



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: FULL SIZE PROJECT

TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title: Securing Biodiversity Conservation and Sustainable Use in Huangshan Municipality			
Country(ies):	China	GEF Project ID: ¹	4526
GEF Agency(ies):	FAO	GEF Agency Project ID:	612661
Other Executing Partner(s):	The Municipal Government of Huangshan City (Anhui Province)	Submission Date:	January 10, 2014
GEF Focal Area (s):	Biodiversity	Project Duration(Months)	60
Name of Parent Program (if applicable):	China Biodiversity Partnership and Framework for Action	Agency Fee (\$):	260,727
	<ul style="list-style-type: none"> ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> 		

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
BD - 1	Outcome 1.1 Improved management effectiveness of existing and new protected areas.	<p>Output 2. New protected areas and coverage of unprotected threatened species (biodiversity friendly corridor connecting three project supported protected areas created representing 3,800 ha).</p> <p>Output 3. Six sustainable financing plans prepared for existing PAs under improved management.</p>	GEF TF	1,445,550	6,410,175
BD - 2	Outcome 2.2. Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks.	<p>Output 1. Policies and regulatory frameworks for production sectors (at least 3 policies, one new policy and/or regulatory framework promoting "mainstreaming" of biodiversity principles in 3 production sectors).</p> <p>Output 2. National and sub-national land-use plans that incorporate biodiversity and ecosystem services evaluation (a biodiversity conservation eco-tourism master plan).</p>	GEF TF	1,161,723	4,098,037
Total project costs				2,607,273	10,508,212

¹ Project ID number will be assigned by GEFSEC.

² Refer to the [Focal Area/LDCF/SCCF Results Framework](#) when completing Table A.

B. PROJECT FRAMEWORK

Project Objective: The goal of the proposed project is to secure the effective conservation and sustainable use of the biodiversity in the mountainous forest ecosystems of Huangshan Municipality. The project's specific objective is to evaluate, adapt and implement relevant "best practices" derived from the successful management of Huangshan National Scenic Reserve to strengthen and upgrade the existing municipal system of PAs.

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. Policy, Planning and Institutional Arrangements	TA	An integrated approach to the conservation and management of forest biodiversity through strengthened, coherent policy, planning and institutional framework in Huangshan Municipality reduces pressures on protected areas from tourism, forestry and agriculture sectors across 50,414 hectares.	(i) policies for: (a) the conservation of biodiversity, (b) establishment of a municipal NR system and (c) management of alien species; (ii) two policies to bolster efforts to strengthen management of county-level nature reserves (e.g. enabling access to new funding sources; address wildlife-community conflicts; (iii) three long-term plans to guide the implementation of the two project supported policies (a and b of output i above) and a municipal forest ecotourism master plan; (iv) a permanent Biodiversity Conservation Committee (policy); and (v) a permanent Biodiversity Advisory Committee (technical).	GEF TF	203,340	181,500
2. Improved NR Management Effectiveness and Networks	TA, INV	Improved management effectiveness results in enhanced protection by 12 project supported nature reserves (67,496 hectares) included in the municipal network of protected areas (measured by using the BD O1 TT).	(i) sector plan promoting the integration of biodiversity conservation as management objective in Huangshan NSR master management plan; (ii) management plans (2) and framework plans (3) for the 5 Tier 2 NRs; (iii) six local community co-management	GEF TF	1,470,134	8,487,900

			committees (CCCs) to assist NR staff in conserving local biodiversity resources; (iv) web-based Network for Huangshan NRs; (v) landscape created to support Biodiversity conservation; (vi) competitive applied research grant program to support science-based management decision-making in project supported NRs; and (vii) integrated monitoring program among target NRs.			
3. Capacity Building, Environmental Education and Public Awareness	TA	Increased institutional capacity and public and political support for the conservation of biodiversity in China's forest ecosystems.	(i) master training plan; (ii) 600 NR staff, 280 government official and 120 community leaders trained; (iii) project public education plan.; (iv) biodiversity-based curricula in pilot primary (1) and secondary (1) schools; (v) annual primary and secondary school readers compiling biodiversity related material for Huangshan school system; (vi) "world class" biodiversity interpretation center in Huangshan National Scenic Reserve; and (vii) 80 km of trails in HNSR posted with biodiversity conservation interpretive materials.	GEF TF	507,899	1,385,212
4. Information Dissemination and Monitoring & Evaluation	TA	Evidence that "lessons learned" from the project are being taken up and replicated elsewhere in the non-participating NRs.	(i) project webpage; (ii) project-related "best-practices" in biodiversity conservation (iii) 5 peer-to-peer consultative workshops for NR staff (iv) midterm and final evaluations reports disseminated.	GEF TF	301,600	167,400

	Subtotal		2,482,973	10,222,012
	Project management Cost (PMC) ³	GEF TF	124,300	286,200
	Total project costs		2,607,273	10,508,212

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
Provincial Government	Huangshan Municipal Bureau of Finance	Grant	3,900,000
Municipal Government	Huangshan Administration Committee	In-Kind	853,100
Municipal Government	Huangshan Administration Committee	Grant	4,620,512
Municipal Government	Huangshan Tourism Development Company	Grant	372,000
County Government	Yixian County Bureau of Forestry	Grant	88,200
Others	Village Producers Councils	In-Kind	436,500
GEF Agency	FAO	In-Kind	237,900
Total Co-financing			10,508,212

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
FAO	GEF TF	Biodiversity	China	2,607,273	260,727	2,868,000
Total Grant Resources				2,607,273	260,727	2,868,000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	150,000	0	150,000
National/Local Consultants	354,700	0	354,700

G. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

³ PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF⁴

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc .NA

1. The explanation of the alignment with the NBSAP has been updated since the PIF with the following text:
2. The project also supports key strategic actions defined under the China National Biodiversity Strategy and Action Plan (NBSAP) revised for the period 2011-2030. The NBSAP comprises eight strategic tasks, 30 actions under ten priority domains, and 39 biodiversity conservation priority projects.
3. The project is consistent with all eight Strategic Tasks, in particular, #1: Further improve related policies, regulations and systems on biodiversity conservation; #2: promote mainstreaming of biodiversity conservation into related planning processes; #3: strengthen capacities for biodiversity conservation; #8: raise public awareness and strengthen international cooperation and exchange.
4. The project supports a key NBSAP Priority Areas of Inland and Terrestrial and Aquatic Conservation – area 7: the Hilly Plain Region of East and Central China, where Huangshan mountain area of Anhui province is designated as one of the priority geographic areas of biodiversity conservation.
5. The project supports the following Priority Actions: Action 4: incorporate biodiversity conservation into relevant sectoral and regional planning and programmes; Action 7: carry out baseline surveys on biological resources and ecosystems; Action 9: undertake biodiversity monitoring and pre-warning; Action 11: undertake comprehensive biodiversity evaluation; Action 12: integrate the implementation and improvement of national nature reserve planning; Action 14: standardize nature reserve development and improve the effectiveness of management of nature reserves; and Action 29: establish mechanisms of public participation.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. NA

A.3 The GEF Agency's comparative advantage: NA

A.4. The baseline project and the problem that it seeks to address:

6. The project area consists of Huangshan Municipality, located in Eastern China's Anhui Province covering some 9,807 km² in area with a total population of 1.5 million. The landscape is dominated by a number of mountain ranges of which the Huangshan, Baijishan and West Tianmushan are the most important in terms of biodiversity of global significance. Major forest types include evergreen broad-leaved forest, evergreen and deciduous broad-leaved forest, deciduous broad-leaved forest, mixed coniferous forest and at higher elevations, conifers. Forest cover in the municipality represents approximately 75% of total area.

