7 May 2008<br/>The project is revised to have a focus on the sub-system level, on wetland Pas in Yancheng. Please further clarify the direct and indirect impact the project may have towards wetland conservation in Yancheng, in terms of coverage and other indicators.</p> |  |

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|  |   | <p>Information are yet to be provided on whether these wetland sites in Yancheng are prioritized in relevant national strategy and plans. Further information is required.</p> <p>24 June 2008<br/>The comments from 7 May have not been adequately reflected and responded under the relevant sections, on page 6 and 7 of the PIF (no additional information recognized). Further information and description on the GEB at both system and site levels are required. Project's linkage between national strategy and plan, such as NBSAP are also required under section B.</p> <p>26 Oct 2009<br/>Adequate information has been provided. The project will contribute to conserve approx 362000ha of globally significant coastal wetland area in Jiangsu and protect several threatened species such as Milu deer and red-crowned cranes.</p> |  |
|  | <p>7. Is the global environmental benefit measurable?</p> |  | <p>21 DEC 2011 UA:<br/>Yes. The project will contribute to the following GEBs:<br/>- 4,015 ha of coastal wetland habitat restored and rehabilitated as critical habitats for the globally endangered species of red-crowned crane;<br/>-766 ha of coastal wetland habitat restored and rehabilitated as habitats for the globally extinct-in-the-wild Milu;<br/>-400 ha of invasive species control of <i>Spartina alterniflora</i> piloted.<br/>-By 2017, annual wetland degradation rates of the YRBNNR (currently 2.5%) and the DMNNR (currently 5%) will be halted;<br/>-By 2020 and beyond, the red-crane</p> |

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|  |   |   | <p>population will be maintained above the critical level of 600; and the annual mortality rate of Milu will be reduced from 4% at present to 2%.</p> |
|  | <p>8. Is the project design sound, its framework consistent &amp; sufficiently clear (in particular for the outputs)?</p> | <p>1) The current project design does not fit to any of the GEF BD strategy. The project should have close fit to at least one of the strategic program. The project should strengthen its focus on a PA system or sub-system of wetlands and/or coastal ecosystems, rather than just a two site level interventions.</p> <p>2) The project also notes that this project is build on the ongoing UNDP/GEF project on wetland biodiversity conservation and sustainable use, which includes project activities in Yancheng. Though it notes that there is no duplication with efforts, GEF usually requires an evaluation report of the previous invested project to consider further investment in the same area and theme. Particularly considering the history of the ongoing GEF wetland project, this process may be very important. Unless further information is provided that justifies another GEF investment in the same area and theme, the project may want to wait until the completion of the ongoing wetland project, and reexamine what further initiatives are required in China and Jiangsu on the related issues.</p> <p>3) The project also intends to control and manage the invasive alien species of <i>Spartina</i> spp. Experience elsewhere shows that this would be a very difficult and expensive task. How does the project intends to undertake this activity? What kind of indicator would be used?</p> | <p>21 DEC 2011 UA:<br/>Yes.</p>   |

7 May 2008

The ADB's response notes that there would be a national level application of the project initiatives. Pls clarify how this would be done and identify concrete set of activities/component within the project framework.

The matrix that compares UNDP/GEF and ADB/GEF project's outcomes and activities are useful. However, it does not show what has been achieved so far with the UNDP/GEF project, what has been identified as remaining gaps for wetland conservation, and what the ADB project is planning to do in response to these gaps.

It is also not clear what the lessons learned are from the UNDP/GEF project, and how this ADB/GEF project is going to address them.

Unless the above elements are further clarified, it is difficult to justify further GEF investment in the same region on same theme, i.e wetland conservation. Please clarify.

Regarding the control of *Spartina* spp, please provide further details of the potential cost-effective pilot initiatives/approaches that are planned based on lessons from others.

24 June 2008

The first comment above, on the need for system level interventions, i.e. not only for the two PA sites but addressing the wider barriers and threats at the coastal and wetland PA system in the region, is still unclear in the revised PIF and further clarification is requested.

