



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project
THE GEF TRUST FUND

Submission Date: January 27, 2010

PART I: PROJECT IDENTIFICATION

GEF PROJECT ID¹: 3992 **PROJECT DURATION:** 60 months

GEF AGENCY PROJECT ID: PIMS 4179

COUNTRY(IES): China

PROJECT TITLE: Strengthening the effectiveness of the protected area system in Qinghai Province, China to conserve globally important biodiversity

GEF AGENCY(IES): UNDP,

OTHER EXECUTING PARTNER(S): Qinghai Finance Bureau, Qinghai Provincial Government

GEF FOCAL AREA (S)²: Biodiversity

GEF-4 STRATEGIC PROGRAM(S): BD1-SP3, BD1-SP1

NAME OF PARENT PROGRAM/UMBRELLA PROJECT (if applicable): CHINA BIODIVERSITY PARTNERSHIP AND FRAMEWORK FOR ACTION

INDICATIVE CALENDAR*	
Milestones	Expected Dates mm/dd/yyyy
Work Program (for FSP)	March 2010
CEO Endorsement/Approval	August 2011
Agency Approval Date	November 2011
Implementation Start	December 2011
Mid-term Evaluation	March 2014
Project Closing Date	November 2016

* See guidelines for definition of milestones.

A. PROJECT FRAMEWORK

Project Objective: To catalyze management effectiveness of Qinghai's PA system to fulfill its purpose of conserving globally important biodiversity

Project Components	Type	Expected Outcomes	Expected Outputs	Indicative GEF Financing		Indicative Co-financing		Total (\$)
				(\$)	%	(\$)	%	
1. Mainstreaming PA management objectives and needs into Provincial Development and infrastructure development Policies and Plans	TA	<ul style="list-style-type: none"> Threats to PAs from infrastructure placement (roads, dams) and other adverse land use are avoided, mitigated or offset, leading to more effective conservation outcomes in all of Qinghai's PAs [covering 218,222 square kilometres] Ecological integrity of major habitat blocks in PAs, buffer zones and corridors maintained for conservation and adaptation to climate change (to be measured using a biodiversity intactness index) Monitoring and enforcement system in place to ensure compliance with biodiversity-compatible land use plans. 	<ul style="list-style-type: none"> Provincial inter-sectoral coordination mechanism in place for managing development activities within and adjacent to protected areas and other ecologically sensitive landscapes (involving institutions responsible for agriculture, land use planning, meteorology, infrastructure development planning with sub-provincial governments) Institutional capacities of provincial government built for effective planning, monitoring and enforcement of biodiversity management stipulations to avoid/mitigate threats to PAs from production activities (through use of biodiversity geographic information tools, Strategic Environment Assessment, EIA etc) Knowledge management systems established for effective PA management, including for climate 	550,000	6	8,300,000	94	8,850,000

¹ Project ID number will be assigned by GEFSEC.

² Select only those focal areas from which GEF financing is requested.

			proofing the PA estate (coordination, sharing, platforms, access)					
2.Increasing PA management effectiveness through strengthened institutional and staff capacities	TA	<ul style="list-style-type: none"> • Institutional effectiveness indicators for PA institutions show improvement over baseline (to be established during project preparation) • Improved rate of interception of direct threats to PAs across PA estate (poaching, over grazing etc)- baseline to be established during further project preparation • Province's system level PA financing increased by 40% over baseline by project end to meet recurrent costs of PA management (tracked using PA finance scorecard) • Increased share of PA budget allocated to field operations – with a HQ: field operations budget ratio of 40:60 or higher (baselines to be established during further project preparation) 	<ul style="list-style-type: none"> • Provincial Level PA institutional strengthening plan operationalized, regulating staffing; accountability along the decision-making chain, administrative processes; financial and human resources development & management, and optimal budget allocations • Improved PA operations system ensures effective resource deployment (staff, equipment and other resources as well as cost management to ensure optimal use of scarce resources in addressing threats to PAs) • PA staff skills built and guidelines set in place for management and business planning, effective enforcement, policing, reporting, survey/ monitoring work, and participatory management (at least 200 staff assessed to have necessary occupational levels, competence and skills) • Systems in place (reporting, records and action) to oversee prefecture level and county level policing. • Business case for the PA system developed that defines economic benefits, roles and responsibilities of different levels of Government and costing PA functions (for planning, policing, monitoring, and enforcement) • PA investment and operational budget included in the 13th Five Year Development Plan and Sanjiangyuan Ecological Construction Programme) • Community use rights over natural resources clarified, institutions arrangements, roles and responsibilities defined and enshrined in a provincial co-management 	1,690,000	29	4,100,000	71	5,790,000