7. There are at present seventy-three (73) protected areas⁵ (PA) in Huangshan Municipality covering an aggregate 105,747 hectares (see Table 1 in Section 2 of project document for summary information). Of the 73 PAs, the project aims to carry out activities directly with twelve (12) PAs, including: three (3) national scenic reserves (NSR); two (2) national nature reserves (NNR) with a national status and a budget financed directly from national coffers; six (6) out of the seven (7) provincial nature reserves (PNR) (one PNR is excluded from the inclusion in the project activities due to its proximity to a military facility); and one (1) county nature reserve. The remaining sixty (60) county-level reserves will benefit indirectly from the project. Almost all of these county reserves were designated based upon their cultural or historical significance. Natural values and biodiversity benefits played little role in their designation, and therefore in most cases these are extremely small sites with no active management per se and no significant biodiversity or ecosystem benefits. With the exclusion of one PNR, the project aims to directly and indirectly contribute to the total of 103,000 hectares of PAs.

⁴ For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question

⁵ The term “protected area” is used here as a general term that encompasses many different kinds of specially managed areas at all levels, including national and provincial nature reserves, scenic areas, and so on.

8. The largest and best known of the three National Scenic Reserves is Huangshan (Yellow Mountain). Situated in Huangshan Municipality, Huangshan was designated a national scenic reserve (NSR) due to its geological formations and visual landscapes that have become world renown. Huangshan National Scenic Reserve (HNSR) subsequently was declared a “Key National Scenic Area” (1982) and became one of the country’s top 10 tourist attractions (1985) and a World Heritage Site (1990). It receives on average over 2 million visitors a year and its entrance fees alone are estimated to generate USD 75 million annually. Infrastructure, personnel and management effectiveness are “world class”. The area is managed by the Huangshan Administrative Committee (HSAC) in close partnership with the Huangshan Tourism Development Company (HTDC), a publicly traded company in which the government has a 51 % ownership interest. The HNSR also represents one of the best-preserved forest ecosystems in eastern China (an estimated 93% of the area remains in forest cover).

9. **Threats to biodiversity conservation.** The main categories of threats to China’s biodiversity are⁶: (i) overgrazing of grasslands, (ii) loss of wetlands, (iii) commercial and illegal logging of forests, (iv) construction and mining/resource exploitation, (v) urban expansion, (vi) monoculture, (vii) invasive alien species, and (viii) climate change. Over the longer term, there is growing concern over the possible effects of climate change (CC) on Huangshan’s forest ecosystems including those representative samples found in the existing system of nature reserves. Meteorological monitoring at HNSR indicates a measurable warming over the past 50 years and anecdotal evidence highlights the noticeable earlier arrival of migrating birds and butterflies in the Spring season. Evidence to date appears to indicate that CC may be contributing to more extreme weather events and changes in certain species distributions and increased vulnerability of forest ecosystems to fire, disease and alien species.

10. Despite the government and public commitment to and support for environmental protection in Huangshan Municipality, there is growing evidence that biodiversity conservation objectives are not being fully achieved through the existing NR system. Many NRs face significant challenges in working cooperatively with adjacent communities and/or communities located inside the reserves themselves. For example, an estimated 2,400 people live inside Lingnan Provincial NR, which measures only 28 km². Many community members’ livelihoods depend largely on the extraction of natural resources (fuel wood, medicinal herbs and/or hunting). Illegal logging and hunting in NRs continues at low levels despite past efforts to control it. Similarly there is evidence that illegal fishing is also prevalent in a number of rivers that pass through some NRs that include the use of such outlawed methods as electric rods contributing to mass kill-off. Annual fires associated with clearing of fields for planting poses an additional major threat to a number of NRs.

11. The METT scoring reveals most of these threats to be low level (see Table 1 in project document). However, they are not insignificant. Altogether they form a constant degrading pressure on NRs and their ability to conserve the biodiversity entrusted to them. In the absence of strengthening NR management capacity and the emerging NR system as a whole, these pressures will continue to degrade habitats and biodiversity.

12. In addition to the threats outlined above, Huangshan’s PA face another threat to biodiversity and to effective PA management: the potential adverse impacts associated with increasing visitation to the municipality’s nature reserves and the absence of policies, plans and capacity to manage this new use of NRs.

13. In recent years, tourism has grown exponentially in China, reaching an estimated 55 million foreign visits (in 2010). Domestic tourist trips were estimated at 1.9 billion for the same year. In 2009 among these trips there was an estimated 333 million visits to China’s NRs alone. The country’s continued development and diversification of the economy, a growing middle class with disposable income, and the growth in foreign visitors altogether provide a basis to project a continued increase in visitation rates to the country’s NRs. There is, however, increasing evidence that mass tourism, characterizing many of China’s NRs, is adversely affecting the ecological integrity of the reserves themselves and the provision of “goods and services” including the conservation of biodiversity. Fortunately, there are examples of State NRs (including HNSR) that are working to meet the challenge of accommodating increasing visitation while still conserving biodiversity. But pressure on these NSRs is increasing faster than their capacity to improve biodiversity conservation effectiveness.

⁶ China Biodiversity Partnership and Framework for Action (CBPFA) 2007–2017
GEF5 CEO Endorsement Template-December 2012.doc

14. However, the main constraint identified is the lack of human capacity in the conservation of biodiversity at all levels comprising the municipal NR system. Even in the HNSR itself, which in many respects meets international standards in terms of planning and management as a scenic reserve, there is little capacity with respect to managing biodiversity. This includes a lack of baseline data and scientifically based monitoring programme. The management effectiveness of other Huangshan NRs suffers from these constraints along with other constraints such as no community outreach programmes and visitor facilities are poor to non-existent. The situation is exacerbated further by lack of coordination and collaboration between and among many of the relevant mainline government agencies of which the most important are the Bureau of Forestry (responsible for natural forest reserves and protected areas) and the Bureau of Construction (responsible for national scenic reserves).

15. Baseline investments, project co-financing and incrementality of GEF investment. To summarize, the baseline scenario is characterized by: (i) a relative large, intact forest ecosystem that faces a number of threats; (ii) a system of nature reserves that is defined by a loose assemblage of protected areas, many of them too small to achieve their intended management objectives and all operating in relatively isolation from each other; (iii) weak institutional capacity in most of the municipal NRs; (iv) a traditional planning and management approach best described as top-down with little public participation; (v) lack of a science-based baseline and monitoring information system needed to inform decision-making; (vi) policy and planning gaps particularly at the municipal level impeding consideration and adoption of more effective management options; (vii) lack of inter-institutional coordination among agencies responsible for protected areas and more generally conservation of biodiversity; and (viii) a growing demand for opening selected reserves to tourism visitation as part of municipal-wide effort to provide an expanded and diversified experience to tourists.

16. This project is designed to utilize incremental GEF investment to improve upon this baseline scenario by “topping-up” a significant baseline suite of projects in order to enable this baseline (and future baseline funding) to generate global benefits. Current initiatives for environmental protection under the existing NR system provide a starting point and solid basis for an enhancement of biodiversity conservation. The proposed GEF investment will be targeted towards addressing the weaknesses and gaps of the current system, significantly increasing the municipalities’ capability to effectively protect Huangshan’s biodiversity against the threats outlined above.

17. The most important baseline activities that the GEF investment will improve and leverage include the following:

18. **Huangshan National Scenic Reserve (HNSR)** managed by the **Huangshan Scenic Area Administrative Committee (HSAC)** [co-financing value US\$ 5,473,612]: The existing management structure of the HSAC provides a vehicle for GEF investments as it provides institutional structures and management mechanisms highly complementary to the proposed GEF project objectives. HSAC follows the principle of “balancing preservation and usage” as reflected in the HNSR management plan including the following main elements: 1) Infrastructure support, maintenance and development including regulation of visitor flows; 2) staff support and training including in environmental protection aspects; and 3) increasing the level of information and awareness on environmental protection. The total budget of HNSR over the project period is the equivalent of approximately US\$ 38 million of which 5.5 million will co-finance activities supported by the project.