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|  |  | <p>Moreover, the project focuses on site level on-site civil works and do not adequately address the systematic problem on the use of wetlands and water use at the policy and institutional levels.</p> <p>The PM finds that, maybe due to various revisions made, the project design is rather confusing. The project framework could be reviewed again and correspond to the threats and barriers, and particularly revise the project components to reflect both systemic and site-based demonstration actions.</p> <p>Potential approach could be to restructure and strengthen the current component 3 and 4 to comprehensively address the policy, insitutional and capacity needs of the coastal and wetland PA system in Jiangsu/Yangcheng, and the component 1 and 2 to address the demonstrative actions in the two PA sites. If sustainable financing is indeed a major barrier and the GEF finance is focused on this initiative, it could be a separate component with further baseline information and concrete expected outcome and outputs.</p> <p>Component 4, which addresses part of the system level initiatives could also be further reviewed and strengthened and include adequate policy development and its enforcement/implementation. .</p> <p>Further information has been provided on the linkage with the UNDP/GEF ongoing project, Further details on the collaboration and lessons learned are expected at the time of CEO endorsement. For the PIF, please attach the earlier provided matrix on the comparison</p> |  |
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|  |  | <p>of the two projects to the PIF. Moreover, pls clarify the UNDP/GEF investment amount at the Jiangsu/Yancheng wetland area (the total amount of the project is not very helpful) in comparing the scale and up scaling.</p> <p>Section E does not seem to correspond to the latest PIF template. Please delete.</p> <p>The current Section F has been revised quite significantly. The GEF incremental finance will only focus on these two activities and the project total amount remains the same? All other activities listed in the earlier version will be covered by cofinance, including management plan etc? Please clarify and revise as appropriate.</p> <p>26 Oct 2009<br/>The project design and framework has been revised and it provides clearer picture on both site and system levels project interventions. The project framework requires to be further eraborated under the PPG phase with concrete activities and monitoring measures.</p> |   |
|  | <p>9. Is the project consistent with the recipient country's national priorities and policies?</p> | <p>It is only noted that the two sites are priority of the Jiangsu and Yancheng's provincial and city governments. Further information is required in relation to the priority setting done at the national level, and linkage to the related national strategy.</p> <p>7 May 2008<br/>Please refer to the comment made above on necessary information on the linkage with national strategy and plan.</p> <p>24 June 2008<br/>The above comments still require response and be reflected under section B of the PIF.</p>  | <p>21 DEC 2011 UA:<br/>Yes, in line with relevant elements of the national regulatory framework, national as well as provincial plans and programs.</p> |

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|  |   | <p>26 Oct 2009<br/>Adequate information has been provided.</p>   |   |
|  | <p>10. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p> | <p>The linkage to the CBPF is only listed, and no information is provided on what kind of contribution this project would be able to make for each of the program level results. At least a general information is required at this stage to determine the tangible contribution of this project to the program.</p> <p>7 May 2008<br/>Further information is provided. Further details need to be clarified including coordination mechanism with the CBPF during the PPG implementation.</p>   | <p>21 DEC 2011 UA:<br/>Yes, properly coordinated.</p> |
|  | <p>11. Is the proposed project likely to be cost-effective?</p>   | <p>The section requires further justification. Replication should be part of the project design and project objective, not a task to be considered at a later stage.</p> <p>7 May 2008<br/>Further information is required, particularly on the initiative on IAS.</p> <p>24 June 2008<br/>Additional information has been provided on the pilot initiative to control IAS. Further approach needs to be clarified by the time of CEO endorsement.</p> <p>On cost effectiveness, please also refer to the earlier comment on limited GEF activities (section on project design) under the revised PIF, and provide further clarification.</p> <p>26 Oct 2009<br/>Adequate information has been provided at this stage. Further detail information on the cost-effectiveness, including the activities on</p> |   |