			policy					
3.Demonstration of Effective PA management through community involvement	TA / INV	<ul style="list-style-type: none"> PA management plans and management systems in the SNNR maintain biodiversity patterns and processes, while addressing the socio economic needs of PA resident and adjacent communities Reduction in biodiversity pressure (poaching, over grazing, fuelwood collection, wild fires) over an area of 152,300 square kilometers Management effectiveness index of target PAs is increased by 25-40% as monitored by METT 	<ul style="list-style-type: none"> Co management framework established for demonstration PA, covering 58,000 sq km in the Sanjiangyuan National Nature Reserve (SNNR); community agreements made, institutions established and communities capacitated to provide management oversight PA site zoning system operationalized, based on ecological and socio-economic criteria Equipment and infrastructure upgraded to facilitate effective PA management operations Sustainable use thresholds established for agreed land uses in designated zones, and monitoring and adaptive resource management systems emplaced (such as forest and grassland fire management) Climate risk management codified in PA operations system in demonstration areas 	2,580,000	34	5,000,000	66	7,580,000
5. Project management				534,545	33	1,100,000	67	1,634,545
Total project costs				5,354,545	22	18,500,000	78	23,854,545

^a List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

^b TA = Technical Assistance; STA = Scientific & Technical Analysis.

B. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and by NAME (in parenthesis) if available, (\$)

Sources of Co-financing	Type of Co-financing	Project
Project Government Contribution	In cash	5,350,000
Project Government Contribution	In kind	12,750,000
Others	In kind	400,000
Total Co-financing		18,500,000

C. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Previous Project Preparation Amount (a) ³	Project (b)	Total c = a + b	Agency Fee
GEF financing	0	5,354,545	5,354,545	535,455
Co-financing	0	18,500,000	18,500,000	
Total	0	23,854,545	23,854,545	535,455

D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)¹:

³ Include project preparation funds that were previously approved but exclude PPGs that are awaiting for approval.

PART II: PROJECT JUSTIFICATION

A. THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED

1. Qinghai Province, with a total area of over 720,000 sq km, is the fourth largest province in China. It is surrounded by Gansu, Sichuan, the Tibet Autonomous Region and Xinjiang provinces. Named after one of the largest inland saltwater lakes of the world (and the largest lake in China), Qinghai is largely a plateau with an average altitude of 3000 meters above the sea level. About 46% of the province's total 5.5 million people are classified as ethnic groups, with 54 ethnic groups represented. Qinghai's natural population growth rate of almost 10‰ is one of the highest in the country. The province is one of the least developed in the country: it ranked 27th in terms of human development index amongst 31 provinces/autonomous regions/ municipalities of China in 2007/084.