19. While the HNSR has significant capacity in terms of tourism/visitor management, infrastructure and staffing numbers, the HNSR has almost no capacity for targeted biodiversity conservation. The reserve does not feature a biodiversity conservation strategy or a list of biodiversity conservation priorities. HNSR has no staff with expertise in biodiversity conservation and no corresponding education and awareness raising program covering the biodiversity harbored in the reserve. While the reserve does informally monitor the condition of its endemic (and signature) Huangshan pine, there is little to no systematic monitoring or information gathering about the Reserve’s biodiversity and therefore little basis upon which to develop and implement a biodiversity conservation plan. And finally, the reserve currently operates as an island on its own with no mechanism or system in place for cooperating with other reserves in Huangshan Municipality.

20. Utilizing the extensive management system already in place, the GEF incremental funding will fill these biodiversity related gaps and thereby enable the reserve to, for the first time, establish a biodiversity conservation

program. This will in turn serve as a model for the surrounding reserves and be a critical part of the network building approach of the project. The Reserve's solid operational capacity will maximize the direct results and long-term impact of the proposed GEF intervention.

21. Investments in upgrading of Qingliangfeng Nature Reserve from provincial NR to national level NR [co-financing value US\$ 3,900,000]: Anhui Provincial Bureau of Forestry and the Huangshan Municipal Bureau of Finance have earmarked over 3.9 million USD to improve the infrastructure of the reserve, to procure needed equipment, and to prepare and implement reserve management and operational plans. But the reserve has little to no biodiversity conservation capacity, no biodiversity monitoring program, and no management effectiveness training program in place that includes biodiversity as a priority. There is no sharing of information with other reserves. GEF funds will address these gaps and thereby leverage the existing baseline program into an effective and efficient investment in biodiversity conservation. The incremental funding will enable the reserve to establish and implement a biodiversity conservation program and enable the reserve to play an important role in the emerging protected area network in Huangshan Municipality.

22. Local communities' co-management contribution [co-financing value US\$ 436,500]: This baseline program aims at establishing co-management mechanisms enabling local communities to make an active contribution to the management of the NRs. The baseline activity is highly complementary to the GEF investment which also includes efforts to engage local communities in biodiversity conservation efforts. GEF resources will ensure that biodiversity is an integral part of the co-management framework by providing incremental expertise and investment and piloting biodiversity sensitive co-management mechanisms including demonstrating low-impact sustainable livelihood options with local communities.

23. The five communities identified to participate in co-management pilot efforts and some of their focus activities are Shanchacun (camellia oil cultivation, ecotourism); Fucun (bamboo cultivation); Chengcun (bamboo cultivation); Shanglingcun (torreya cultivation); Lianguangcun (bamboo cultivation).

24. Huangshan Tourism Development Company (HTDC) [co-financing value US\$ 327,000]: Ongoing investments into tourism development, that focus on the added benefits from creating a well connected network of different Huangshan protected areas, are highly complementary to the proposed GEF investment. The baseline activity on tourism development has no specific focus on biodiversity. The GEF incremental resources will ensure mainstreaming of biodiversity conservation objectives and priorities into the existing HTDC investment in particular and broader tourism planning and management in the Huangshan area in general. The resulting mechanisms for biodiversity conservation and ecosystem protection will be valuable assets for sustainable tourism in Huangshan. The proposed GEF investment will enable the HTDC to become a full partner in building an effective network of NRs that benefits tourism while enhancing biodiversity conservation.

25. Yixian County Bureau of Forestry [co-financing value US\$ 88,200]: The baseline project implemented by the Yixian County Bureau of Forestry aims at the improvement of the management system of the Wuxishan provincial nature reserve, especially regarding timber production management and prevention of illegal logging. The incremental GEF investment will help Yixian County to fully incorporate biodiversity conservation and sustainable use practices into its emerging management system. In addition, the GEF project will facilitate the exchange with other NRs in the area, especially the HSR. Co-management mechanisms established through the GEF investment (see details above) will play a major role in enhancing local communities' awareness and recognition of the real value of forest resources as a long-term source of income. Recognizing the strong complementarity of objectives between the baseline project and the GEF incremental funding, the Yixian County Bureau of Forestry will contribute co-financing for building a field station to enable the effective implementation of biodiversity conservation activities.

26. GEF resources will build on the existing management system and leverage current investments in order to significantly improve biodiversity conservation in comparison to the baseline scenario. The alternative scenario brought about by the incremental GEF investment will feature enhanced and expanded provision of technical assistance for:

- the main-streaming of biodiversity considerations in policy frameworks and line agency sector plans combined with means for their implementation, and

- improving the management effectiveness of existing protected areas in part by strengthening biodiversity conservation capacity of target reserves and through the modernization of the existing approach to the planning and management of nature reserves (e.g., through support for a “bottom-up” participatory planning with local communities).

The proposed GEF project will achieve this through the incremental/additional reasoning approach described below.

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

The structure of the incremental activities has been modified slightly during the project design process from the information provided in the PIF. This involves the merging of Component 2 (Improved PA Management Effectiveness and Networks) and Component 3 (Threat Mitigation, Biological Corridors and Alternative/Sustainable Livelihoods) from the PIF into a (new) Component 2 which retains the same title as cited in the PIF. During preparation it became increasingly clear that emphasis should be put on increasing capacity and management effectiveness in existing NRs to address projected increased in tourism visitation and assessing and monitoring the long-term impacts of Climate Change. As a result for purposes of streamlining project design the two components were merged and activities under “old” Component 3 were integrated into Component’s monitoring sub-component (sub-component 2.6) or became stand-alone sub-components under “new” Component 2 (sub-components 2.2 and 2.4).

The goal of the Project is to secure the effective conservation and sustainable use of the biodiversity in the mountainous forest ecosystems of Huangshan Municipality. The Project's specific objective is to evaluate, adapt and implement relevant "best practices" derived from the successful management of Huangshan National Scenic Reserve (HNSR) to strengthen and upgrade the existing municipal system of PAs.

Progress towards meeting this goal would be achieved through supporting the implementation of three mutually reinforcing technical components plus a crosscutting component. The project components address: (i) Policy, Planning and Institutional Arrangements; (ii) Improved Nature Reserve Management Effectiveness and Networks; (iii) Capacity Building, Environmental Education and Public Awareness; and (iv) Information Dissemination and Project Monitoring & Evaluation.

27. With 73 protected areas in the municipality it was not possible to support a single comprehensive approach whereby all reserves were treated equally. More specifically, project activities will be allocated to different “clusters” of reserves through their participation in one of four Tiers (see Project document, Section 2.1 Project Strategy for details).

28. To meet the project objective and in light of the large number of existing nature reserves and significant differences in capacity, the Project has been designed using a Tiered approach (Figure A) beginning with HNSR in Tier 1 and five reserves in Tier 2. These reserves will be strengthened through the introduction of new concepts in planning and management including promoting greater participation of local communities living in or adjacent to the reserve. Tier 3 is comprised of an additional 6 reserves that will participate in the creation of a reserve network and ecological health monitoring activities. Tier 4 includes 61 county level nature reserves that will participate in project-supported capacity development activities.

29. Supported by an enabling policy framework that will build on the project’s initial experiences and “lessons-learned” it is expected there will be good potential in the middle to long term for replication and scaling up to other nature reserves in the municipality. The experiences derived from this approach will also be used as a basis to develop and finalize a biodiversity conservation eco-tourism master plan (and model) for Huangshan Municipality’s System of Protected Areas. A series of publications based on “best practices” achieved during implementation, “peer to peer” site visits and a web page will be used to ensure wide dissemination of project “products” to other PAs in China.