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|                             |   | invasive species are required at the time of CEO endorsement.   |  |
|                             | 12.Has the cost-effectiveness sufficiently been demonstrated in project design?   |   | 21 DEC 2011 UA:<br>Yes.  |
|                             | 13.Is the project structure sufficiently close to what was presented at PIF?  |   | 21 DEC 2011 UA:<br>Yes.  |
|                             | 14.Does the project take into account potential major risks, including the consequences of climate change and includes sufficient risk mitigation measures? | Very general information has been provided at this point. Further information and measures are expected at the time of CEO endorsement.   | 21 DEC 2011 UA:<br>Yes. Specific risks and mitigation measures have been listed.   |
| Justification for GEF Grant | 15.Is the value-added of GEF involvement in the project clearly demonstrated through incremental reasoning?   | <p>Please refer to the comments under the project design section. The value added of the GEF involvement is not clearly demonstrated.</p> <p>24 June 2008<br/>Please refer to the comments made above under the project design and strategic fit and revise and update the section accordingly. The current information is still based on site level intervention, and also on linkage with sustainable eco-tourism development.</p> <p>It is also unclear how the activities related to eco-tourism are now going to be covered under the revised PIF. Please clarify under the project design section.</p> <p>26 Oct 2009<br/>Additional information and adequate revision has been made on the project design.</p> | 21 DEC 2011 UA:<br>Yes.  |
|                             | 16.Is the type of financing provided by GEF, as well as its level of concessionality, appropriate?  | 22 Dec 2011<br>Yes.   | n/a  |
|                             | 17.How would the proposed project outcomes and global environmental benefits be affected if GEF does not invest?  |   | 21 DEC 2011 UA:<br>The GEF increment will focus on building local capacity for PA management, development of a sustainable financing mechanism for National Nature Reserves, |

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|  |   |   | as well as establishment of a sound ecological monitoring system. Without GEF investment the project will fall short of achieving longer term sustainability of its outcomes.  |
|  | 18. Is the GEF funding level of project management budget appropriate?                    | The project management budget is 3% of the total GEF budget. It is proportionate with the cofinance.  | <p>21 DEC 2011 UA:<br/>No, project management cost is currently 12.8% of GEF grant amount, which is considerably higher than the recommended threshold. Please adjust accordingly.</p> <p>11 March 2011<br/>Project management cost has been reduced to slightly less than 10% and considered appropriate.</p>   |
|  | 19. Is the GEF funding level of other cost items (consultants, travel, etc.) appropriate? |   | <p>21 DEC 2011 UA:<br/>No. There are several issues to be addressed with regards to consultants' rate:<br/>-Overall GEF financing of consultants is high (27 % of total GEF project amount).<br/>-Cofinancing provided for consultants is low, especially given the high total project cofinancing.<br/>-Weekly rates for international consultants are very high (USD 5,000).</p> <p>Please revise in line with these comments.</p> <p>11 March 2012<br/>The cofinancing issue has been addressed. Additional information has been provided on the high international consultant rate, which is based upon the guidance from ADB's Central Operational Services Office.</p> |
|  | 20. Is the indicative co-financing adequate for the project?                              | <p>Over \$100 million cofinance has been identified, including ADB loan and government cofinance.</p> <p>24 June 2008<br/>Please review whether all cofinance are</p> |  |

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|  |  | <p>relevant for the project goal and biodiversity conservation in light of recent comment made by GEF Council on other project.</p> <p>26 Oct 2009<br/>It is confirmed that all cofinancing is relevant to project goal and objectives. Please provide detail breakdown of the cofinance for each output at the time of CEO endorsement.</p> |   |
|  | 21.Are the confirmed co-financing amounts adequate for each project component?                                   |  | 21 DEC 2011 UA:<br>Not fully, please address the comment above regarding cofinancing for consultants. |
|  | 22.Has the Tracking Tool been included with information for all relevant indicators?                             |  | 21 DEC 2011 UA:<br>A completed tracking tool for BD-1 has been attached.                              |
|  | 23.Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets? |  | 21 DEC 2011 UA:<br>Yes.   |
| Secretariat's Response to various comments from: | STAP   | Please respond when the comments are available.  | 21 DEC 2011 UA:<br>STAP comments have been addressed.   |
|  | Convention Secretariat   | Please respond when the comments are available.  |   |
|  | Agencies' response to GEFSEC comments  |  |   |
|  | Agencies' response to Council comments   |  |   |
| <b>Secretariat Decisions</b>                     |  |  |   |
| Recommendation at PIF                            | <b>24. Is PIF clearance being recommended?</b>   | <p>No. The project needs to be redesigned based on the above comments.</p> <p>7 May 2008<br/>The GEFSEC received responses to the earlier comments, while revised PIF and PPG were not attached. The ADB and GEFSEC also had a upstream discussion to clarify number</p>   |   |