2. Most of Qinghai is covered by grasslands (57% of the province); followed by high altitude deserts (29%), forest ecosystems (6%), wetlands (6%) and agricultural lands (around 1%). At least three WWF Global 200 Ecoregions fall inside Qinghai – including 1) the upper sections of the Mekong River, 2) sources of the Salween River and 3) Tibetan Plateau Steppe. Part of the Critical Ecosystem Partnership Fund's (CEPF) biodiversity hotspot "Mountains of Southwest China" also falls in Qinghai. The province's extensive grassland ecosystems support significant populations of globally threatened species such as the Wild Yak, Wild Ass, Tibetan Antelope, Provalskii Gazelle, *Cervus albirostris*, and the Snow Leopard. Wetlands in the province include rivers, flooded grasslands, freshwater and saline lakes. These are key habitats for migratory birds, and large populations of Black Crane, *Grus grus*, *Cygnus cunus*, *Larus brunnicephalus*, and *Sterna hirundo tibetana* depend on them. The Qinghai plateau is the headwaters of three major rivers: the Yellow River, Yangtze, and Mekong (called Lancang in China). The Qinghai Lake, Zhaling Lake and Eling Lake are listed as Ramsar Sites. The Qinghai Lake area is a key habitat of the Provalskii Gazelle and the Sangjiangyuan protected area is the breeding habitat of the endemic Tibetan Antelope. The Province harbours more than 10% of the higher plant and vertebrate species recorded in China – with a total of 3000 higher plant species and 465 vertebrate species (including 56 fish, 16 amphibians and reptile species, 290 bird and 103 mammal species). There is a high level of endemism in the area: more than 50% of plant species found here are endemic to China as well as several fish and bird species. Birdlife International, for example, has identified Qinghai Mountains as one of the high priority endemic bird areas of the world and Northern Qinghai Tibetan Plateau as a "secondary area" for endemic birds.

3. Qinghai's rich ecosystems are fragile and their constituent flora and fauna are under increasing threat. The PRC/ADB/ GEF Partnership on Land Degradation in Dryland ecosystems⁴ has noted that rangelands, which constitute the largest ecosystem in the Province, has been severely degraded through overstocking of domestic animals, excavations for development construction (and mining), increase in rodent populations and climatic change (such as through expansion of unpalatable species). It has been suggested that there is 30% overstocking of livestock in the province. Unsustainable timber extraction from forests, wetland reclamation for cultivation, environmentally unsound mining and over-extraction of water are also threatening biodiversity. Many species of economically important medicinal plants have also been over-extracted (such as the endemic medicinal plant *Rhodiola chrysanthemifolia*) and poaching of wildlife has also led to rapid population declines of some species (such as of the Tibetan Antelope).

4. Qinghai has established a network of protected areas to conserve biodiversity. Five National level Nature Reserves (NNR) and six Provincial level Nature Reserves (PNR) have heretofore been established covering 30% of the Province. The NNRs cover 202,524.9 sq km and PNR covers 15,697sq km of the province. The designation of a PA as "national level nature reserve" allows it to access funding resources from the Central government (as well as Provincial and local governments) for its management and, any development work planned inside such reserves require central government permission. They are designated as such based on their global and national importance. The Provincial government can make legislation and its own special management arrangements for provincial PAs but there are no differences between NNRs and PNRs in terms of permissible land and resources use inside such areas.

5. Though Qinghai's protected areas cover a significant area of the province, some gaps remain in coverage of important ecosystems under the PA system– such as the Eastern border of Qinghai Province⁵. Due to the large sizes of protected areas and under sourcing of protected areas management, as well as weak institutional/ staff capacities and poor local involvement, it has been difficult to enforce legislation and to monitor development activities and resource extraction/use. Establishment of PAs has also not reduced threats to biodiversity within them, as most people living inside such PAs have limited knowledge, capacities or decision making powers for effective resource management. With increasing population growth and their increased aspirations for higher levels of incomes, resources have been utilized in an unsustainable way (particularly grasslands, but also wildlife, and medicinal plants harvested from the wild). Construction of dams, roads and other development infrastructure has been undertaken without adequate coordination with protected areas authorities and sometimes without due consideration to environmental impacts. These pose direct threats to biodiversity (such as by roadside erosion, water diversions from

⁴ http://www.undp.org.cn/downloads/nhdr2008/NHDR2008_en.pdf

⁵ http://www.cciced.org/2008-02/03/content_9645698.htm

important wetlands, peat extraction) and also indirect threats by increasing access to protected area resources and markets for unsustainably harvested products. Therefore, the long term solution for effective management of Qinghai's PAs is considered to be "Effective policies, capacities and co-management in place for PA management in Qinghai".