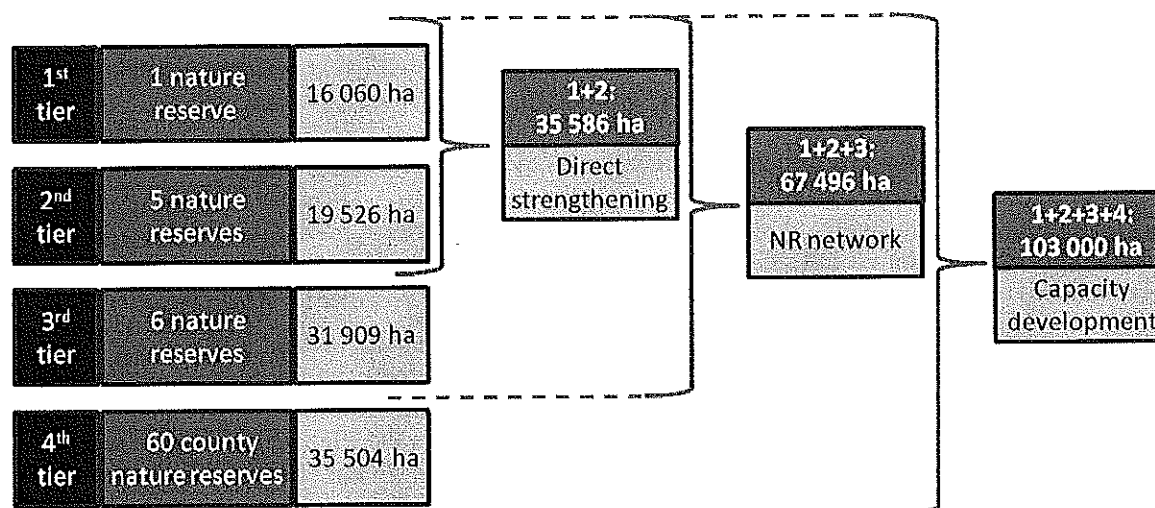


Figure A: Overview of Tiered system of activities

30. The expected outcomes of the five year project are: (i) creation of an integrated approach to the conservation and management of forest biodiversity supported by a coherent policy, planning and institutional framework in Huangshan Municipality (biodiversity conservation identified and incorporated as a priority in the Huangshan Municipal 13th 5 Year Social and Economic Development Plan); (ii) an increase in average management efficiency in 12 project supported nature reserves included in the municipal network of protected areas improving the status of protected areas (average management efficiency score in BD Tracking Tool (TT) increased from 50 to 65 and improvement in key biodiversity species indicators), (iii) an increased institutional capacity and public and political support for the conservation of biodiversity in China's forest ecosystems (biodiversity modules Mainstreamed in 10 primary and 10 secondary school curricula, biodiversity considerations incorporated in 6 economic sector development plans, and visits in 5 project supported NRs increased to 80,000); and (iv) evidence that "lessons learned" from the project are being taken up and replicated elsewhere in the non-participating NRs (5 non-project supported NRs adopt one or more of the new approaches generated by the project).

31. Global environmental benefits (GEB) to be achieved through the Project include:

- (i) Direct strengthening of 12 national and provincial reserves to better conserve biodiversity of global significance that in aggregate represent 67,496 ha (1st, 2nd & 3rd Tier reserves) through improved management planning (Tiers 1-2) and participation in the creation of a NR network and capacity building activities (the 6 national and provincial reserves in the 3rd Tier).
- (ii) Indirect strengthening of an additional 60 county reserves representing a total of 35,504 ha through training and access to PA network resources and information (all Tier 4);
- (iii) Biological diversity conservation objectives and practices mainstreamed into a total of 50,414 hectares of productive forest and agriculture land.
 - (a) establishment of a biologically friendly forest corridor measuring an estimated 3,800 ha in size connecting Mt Wuxishan (Wuxishan PNR) and Jiulongfeng Peak (Jiulongfeng NNR) with the HNSR; and
 - (b) improving the sustainability of an estimated 46,614 ha of agricultural lands through project-supported efforts to "main-stream" biodiversity considerations in policies and regulation in this priority sector.
- (iv) Unique bamboo forest in Qingliangfeng NR maintains its 40 species composition.
- (v) Number of giant spiny frog *Paa spinosa* (IUCN VU) found in 1,000 meter transects in target PA streams is maintained or increases.
- (vi) stable population and condition of endemic Huangshan pine (*Pinus hwangshanensis*) in HNSR.

32. Finally, there exists substantial opportunities for replication of the experiences and "lessons learned" derived from project supported activities particularly in terms of striking a sustainable balance between biodiversity conservation objectives with tourism development; a growing issue in China's protected area system. The dissemination of these

"products" from the proposed project is likely to be catalytic in launching similar approaches in other parks in both China and elsewhere in the world.

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:

33. One additional risk was identified to add to those identified during the preparation of the PIF which was the timely provision of co-financing. Nevertheless, this was judged to be low given the increasing priority Government is placing on environmental protection in China and the government is placing on ecotourism for the municipality's future development and economic well-being.

A.7. Coordination with other relevant GEF financed initiatives.

34. Coordination and exchange of information at the NR level will be facilitated through NR staff participation in relevant public fora, cross-site visits, exchange of information, postings on the project webpage and mailings of relevant publications and newsletter. In particular the project should seek coordination with the following initiatives that differ by ecosystem but share many common approaches and principles:

- Guangxi Integrated Forestry Development and Conservation Project (though scheduled to be closed in June 2013 the PMO has been extended into 2014);
- Demonstration of Estuarine Biodiversity Conservation and Restoration and Protected Areas Network Project; and
- Strengthening the Management Effectiveness of the Wetland Protected Area System in Hainan for Conservation of Globally Significant Biodiversity (and the parent China Wetland Programme).

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

35. The main stakeholders in the Project and the respective mechanism(s) to facilitate their engagement in project implementation have been provided in the table below. Briefly these are: (i) the Huangshan Municipality Administrative Committee (HSAC) as the Project's Execution Partner; (ii) the Food and Agriculture Organization of the United Nations (FAO) as the GEF Agency; (iii) the Anhui Provincial Bureau of Forestry (PBOFo) that will provide policy guidance and participate in the PSC; (iv) the Huangshan Municipal Bureau of Finance (MBOF) that will provide counterpart financing to several project supported NRs and sit on the PSC; (v) the Huangshan Tourism Development Corporation (HTDC) that will provide support for the establishment of the computer-based network among the 12 participating NRs and sit on the PSC; (vi) participating local government agencies (in particular the Municipal Bureaus of Forest, Tourism and Agriculture and Fisheries, respectively) that will collaborate to mainstream biodiversity conservation objectives in their decision-making processes (through training and consultative workshops supported under the project and their representation on the BCC; (vii) the Yixian County Bureau of Forestry that will provide co-financing in support of one of the project supported NRs and sit on the PSC; (viii) the NR staff in the 12 Reserves receiving direct support under the Project that will coordinate through the PMO and the establishment of local administrative cadres in each of the project supported NRs that will subsequently form teams across the participating NRs); (ix) local communities estimated to be 7,497 individuals representing 2,397 households living in 5 administrative villages situated in or in proximity to project-supported NRs expected to benefit directly from the Project (through the creation of Co-management Consultation Committees and the election of one representative for the 5 villages on a rotating basis to participate in the PSC); and (x) As a member of the PSC (see Section 4.2 in project document), civil society organization (CSO) Green Anhui Environmental Development Center or "Green Anhui", will lead the participation of civil society. With its network of over 50 local student environmental organizations, it will be particularly important in the area of popularizing and raising awareness of biodiversity conservation principles.