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|                                   |  | <p>of remaining issues, including the linkage with the ongoing UNDP/GEF project on wetland conservation.</p> <p>Upon receipt of revised PIF that adequately respond to the further comments and discussion, the PM will recommend the PIF for CEO approval.</p> <p>24 June 2008<br/>The PIF requires further review and revision as commented above. The PM is also available for further upstream discussion and clarification.</p> <p>Upon receipt of revised PIF that adequately respond to the further comments and discussion, the PM will recommend the PIF for CEO approval.</p> <p>26 Oct 2009<br/>A revised PIF was received and adequate additional information and revision has been made based on earlier comments. The project has been recommended by the PM for CEO clearance.</p> |   |
|                                   | 25. Items worth noting at CEO Endorsement. |   |   |
| Recommendation at CEO Endorsement | 26. Is CEO Endorsement being recommended?  |   | <p>21 DEC 2011 UA:<br/>No. Please address comments in this review.</p> <p>11 March 2012 YW:<br/>All comments have been addressed. The international consultant fee remains high at \$5000 per week, which is based upon the ADB's standard fee provided by its Central Operations Services Office. The PM recognizes that the fee has been informed and justified under several CEO</p> |

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|             |                        |  | endorsement during GEF-4. The PM seeks further guidance from the GEF management on the relevance of the consultancy fee, if any. Once clarified, the PM will recommend the project for CEO endorsement. |
| Review Date | 1 <sup>st</sup> review |  | December 21, 2011   |
|             | 2 <sup>nd</sup> review |  | March 11, 2012  |
|             | 3 <sup>rd</sup> review |  |   |

### REQUEST FOR PPG APPROVAL

| Review Criteria | Decision Points   | Program Manager Comments  |
|-----------------|---|---|
| PPG Budget      | 1. Are the proposed activities for project preparation appropriate? | <p>The type of activities identified are eligible. The activities under the Sustainable Natural Resources management and Sustainable Livelihoods section better be fully financed by the cofinance.</p> <p>24 June 2008<br/>For component that are not financed by GEF (i.e.component 2), we expect full information including the description on outputs generated by cofinance.</p> <p>15 March 2009<br/>The PPG does not respond to the comment made above. Local benefits are often implemented by cofinance, however, it is an important and integral component of the GEF project and full discription on the outputs are required.</p> |
|                 | 2. Is itemized budget justified?                                    | <p>Refer to above comment.</p> <p>24 June 2008<br/>There is a typo on table C on PPG amount. Pls correct.</p> <p>15 March 2009<br/>Appropriately revised.</p> <p>7 Sept 2010<br/>The GEFCEO recognizes that, considering the high cofinancing ratio of the project (GEF \$2.5m and Cofinance \$100m), the GEF amount of the PPG is unpropotionate and the amount is too high. The GEF amount needs to be adjusted to no more than \$100000.</p>   |

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|                | 3. Is the proposed GEF PPG Grant (including the Agency fee) within the resources available under the RAF/Focal Area allocation? | xxPPGResorcesxx   |
|                | 4. Is the consultant cost reasonable?   | <p>The international consultant fee are recognized as high (\$4000 week). Please revise or provide further information.</p> <p>7 May 2008<br/>Further information is required based on general consultancy fee scale of ADB.</p> <p>24 June 2008<br/>Further information has been provided on the ADB consultant rates, and the amount fits to this guidance.</p> <p>Information on person weeks are missing on table D. Pls provide necessary information.</p> <p>15 March 2009<br/>The local consultant fee is now identified as \$309 per week and international consultant at \$4000, As explained above, it is in line with ADB consultant rate and guidance.</p> <p>Please provide further details on the travel cost that has been identified.</p>   |
| Recommendation | <b>5. Is PPG being recommended?</b>   | <p>No. The PIF first needs to be revised/redesigned and the PPG activities may need to be revised accordingly.</p> <p>24 June 2008<br/>The PPG needs to be revised based on above comments and revised PIF.</p> <p>15 March 2009<br/>The PPG needs to be further revised based on the above comments. Upon receipt of the revised PPG, the PM will recommend the PPG for CEO approval.</p> <p>12 Aug 2010/8 Sept 2010<br/>Additional information and adequate revision have been made based on earlier comments. However, pls refer to the above comment made by the CEO on the GEF PPG amount and revise as appropriate. Please also submit an updated OFP endorsement letter as GEF5 is now operational. Upon receipt of revised PPG request taht adequately reflects the comment, the PM will recommed the PPG for CEO approval.</p> |
| Other comments |   |   |
| Review Date    | 1 <sup>st</sup> review  | March 16, 2010  |
|                | 2 <sup>nd</sup> review  |   |

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