6. Barriers to achieving the long-term solution are detailed below.

7. Barrier 1: Disconnect between PA management, and the development and baseline environmental management framework

8. Effective PA management in Qinghai has been hindered by lack of coordination and cooperation between different government agencies. Several government agencies such as agriculture and livestock, environmental protection, water resources management also operate inside protected areas, alongside the local Prefecture and County governments. These institutions have tended to operate independently from the protected areas management authorities. Sub-provincial governments also plan and implement work inside PAs without due coordination, or consideration to biodiversity conservation. This has led to promotion of several activities that have had negative biodiversity impacts. For example, large scale fencing of natural pastures inside and outside PAs (to increase forage production for domestic animals) has reduced grazing areas for wild animals such as Wild Yaks, Wild Gazelles, White Lipped Deer, and such fences have also blocked migratory routes of Argalis and the Tibetan Antelopes. These fences also tend to cause injuries to, and death of, wild animals. A campaign to poison the plateau pika has poisoned many lands within PAs. The plateau pika is an abundant rodent in the grasslands, and they have been considered as a pest, as they are thought to compete with livestock for forage and to contribute to grassland degradation through burrowing. Even programmes such as the Sanjiangyuan Ecological Construction Programme, which is meant to help the restoration and conservation of ecosystems and ecological processes in Qinghai, has largely been construction-oriented and has not strengthened PA management. Though much knowledge has been accumulated through various research undertaken by academia and government bureaus (such as on climate, geography, grasslands), they have not been easily accessible to decision makers and have not contributed to better management of natural ecosystems inside and outside PAs. For example, climate change impacts are already being felt in the region, with overall average increase of 1.5 degrees Celsius from 1961 to 2006, reductions in ice volumes in glaciers and drying of smaller wetlands, but such information and knowledge has not been widely available and have not contributed to effective plans, policies or management actions.

9. Barrier 2: Inadequate resources, and weak institutional and staff capacities for PA management

10. The Qinghai Forest Bureau's current institutional capacity to oversee multiple PAs, make sound operational decisions, manage budgets, deploy staff, and monitor performance are not adequate for effective PA management. The Bureau is understaffed, with many positions unfulfilled. At the sub-provincial level, on-the-ground PA management is the primary responsibility of field staff that the local governments (prefecture and county) allocate and thus they are under local government control and supervision. The Provincial Forestry Bureau has a limited role in hiring or removal of such staff. Most of such field staff do not have a relevant technical background to perform their designated duties and many only work part-time on PA management activities. There is also a significant turnover of field staff each year. Such field staff have a limited mandate for legal enforcement- if they apprehend persons undertaking prescribed illegal activities, they have to hand them over to forestry police, who may be a considerable distance away. Most protected areas also suffer from lack of basic infrastructure (such as field stations for field staff) and adequate field equipments for surveillance and communication. Although past projects and government efforts have attempted to address some issues of institutional and staff capacity building, they have been sporadic, unstrategic and are largely dependent on external support and site based (have not been systemic). Staff performance is also difficult to assess as PAs do not have management plans or business plans, and, thus, progress towards achieving results cannot be measured.

11. Inadequate financing and misallocation of resources also hinder effective PA management in Qinghai. Though the overall financing within protected areas has been significant - 15.7 million dollars between 2003-2008 for all PAs (216,900 square kilometers), most of this amount (USD 14.4 million) has been allocated for engineering projects (infrastructure such as roads and buildings) and only USD 1.18 million was used for conservation work such as patrolling, afforestation, etc. Such funds are not guaranteed and mostly come from different central government programmes such as "from grain to green", "natural forest protection", and the national wetland restoration programme. These do not cover staff salaries, which are mostly covered by provincial forestry bureau, and by prefecture / county governments. Though there has not been any attempt to date to undertake systematic assessment of PA financing needs, an estimate by Qinghai's Finance Bureau suggests that an annual budget of approximately 2 million US dollars is needed to maintain operation of all PAs in the province and only two thirds of this is currently available.