36. Beneficiaries: Other stakeholders include: (xi) different sub-sectors within the tourism sector ranging from tour operators to individuals employed to provide a range of services that will likely be positively affected by new options promoted by the project (e.g., eco-tourism). Their participation will be facilitated through the presence of the HSTC on the PSC (as co-financier) and their consultation through the preparation of the Forestry Ecosystem Tourism Plan led by Anhui University); (xii) local community schools and students benefiting from new teaching syllabus and modules

providing information on the significance of biodiversity conservation supported by on-site visits and visual aids that will help increase the students' interest in their natural environment; (xiii) tourists whose visits to well planned and managed PAs will serve to increase their awareness and knowledge about biodiversity conservation; and (xiv) the broader community benefiting from many of the public awareness activities and media events supported under the Project.

37. The main stakeholders together their main tasks and means for coordination have been described below.

Main Stakeholder Institution/Group	Relevant Roles and Responsibilities
Huangshan Municipality Administrative Committee (HSAC)	HSAC is the Project's designated Execution Partner (EP) through its Bureau of Garden and Forestry (BGF) and coordinates with other stakeholders through the PSC.
Food and Agriculture Organization of the United Nations (FAO)	The Food and Agriculture Organization (FAO) will be the GEF Agency responsible for supervision and provision of technical guidance during the implementation of the Project and coordinates with other partners through the PSC.
Anhui Provincial Bureau of Forestry (PBOFo)	Provision of policy and technical guidance to the Project through participation on the Project Leading Group (PLG).
Huangshan Municipal Bureau of Finance (MBOF)	Provision of financial support for Qingliangfeng NNR, Jiulongfeng and Lingnan PNR coordinated through participation in the PSC.
Huangshan Tourism Development Corporation (HTDC)	Provision of infrastructure and technical guidance in support of the establishment of the computer-based network among participating project supported nature reserves coordinated through the PSC.
Huangshan Municipal Bureaus of Forestry, Tourism and Agriculture and Fisheries.	that will collaborate to mainstream biodiversity conservation objectives in their decision-making processes (through training and consultative workshops supported under the project and their representation on the BCC
Yixian County Bureau of Forestry	Provision of financial support for Wuxishan PNR and participates on the PSC.
Tier 1 NR - Huangshan (HNSR)	Huangshan NSR will participate in the project in supporting increased public awareness of the presence and significance of biodiversity in the municipality and the role of protected areas in ensuring its conservation. Participation coordinated through the Project Management Office (PMO) situated in the BGF.
Tier 2 NRs (Qingliangfeng NNR, Jiulongfeng PNR, Wuxishan PNR, Tianhushan PNR and Lingnan PNR)	These 5 NRs will benefit from the Project primarily through provision of training and technical assistance to complement infrastructure and equipment provided through co-financing, instilling a participatory, bottom-up planning and management culture and using the preparation of management and operational plans as vehicles to transform the existing institutional culture. Participation coordinated through the Project Management Office (PMO) situated in the BGF and participation in cross-NR thematic training teams.
Tier 3 NRs (Shilishan PNR, Gunjiujiang NNR, Zhawan PNR, Tianhu County NR, Huashan NSR and Qiyunshan NSR)	These 6 reserves will participate in the Nature Reserve Network, Studies and Monitoring Ecosystem Health and the capacity sub-components. Participation coordinated through the Project Management Office (PMO) situated in the BGF and participation in cross-NR thematic training teams.
Tier 4 NRs (61)	Mostly county-level reserves that will participate and benefit from the Project through participating in project supported training and capacity building activities. Participation coordinated through the Project Management Office (PMO) situated in the BGF and participation in cross-NR thematic training teams.

Participating villages (Fucun, Chencun, Lianguang, Shanlingcun and Shenchecun Village)	Provision of land and labor in support of sustainable development activities coordinated through the establishment of Co-management Consultative Committees (CCC) in close collaboration with local NR staff and a representative participating in the PSC.
Green Anhui Environmental Development Center	Green Anhui was established in 2003, as a non-profit civil society organization with a focus on water environment protection, environment law and policy, and public participation. It carries out its work with a staff of ~10 environmental experts and a core group of 100 volunteers. Green Anhui is also affiliated with and supports 52 student environmental organizations throughout the province. As a member of the project steering committee, Green Anhui will support the Project through its involvement in the project steering committee and its participation in the formulation and implementation of the public awareness plan. The Project Management Office (PMO) situated in the BGF, will coordinate.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

38. Visitation to HNSR has generated significant economic benefits for the Municipality. A recent survey estimated that in the development of the HNSR as a tourist site, over 200,000 local jobs (direct and indirect) were created mainly in the hospitality industry, the vast majority filled by individuals formerly dependent on the unsustainable extractive use of the Reserve's natural resources. Other "best practices" that evolved with the successful growth of the NSR included sustainable tourism management, public awareness and participative management principles. These experiences can be drawn on and tailored to meet many of the needs of the Municipality's other NRs. Improved management of tourism and strengthened PA management effectiveness will bring tourism benefits and co-management benefits to target communities.

39. Similarly, given the number of visitors to the HNSR, promoting closer collaboration between the Reserve and the municipality's remaining NRs will contribute to increases in: (i) public awareness of the importance of biodiversity conservation, (ii) capacity to manage tourism growth in municipal NRs, (iii) sources of much needed revenue for the NRs, and (iv) visitation serving to reduce pressure on the NSR itself. Perhaps of greater significance, by addressing the issue of growing demand (and associated threats) to the municipal system of NRs, the Project will generate "lessons learned" and experiences that will have widespread relevance to many of China's other nature reserves.

40. In the short-term (i.e., 5 year life-of-project), direct socio-economic benefits will be most likely directly linked with the protected area co-management sustainable development activities supported under sub-component 2.2. These consist of project support for proven production technologies in response to local conditions characterizing the selected villages identified during project preparation, with estimated 4,000 people to benefit from these activities under Output 2.2.1. The establishment of co-management consultation committees as a pre-requisite to receiving project support will ensure gender and social equity issues are addressed through the preparation of "contracts" between the PMO and village association. Where successful, these production technologies will be promoted for adoption and replication elsewhere by relevant mainline agencies (e.g., Bureau of Fisheries and Agriculture) as well as by NR staff in other villages in proximity to their respective Reserve. Over the longer term it is expected that considerable economic benefits will be generated by the growth and diversification of eco-based tourism in Huangshan Municipality with nature reserves as the core generating employment opportunities similar, albeit in less numbers, to that which occurred in the NSNR. The ecotourism pilot activity supported under the sustainable development component will prove valuable in generating relevant experiences for evaluating for possible up-scaling.

41. Women comprise approximately 49% of the local population and will be beneficiaries of the project's co-management and sustainable livelihoods support work. The primary sources of income for women are agriculture/farming (Figure 1), ranking as the primary or secondary source of income by women in all five target villages. For local men living in the project target communities, agriculture and forestry are also important sources of

income supplemented by migrant labor as an important income source. With migrant labor playing such an important role for men, the number of women actually living and working in the project areas on a day-to-day basis is likely greater than 50% of the overall population -- closer to 60-70% of the daily local population (2012 survey data from Huangshan Municipality). Both men and women list 3-4 different sources of income in the local villages, implying a flexibility and entrepreneurship that bodes well for their participation in co-management approaches and to enable them to benefit from the improved goods and services generated by nearby protected areas.