12. **Barrier 3: Limited local capacities and participation in PA management**

13. As in other parts of China, Qinghai's PAs are composed of state and community lands. Much of the pasture lands have been given to local households on 30 year contracts for management and use. Given the vast and sparsely populated area, the government's supervision of households' use of land and natural resources' use is not effective. Therefore, effective PA management will depend on sustainable management of community lands as well as management of government lands with local communities. In China, communities are allowed to be involved in management of government lands inside PAs through agreements with the government and many pilot co-management schemes have been attempted in different parts of the country including Qinghai. Currently only six such agreements have been made between community organizations in the province under different projects. Unless such approaches are widely scaled up, biodiversity losses and habitat degradation will continue in Qinghai's PAs. Given that most wild animals move in and outside PAs, community management of lands only within PAs will not reduce threats to many globally important species. Therefore, community management of lands outside (particularly adjacent to) PAs is also critical for biodiversity conservation. Currently, the PA management authority's institutional arrangements and staff capacities are inadequate for rapid expansion of such co-management arrangements. Community institutional arrangements do not exist for such management in most areas and their capacities for effective management and legal enforcement are also weak. Therefore, the involvement of local communities in biodiversity conservation is at an early pilot stage and will require considerable strengthening and expansion to achieve significant conservation impacts. Without rapid upscaling of such approaches, small conservation gains at some community co-management areas are unlikely to have sustained conservation benefits in the larger scale – particularly for species that seasonally migrate around the Province. There has also been low involvement of other stakeholders such as local non-government organizations and private businesses in supporting conservation efforts.

14. The proposed project will remove the above-mentioned barriers through the implementation of key activities described below.

15. Under **Component 1: Mainstreaming PA management objectives and needs into Provincial Development Policies and Plans and the infrastructure development sectors**, the main focus of the project will be to build an inter-sectoral mechanism to mainstream protected area management objectives into provincial and sectoral policies and plans (such as agriculture, land use, meteorology, infrastructure development planning and with sub-provincial local governments.). Through such mechanism, indicators will be developed to periodically assess the status of Qinghai's ecosystems. This coordination mechanism, along with a strengthened Provincial Government (led by Finance Bureau) will ensure that different sectors continue to plan and implement their actions in a biodiversity-friendly way. The Provincial government's capacities for effective monitoring and enforcement to avoid/ mitigate threats to PAs from activities of sectoral agencies will be also built through the use of biodiversity geographic information tools, Strategic Environment Assessment and EIA. Capacities will be also built to develop the government's ability to use such tools.

16. **Component 2** will focus on institutional and staff capacity building of the Provincial Forestry Bureau and its associated prefecture and county level forestry bureaus for effective PA management. The project aims to streamline institutional arrangements so that not only are staff hired by prefecture and county levels for PA management trained regularly but they have planning and reporting responsibilities that are common to all other PA management staff. Provincial Level PA institutional strengthening plan will be developed that will define issues such as staffing; accountability along the decision-making chain, administrative processes; financial and human resources development & management, and optimal budget allocations. The project's work on improving PA operations will ensure that staff, equipment and other resources will be used optimally. Appropriate guidelines will be developed for management and business planning, effective enforcement, policing, reporting, survey/ monitoring work, and participatory management. As far as possible, capacity building will be done through practical "learning-by-doing" and with peer support. A particular focus will be placed on strengthening prefecture level and county level policing by PA staff. In addition, staff capacities will also be developed for promoting community/ State co-management of protected areas.

17. Given the importance of sustainable financing of PAs, the project will identify and strengthen the overall legal, policy, regulatory and institutional arrangements for financial planning, revenue generation, and revenue retention at site and PA systems level. It will also strengthen business planning of PAs to ensure more effective use of scarce resources and help identify and implement additional streams of financing. A business case for the PA system will be developed that defines economic benefits, roles and responsibilities of different institutions and different levels of government, and costs PA functions (for planning, policing, monitoring, and enforcement). In terms of sustainable financing, the project will ensure that the Qinghai Forestry Bureau's advocacy skills will be strengthened to influence

national level programmes that affect PA management, such as the second phase of Sanjiangyuan Ecological Construction Programme, which is expected to commence in 2011 and in the 13th Five Year Development Plan. The focus is on enhancing the management effectiveness of the existing PA system, which will be a prelude to planned future expansion. This component will be strongly linked with component 3 below, which deals with demonstration.

18. **Under Component 3**, the focus will be on scaling- up and ensuring the effectiveness of PA co-management. This will be demonstrated at the Sanjiangyuan National Nature Reserve (SNNR). Established in 2000 as a Provincial level reserve and upgraded to national level reserve in 2003, this is one of the largest nature reserves in China, with a total area of over 152300 square kilometres. Here, at least 20 community agreements will be made for the co-management of at least 58000 sq km. Community institutional arrangements (including roles, rights and responsibilities) and management capacities will be developed and strengthened. Community resource management plans will be developed and sustainable use thresholds established as well as mechanisms for monitoring sustainable offtakes. It is expected that clear resource access and use rights will give local communities the incentives to better manage local resources and protect them from unsustainable use by both community members and by outsiders. The roles of the Forestry Bureau and other agencies (including NGOs) will be clarified in formation and post-formation support of such community organizations and in ensuring that communities abide by their agreements with the government.

19. By implementing the above-mentioned components, the project is expected to achieve significant global benefits. These will be achieved from the reduction of pressures on biodiversity through an improvement in PA management effectiveness in Qinghai of over 218000 sq. km of PA estate that will lead to improved BD status in PAs— as threats to biodiversity are reduced. This will improve the efficacy of PAs as a mechanism to address current threats and likely climate change. In particular, the demonstration work at the Sanjiangyuan NNR will have global biodiversity impacts covering an area of over 152300sq km. This protected area is well known for its extensive wetlands and as habitats for globally threatened species such as the snow leopard, Tibetan antelope, wild yak, argali and black-necked crane.

B. CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS

20. The proposed Project is well aligned with national and provincial policies, programmes and plans. China's 11th National Five-year Plan (2006 - 2010) identifies "protecting the eco-environment" as a key strategy. One of the key principles guiding China's Western Development Strategy over the 11th Five Year Plan period is the need to strengthen environmental protection activities. It emphasizes the need for sustainable use of natural resources in order to provide ecological security for the Western Provinces. The newly drafted National Biodiversity Strategy and Action Plan lists Sanjiangyuan as the largest of the 33 biodiversity hotspots in China. The 11th Five Year Plan of Qinghai Province regards effective protection and restoration of important ecological areas and control over environmental degradation as one of its key goals. The project is also aligned with the goals of the 5 year plan for the ecological protection and construction of the region, which was approved at the 79th Regular Meeting of the State Council in January 2005. The plan aims to promote sustainable development of the environment, economy and society in the Sanjiangyuan region by 2020. Given the high biodiversity importance and the importance of the province in providing ecosystem services to rest of China and Southeast Asia (water services), the project is deemed of high national priority.

21. The project is part of the China Biodiversity Partnership and Framework for Action (CBPF), which is China's primary GEF investment strategy for biodiversity conservation. This project has been designed to address urgent, priority and catalytic issues identified under the CBPF. In particular, it will contribute directly to the following Results:

- 1) Result 18: NRs and PNRs are effectively managed;
- 2) Result 19: NNRs and PNRs have stable and sufficient finance;
- 3) Result 20: at NNRs and PNRs, local communities, NGOs and/or the private sector are involved in PA co-management and development

22. The China Biodiversity Conservation Action Plan (1994) (China BCAP, which is equivalent to BSAP), had noted the need for improvement of national nature reserve and PA networks as one of the 7 objectives for biodiversity conservation. This identified the need to develop a management plan for each nature reserve, undertake staff training, exchanges and cooperation among nature reserves, establish management information system of nature reserves, and promote community co-management amongst several other actions. Subsequently, the China Biodiversity Country Study (1998) identified the plateau mountainous region between Qinghai, Xinjiang and Tibet as one of the 17 key biodiversity areas in China. Therefore this project proposal is fully in line with the China BCAP.