Figure 1: Socioeconomic Data of the Project Target Villages (2012)

Village	Proximity to NR	Average per capita income (Yuan)	Sources of Income	
			Men	Women
Shenchacun	HNSR	32,086	private business	private business
			others ⁱ	agriculture
			forestry	others
Fucun	HNSR	9,450	private business	private business
			forestry	agriculture
			agriculture	others
Chencun	HNSR	8,645	agriculture	agriculture
			migrant labor ⁱⁱ	forestry
			forestry	others
Shanlingcun	Jiulongfeng NR	8,050	agriculture	agriculture
			migrant labor	forestry
			forestry	migrant labor
Liangguancun	Wuxishan NR	7,084	agriculture	agriculture
			forestry	forestry
			migrant labor	others

(i) "Others" category includes: (a) government subsidies for agricultural activities; and (b) public welfare allowance for people over age 60.

(ii) "Migrant labor income" refers to the local farmers / villagers who work in the cities as either skilled construction workers or for short-term contract in factories when they are not busy with their own farming work.

B.3. Explain how cost-effectiveness is reflected in the project design:

42. Efficiencies will be achieved primarily through: (i) the multi-phased and tiered approach adopted in project design and (ii) improving management effectiveness among individual NRs. As noted in the PRODOC, no single project could address the range of issues in such a large group as 73 PAs; any attempt to do so would likely result in dilution of impact due to limited resources available for individual reserves. In response, project design adopted a multi-phase, multi-tiered approach to Huangshan's municipal system of PAs. This approach is designed to achieve immediate results in selected Reserves in the first 5 years while in parallel establishes a firm foundation through policies, training and public awareness to support up-scaling in subsequent phases. With respect to the second point, given growing and increasingly affluent middle class in China, increased environmental awareness and demand for improved environmental quality, public allocation of resources in support of nature reserves is not a constraint. However, due to capacity limitations many of these resources are poorly used and often do not achieve their intended purpose. Building capacity in the country's nature reserves, particularly in the preparation of a "bottoms-up" and participatory approach to planning and management of the reserves will result in more efficient targeting and utilization of national budgetary resources. It is expected that the successful piloting and recognition of the innovative activities in NR management supported under the Project will serve as the basis for scaling up to other NRs both in Huangshan and beyond resulting in similar savings at reduced costs.

43. Additionally, there is substantial opportunity for the Project to avail of the some 2 million visitors received by the Huangshan NSR each year to promote an increased public awareness of the significance of the province's and municipality's biodiversity endowment and the role of Huangshan NRs in its; an approach that should be highly cost-effective and build the support needed to make project outcomes sustainable.

C. DESCRIBE THE BUDGETED M & E PLAN:

44. Monitoring and evaluation of progress in achieving project results and objectives will be done based on the targets and indicators established in the Project Results Framework (Annex A). The project Monitoring and Evaluation Plan has been budgeted at USD 196,700 (see Table 1 below). Monitoring and evaluation activities will follow FAO and GEF monitoring and evaluation policies and guidelines. Supported by component 4 the project monitoring and evaluation system led by a full-time M&E specialist will also facilitate learning and mainstreaming of project outcomes and lessons learned in relation to participatory planning, co-management models, use of science based field research to inform and improved the planning and management of nature reserves and the "mainstreaming" of biodiversity conservation considerations in sector policies and development plans.

45. The M&E tasks and responsibilities clearly defined in the project's detailed Monitoring Plan (see below) will be achieved through: (i) day-to-day monitoring and supervision missions of project progress (Project Management Office and nature reserve project managers); (ii) technical monitoring of biodiversity and ecosystem "status" indicators (PMO and NR managers in coordination with other relevant participating provincial technical units); (iii) specific monitoring plans for co-management models and for the implementation of the flagship species conservation plans (PMO and NR managers with support from local communities and other stakeholders); (iv) midterm and final evaluations (independent consultants and FAO Evaluation Office); and (v) continual oversight, monitoring and supervision missions (FAO).

46. At the initiation of project implementation the PMO through the M&E specialist will set up a project progress monitoring system coordinated with counterpart systems in each of the project-supported NR administrations. Participatory mechanisms and methodologies for systematic data collection and recording will be developed in support of outcome and output indicator monitoring and evaluation. During the inception workshop, M&E related tasks to be addressed and finalized will include: (i) presentation and clarification (if needed) of the project's Results framework with all project stakeholders; (ii) review of the M&E indicators and their baseline; (iii) drafting the required clauses to include in consultants' contracts to ensure they complete their M&E reporting functions (if relevant); and (iv) clarification of the respective M&E tasks among the Project's different stakeholders. One of the main outputs of the workshop will be a detailed monitoring plan agreed to by all stakeholders based on the monitoring and evaluation plan summary presented below.

47. The day-to-day monitoring of the Project implementation will be the responsibility of the PMO led by the M&E specialist and driven by the preparation and implementation of an AWP/B followed up through six-monthly PPRs. The preparation of the AWP/B and six-monthly PPRs will represent the product of a unified planning process between main project partners. As tools for results-based-management (RBM), the AWP/B will identify the actions proposed for the coming project year and provide the necessary details on output targets to be achieved, and the PPRs will report on the monitoring of the implementation of actions and the achievement of output targets. NR-specific inputs to the AWP/B and the PPRs will be prepared based on participatory planning and progress review with local stakeholders and coordinated through the PMO and NR managers and facilitated through project planning and progress review workshops. These inputs will be consolidated by the respective NR managers before forwarding them to the PMO who will consolidate them into a draft AWP/B and PPRs. An annual project progress review and planning meeting should be held with the participation of the PMO and the NR administrators to finalize the AWP/B and PPRs. Subsequently the AWP/B and PPRs will be submitted to the PSC for approval (AWP/B) and Review (PPRs) and to FAO for approval. The AWP/B will be developed in a manner consistent with the project's Results Framework to ensure adequate fulfilment and monitoring of project outputs and outcomes.

48. Following the approval of the Project, the project's first year AWP/B will be adjusted (either reduced or expanded in time) to synchronize it with an annual reporting calendar. In subsequent years, the FSP work plan and budget will follow an annual preparation and reporting cycle as specified below.

49. To monitor project outputs and outcomes including contributions to global environmental benefits specific indicators have been established in the Results Framework (see Annex A). The framework's indicators and means of verification will be applied to monitor both project performance and impact. Following FAO's monitoring procedures and progress reporting formats data collected will be of sufficient detail to be able to track specific outputs and outcomes and flag project risks early on. Output target indicators will be monitored on a six-monthly basis and outcome target indicators will be monitored on an annual basis if possible or as part of the mid-term and final evaluations. The project output and outcome indicators have incorporated a number of on-the-ground impacts and progress in building and consolidating capacities in participating partners. On-the-ground impact indicators will track changes in:

- management effectiveness in the project supported NRs focusing in particular on tracking the development and implementation of their respective 5 year operational plans and the effects;
- biodiversity including monitoring for an indicator species classified as vulnerable and a key protected Category II in Anhui Province and decreasing in numbers and vulnerable (IUCN VU) due to illegal hunting declines in environmental quality due to agro-chemicals. The baseline and target for this indicator can be found in the Project Results Framework and will be monitored as part of the NR's biodiversity monitoring systems. Other indicators for ecosystem health will be selected and monitored as part of the establishment of the integrated monitoring programme under sub-component 2.7. (see output 2.1.7 above);
- visitation to project support NRs over the life of the project associated with investment and supporting activities leading to increasing awareness among visitors of the presence and role of nature reserves in Huangshan Municipality;
- capacity that will capture the development and implementation of a master training plan and the tracking the numbers of NR staff, government officials trained over the life of the project;
- policies, planning and institutional mechanism instruments developed to support project objectives; and
- adoption of biodiversity conservation considerations in policies and legal instruments through tracking changes in sector policies in the Agriculture, Forestry and Tourism sectors.

50. The main sources of information to support the M&E program will be: (i) the NR's biodiversity monitoring systems and the integrated monitoring program (component 2.7); (ii) participative progress monitoring and workshops with beneficiaries; (iii) on-site monitoring of the implementation of the co-management models and management effectiveness in project supported NRs; (iv) publications resulting from the applied research grant sub-component; (v) project progress reports prepared by the PMO with inputs from the NR Project Managers; (vi) consultants reports; (vii) participants training tests and evaluations; (viii) mid-term and post project impact and evaluation studies completed by independent consultants; (ix) financial reports and budget revisions; (x) Project Implementation Reviews prepared by the FAO Lead Technical Officer supported by the Project Task Manager in the FAO Office in Beijing and the PMO; and (xi) FAO supervision mission reports.

51. Specific reports that will be prepared under the M&E program are: (i) Project inception report; Annual Work Plan and Budget (AWP/B); (iii) Project Progress Reports (PPRs); (iv) annual Project Implementation Review (PIR); (v) Technical Reports; (vi) co-financing Reports; and (vii) Terminal Report. In addition, assessment of the GEF Monitoring Evaluation Tracking Tools (METTs) against the baseline (completed during project preparation) will be required at midterm and final project evaluation. More specifically:

52. Project Inception Report. After FAO approval of the Project and signature of the Execution Agreement an inception workshop will be held. Immediately after the workshop, PMO will prepare a project inception report in consultation with the FAO Project Task Manager and other project partners. The report will include a narrative on the institutional roles and responsibilities and coordinating action of project partners, progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. It will also include a detailed first year AWP/B, a detailed project monitoring plan based on the monitoring and evaluation plan summary presented below, and a progress and completion report on all actions agreed in the mitigation plan of fiduciary risks (see section 3.2.2 of the PRODOC). The draft inception report will be circulated to FAO and the Project Steering Committee for review and comments before its finalization, no later than three months after project start-up. The report should be cleared by the FAO BH, LTU and the FAO GEF Coordination Unit and uploaded in FPMIS by the LTU.

53. Annual Work Plan and Budget (AWP/B). HSAC/BGF will submit to the FAO Representation in China a draft Annual Work Plan and Budget no later than 10 January. The AWP/B should include detailed activities to be implemented by project outputs and divided into monthly timeframes and targets and milestone dates for output

indicators to be achieved during the year. A detailed project budget for the activities to be implemented during the year should also be included together with all monitoring and supervision activities required during the year. The draft AWP/B is circulated to and reviewed by the FAO Project Task Force, HSAC/BGF/PMO incorporates eventual comments and the final AWP/B is sent to the PSC for approval and to the FAO for final no-objection and upload in FPMIS by the GEF Coordination Unit.

54. **Project Progress Reports (PPR):** HSAC/BGF/PMO will prepare six-monthly PPRs and submit them to the FAO Representation in China no later than July 31 (covering the period January through June) and 31 January (covering the period July through December). The 1st semester six months report should be accompanied by the updated AWP/B, for review and no-objection by FAO. The PPR are used to identify constraints, problems or bottlenecks that impede timely implementation and take appropriate remedial action. PPRs will be prepared based on the systematic monitoring of output and outcome indicators identified in the project's Results Framework (Appendix 1). The FAO Project Task Manager will review the progress reports and collect and consolidates eventual FAO comments from the LTU, the GEF Coordination Unit, and the Budget Holder Office and provide these comments to the HSAC/BGF/PMO. When comments have been duly incorporated the LTU will give final approval and submit the final PPR to the GEF coordination Unit for final clearance and upload in FPMIS.

55. **Annual Project Implementation Review (PIR):** The LTU supported by the FAO Project Task Manager and with inputs from the HSAC/BGF/PMO, will prepare an annual PIR covering the period July (the previous year) through June (current year) to be submitted to the GEF Coordination Unit for review and approval no later than 10 September. The GEF Coordination will upload the final report on FAO FPMIS and submit it to the GEF Secretariat and Evaluation Office as part of the Annual Monitoring Review report of the FAO-GEF portfolio. The GEF Coordination Unit will provide the updated format when the first PIR is due.

56. **Technical Reports:** Technical reports will be prepared as part of project outputs and to document and share project outcomes and lessons learned. The drafts of any technical reports must be submitted by HSAC to the FAO Representation in China who will share it with the LTU for review and clearance and to the GEF Coordination Unit for information and eventual comments, prior to finalization and publication. Copies of the technical reports will be distributed to the PSC and other project partners as appropriate. The final reports will be posted on the FAO FPMIS by the LTU.

57. **Co-financing Reports:** HSAC/PMO will be responsible for collecting the required information and reporting on in-kind and cash co-financing provided by HSAC, Yixian County Bureau of Forestry, Municipal Bureau of Finance, HTDA and local village producers and eventual other partners not foreseen in the Project Document. HSAC/BGF/PMO will submit the report to the FAO Representation in China in a timely manner on or before 31 July covering the period July (the previous year) through June (current year).

58. **GEF-5 Tracking Tools:** Following the GEF policies and procedures, the tracking tools for the biodiversity focal area will be submitted at three moments: (i) with the project document at CEO endorsement; (ii) at the project's mid-term evaluation; and (iii) with the project's terminal evaluation or final completion report.

59. **Terminal Report:** Within two months before the end date of the Execution Agreement HSAC/BGF/PMO will submit to the FAO Representation in China a draft Terminal Report. The main purpose of the final report is to give guidance at ministerial or senior government level on the policy decisions required for the follow-up of the Project, and to provide the donor with information on how the funds were utilized. The terminal report is accordingly a concise account of the main products, results, conclusions and recommendations of the Project, without unnecessary background, narrative or technical details. The target readership consists of persons who are not necessarily technical specialists but who need to understand the policy implications of technical findings and needs for insuring sustainability of project results. Work is assessed, lessons learned are summarized, and recommendations are expressed in terms of their application to the province's and country's further development of natural reserve management and the conservation of biodiversity in the context of its development priorities as well as in practical execution terms. This report will specifically include the findings of the final evaluation as described below. A final project review meeting should be held to discuss the draft terminal report before it is finalized by the HSAC/BGF/PMO and approved by the FAO LTU and the GEF Coordination Unit.

Table 1 provides a summary of the main M&E reports, responsible parties and timeframe.

Table 1: Budgeted Monitoring and Evaluation Plan Summary

Type of M&E Activity	Responsible Parties	Time-frame	Budgeted costs
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Type of M&E Activity	Responsible Parties	Time-frame	Budgeted costs
FT M&E Officer	HSAC/PMO	Continually	USD 84,900
Inception Workshop	HSAC/PMO, FAO Project Task Manager (PTM) supported by the FAO LTU, BH, and the GEF Coordination Unit	Within two months of project start up	USD 10,700
Project Inception Report	HSAC/PMO, FAO PTM cleared by FAO LTU, BH, and the GEF Coordination Unit	Immediately after workshop	-
Field based impact monitoring	HSAC/PMO, participating provincial bureaus and other relevant line agencies.	Continually	USD 3,400 (4 % of time of the Sr. Technical Advisor technical workshops for identification of ecological quality indicators and M&E workshops)
Supervision visits and rating of progress in PPRs and PIRs	HSAC/PMO, FAO LTU and GEF Coordination Unit (TCI)	Annual or as required	The visits of the FAO LTU and the GEF Coordination Unit will be paid by GEF agency fee. The visits of the PM/PMO will be paid from the project travel budget
Project Progress Reports	HSAC/PMO, with inputs from other partners	Six-monthly	USD 2,600 (3% of the time of the PM)
Project Implementation Review report	FAO PTM and LTU supported by the HSAC/PMO and cleared and submitted by the GEF Coordination Unit (TCI) to the GEF Secretariat	Annual	Paid by GEF agency fee
Co-financing Reports	HSAC/PMO	Annual	USD 2,000 (1% of the time of the PM and 3% of the time of the reporting and contracts officer)
Technical reports	HSAC /PMO, PTM/LTU	As appropriate	-
Mid-term Evaluation	External Consultant, FAO independent evaluation unit in consultation with the project team including the GEF Coordination Unit (TCI) and other partners	At mid-point of project implementation	USD 41,100 for external consultant. In addition the agency fee will pay for expenditures of FAO staff time and travel
Final evaluation	External Consultant, FAO independent evaluation unit in consultation with the project team including the GEF Coordination Unit (TCI) and other partners	At the end of project implementation	USD 52,000 for external consultant. In addition the agency fee will pay for expenditures of FAO staff time and travel
Terminal Report	HSAC/PMO, PTM/LTU, TSCR report Unit	At least one month before end of project	-
Total Budget			USD 196,700