23. More recently, the Government of China has promoted the concept of Ecological Function Conservation Area as an innovation in the ecological conservation. In July 2008, the National Ecological Function Zones was jointly issued by Ministry of Environment Protection and Chinese Academy of Sciences. The targeted project demonstration area has been identified as one of the most important zones for ecological function of biodiversity conservation and water retention in China. Similarly, in 2008, the National Overall Planning of Land Use (issued by the State Council) stated the need for plateau wetland conservation, combat degraded grassland, and SNRR conservation.

24. At the provincial level, the Sanjiyuang headwaters area conservation and management is also a provincial priority as stated in the Provincial Ecological Environment Construction Planning and Provincial Implementation of National Decision on Forestry Development by the State Council and Central Communist Party Committee, regarding to habitat protection, nature reserve management, and biodiversity conservation and its sustainable use.

C. CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS

25. The project is consistent with the GEF Strategic Objective 1 - To Catalyze Sustainability of Protected Area Systems. The project's activities to strengthen overall capacities of provincial government and to strengthen overall effectiveness of the Qinghai PA management system will contribute directly to the Strategic Program 3: Strengthening Terrestrial Protected Area Networks. In addition to strengthening overall PA management effectiveness, the project's work to increase co-management will, in effect, increase the area under effective conservation management (this will be measured against control areas). The project's work on building capacities will also include a component on sustainable financing – particularly on increasing cost-effectiveness through partnerships and community involvement, which will contribute to Strategic Program 1: Sustainable Financing of Protected Area Systems.

D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES

26. The GEF resources will mostly be utilized as technical assistance. However, some amounts may be used as investment fund to strengthen community co-management at the demonstration site – which will be based on needs assessment during the project development phase. Small seed funding to community revolving funds may also be supported and these will be subject to detailed analysis during full project preparation phase of this project.

E. COORDINATION WITH OTHER RELATED INITIATIVES

27. The proposed project will ensure strong cooperation, collaboration and knowledge sharing with on-going and planned initiatives in China. The China Biodiversity Partnership will also provide the national platform to ensure strong coordination with other approved and planned GEF biodiversity projects as well as other relevant initiatives of the Government and development agencies. Key initiatives that the project will coordinate with, and build on, include:

- 4) Starting from 2008, the State Forestry Administration initiated a PA strengthening program in nearly 200 PAs under its management. It selected 51 PAs to pilot PA management effectiveness planning in 2009, including two from Qinghai - the Qinghai Lake NNR and Qinghai Kekexili NNR. The proposed GEF project will build on this project's experience
- 5) The EU-China Biodiversity Conservation Programme, which is executed by UNDP-China, is also supporting community conservation efforts in Qinghai. Similarly, past and ongoing work of international NGOs such as CI, TNC and WWF, Plateau Perspective and national level NGOs such as Shanshui Conservation Centre, and Qinghai Sanjiangyuan Conservation Society also have also relevance to this proposed project on community conservation, communication and capacity building.
- 6) Strong coordination and collaboration with PRC/ ADB/ GEF Partnership Project on Combating Land Degradation in Dryland Ecosystem will also be ensured to avoid duplication of work and to build on their lessons.

F. VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING

25. Without GEF support, PA management in Qinghai will continue to be hindered by weak support by Provincial, local government, inter-sectoral and local community support. PA management capacities will remain at a basic level and system-wide institutional, policy reforms, and capacity building will not occur within the timeframe which is required to address urgent threats to global biodiversity values. Under the baseline, protected areas will continue to be under-resourced and park-people conflicts will continue – with low levels of participation and support by local people for conservation activities within Protected areas. Different agencies will continue to promote their agenda and actions without due consideration to their impacts on biodiversity in and adjacent to protected areas and this may actually increase future costs of amelioration of biodiversity loss and degradation. The Project will generate global benefits directly in an area estimated at 58000 sq km through co-management and an additional 94300 sq. km through strengthened institutional and staff capacities (totalling 152300sq km) for overall PA management at a demonstration

site. By strengthening overall provincial institutional arrangements and coordination capacities and actions for mainstreaming biodiversity, and by strengthening PA management authority's institutional and individual capacities, the project will also contribute to overall effective management of Qinghai's protected areas totalling 218000 sq. km.

G. RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN

Risk	Rating	Mitigation Measure
Mainstreaming biodiversity into sectoral policies will be hindered by lack of incentives for other sectors and poor enforcement of agreed priorities and plans	Low	Inter-sectoral coordination has generally tended to mean joint meetings to share information as opposed to joint actions for results. Therefore, this project proposes to not just focus on coordination but joint planning, approval of policy, programmes and legislation at provincial level with participation of key biodiversity impacting sectors and agencies. Since this project will be led by the Finance Bureau of the Province, it is expected that effective partnership between different (and sometime competing) agencies will be achieved. Given the importance the Central Government has put on ecological management of this region, there is an added impetus for all agencies in the Province to work together and the project is being formulated with this spirit of partnership. In addition, the full participation of the private sector, local communities, scientists and other members of the civil society in the project design and implementation will also be helpful to mitigate this risk.
Severity of climate change impacts will undermine conservation efforts promoted by the project through changes in biodiversity distribution and changes in community resource use intensities	Low to medium	Given that climate change impacts are likely to increase over the long term, the project will assess these and propose actions to increase approaches to increase ecosystem resilience. This is expected to help in addressing threats of climate change to biodiversity in the region, particularly through co-management, which will use both traditional and scientific knowledge to cope with changed climate variability and changes.
Even under co- management, economic development interests of communities will override conservation priorities, leading to continued loss and degradation of biodiversity	Low	Whilst there is significant interest amongst local communities to be entrusted with conservation of the land where they live, the project realizes that both "carrot and sticks" may be required for some communities to implement agreed conservation actions (when it is not of direct economic benefit for them or actually causes losses in some livelihood opportunities). The project will ensure that communities are not completely burdened with conservation actions and that they receive reasonable financial and other support for the conservation work they do.

H. EXPECTED COST-EFFECTIVENESS OF THE PROJECT

26. The project is considered cost-effective in several ways. Firstly the total project investment for strengthening overall PA effectiveness in Qinghai means that per year the investment per square kilometres will be around 20 dollars for Sanjiangyuan National Nature Reserve, which will be under direct project support and only 15 dollars per square km if Qinghai's entire PAs are considered. The project is also considered cost-effective as it will build on pilot community conservation approaches being tested in the province, which will save pilot testing of such approaches. The project's approaches in building support from across multiple sectors, local communities and building capacities of the provincial forestry bureaus are also expected to lead to more cost-effective PA management by avoiding duplication of work, avoiding biodiversity degrading investments (which would require additional resources for ecosystem rehabilitation should that even be feasible) and by ensuring sharing of timely information and resources.

I. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY

27. At global level, UNDP's signature programme on PAs has led to significant biodiversity conservation impacts. In China, UNDP is the leading agency for the CBPF through which it provides support to the Ministry of Environmental Protection to identify and implement priority themes for biodiversity conservation in China and to generate significant conservation results in the next 10 years. UNDP


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):

(Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

NAME	POSITION	MINISTRY	DATE (<i>Month, day, year</i>)
Weihua Lin	GEF Operational Focal Point	MINISTRY OF FINANCE	APRIL 20, 2009

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	Date (<i>Month, day, year</i>)	Project Contact Person	Telephone	Email Address
John Hough UNDP-GEF Deputy Executive Coordinator		January 27, 2010	Sameer Karki,	+662-288- 2729	Sameer.karki@undp.org

¹ Qinghai Provincial IEM Strategy and Action Plan for Land Degradation Control, PRC/GEF Partnership Project on Combating Land Degradation in dryland Ecosystem of Qinghai Project Office, December 2006