60. An independent Mid-Term Evaluation (MTE) will be undertaken towards the end of the third project year to review progress and effectiveness of implementation in terms of achieving project objective, outcomes and outputs. Findings and recommendations of this evaluation will be instrumental for bringing improvement in the overall project

design and execution strategy for the remaining period of the project's term if necessary. FAO will arrange for the MTE in consultation with project management. The evaluation will, inter alia:

- review the effectiveness, efficiency and timeliness of project implementation;
- analyze effectiveness of partnership arrangements;
- identify issues requiring decisions and remedial actions;
- propose any mid-course corrections and/or adjustments to the implementation strategy as necessary; and
- highlight technical achievements and lessons learned derived from project design, implementation and management.

61. An independent Final Evaluation (FE) will be carried out three months prior to the terminal review meeting of the project partners. The FE would aim to identify the project impacts and sustainability of project results and the degree of achievement of long-term results. This Evaluation would also have the purpose of indicating future actions needed to expand on the existing Project in subsequent phases, mainstream and up-scale its products and practices, and disseminate information to management authorities responsible for the management of other Chinese nature reserves to assure continuity of the processes initiated by the Project.

62. Some critical issues to be evaluated in the midterm and final evaluations will be: (i) the degree to which decision-makers have understood the new approach and concepts promoted by the Project and supported their application; (ii) the status of policy formulation and subsequent adoption by government; (iii) the process followed and quality of NR management plans supported under the Project; (iv) the degree to which the creation of CCS supported under the sustainable development component have actually facilitated local participation in NR planning and management processes; and (v) the effectiveness of the training programme in instilling new concepts in NR staff and other public agency decision-makers and technical staff.


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 Operational Focal Point endorsement letter(s) with this form. For SGP, use this OFFP endorsement letter).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ms. Jiandi Ye	Deputy Director, IFI Division III, International Department	Ministry of Finance	MARCH, 2011

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Gustavo Merino Director, Investment Centre Division FAO Viale delle Terme di Caracalla 00153, Rome, Italy		January 10, 2014	Jeff Griffin	+39 0657055680	Jeff.Griffin@fao.org
Barbara Cooney FAO GEF Coordinator				+3906 5705 5478	Barbara.Cooney@fao.org

ANNEX A: PROJECT RESULTS FRAMEWORK

Project outcomes and impacts:

Objective/Impact	Indicator	Baseline value of Indicator	Target Value of Indicator	Means of Verification	Assumptions
<p><u>Global Environmental Objective:</u> The goal of the proposed project is to secure the effective conservation and sustainable use of the biodiversity in the mountainous forest ecosystems of Huangshan Municipality.</p>	<p><u>Outcome 1.1.1:</u> Number of large scale plans that incorporate biodiversity as a planning priority</p>	<p><u>Component 1:</u> Biodiversity not described as a planning priority in Municipal 12th 5 Year Social and Economic Development Plan</p>	<p><u>Component 1:</u> Biodiversity conservation identified as a priority in the Municipal 13th 5 Year Social and Economic Development Plan.</p>	Municipal 13 th 5 Year Social and Economic Development Plan	<p><u>Component 1:</u> - Government does not adopt radically different policy stance on environment</p>
	<p><u>Outcome 2.1a:</u> BD TI score for management efficiency of NRs</p>	<p><u>Component 1:</u> Average management efficiency in 12 project supported NRs included in the municipal network of protected areas (measured by using the BD OI TT) is 50.</p>	<p><u>Component 2:</u> Average management efficiency in 12 project supported nature reserves included in the municipal network of protected areas increased by 22% (measured by using the BD OI TT) is 65.</p>	METT scorecards; site visits	<p><u>Component 2:</u> - Co-financing commitments are completed. - No changes in staff personnel policy in the municipal NRs - NRs staff numbers not affected by need to address priorities elsewhere (e.g, new policy priorities in forestry sector);</p>
	<p><u># of hectares of PA for which management efficiency is increased.</u></p>	0	<p>Increased management efficiency across 67,496 ha (direct impact – Tiers 1,2,3). Indirect : 35,504 ha Total: 103,000 ha.</p>	METT Scorecards/ site visits	Without project intervention, protected areas will not improve their management effectiveness, particularly with respect to biodiversity conservation.
<p>Number of hectares of productive landscape into which biodiversity conservation practices and objectives are mainstreamed</p>	0	<p>46,614 ha agriculture/forest land 3,800 ha forest land (corridor). Total: 50,414 ha.</p>	Forestry master plan; Municipal bureau of agriculture plan.	Biodiversity conservation committee will be successful in its work to develop and implement mainstreaming plan and that this ecological work will continue to be a priority in	

China.	Plans will be implemented by responsible agencies with the help of the Biodiversity Conservation Committee.	
Plans produced by the project: Biodiversity Conservation Plan; Ecotourism & Forestry Master Plan Field studies	3 Direct (Forestry, Ecotourism, Agriculture) 3 Indirect (fisheries, water, transport)	
Population numbers of <i>Paa spinosa</i> (amphibian) found in 1,000 meter transects in streams located in proximity to villages in 6 project supported reserves is 26.	Population numbers of <i>Paa spinosa</i> (amphibian) found in 1,000 meter transects in streams located in proximity to villages in 6 project supported reserves is 17.	0
No change. Forty species recorded at end of project.	Forty bamboo species found in Qingliangfeng NR	Outcome 2.1b: Improvement in biodiversity species indicators: a) Population of <i>Paa spinosa</i>
Field studies	Baseline and targets to be established in 1 st semester of project implementation)	b) Number of bamboo species in Qingliangfeng NR
Field study	Baseline and targets to be established in 1 st semester of project implementation)	c) Numbers of Chinese Yew (<i>Taxus spp.</i>) in 6 project supported NRs (tier 1 and tier 2 project supported NRs)
Field studies	Populations of four species to be maintained over life of project.	d) Populations of four plant indicator species (<i>Rhododendron maculiferum</i> , <i>Enkianthus chiensis</i> , <i>Baeothryon subcapitatum</i> and <i>Carex brevicuspis</i>) in proximity to tourism visitation infrastructure in 4 project supported reserves (Huangshan NSR, Jiulongfeng PNR, Tianhushan PNR and Lingnan PNR)
Populations of four species to be maintained over life of project.	Component 3: 10 primary and 10 secondary	Component 3: 10 primary and 10 secondary
Component 3: - Municipal school policies	Component 3: 10 primary and 10 secondary	Outcome 3.1: Number of

<p><u>FAO Development Objective:</u>⁷ To increase and improve the provision of goods and services from high-value mountain forest ecosystems in a sustainable manner.</p>	<p>schools that mainstream biodiversity modules into their curricula</p> <p><u>Outcome 3.2:</u> Number of economic sector development plans that mainstream biodiversity</p> <p><u>Outcome 3.3:</u> Number of visits to Huangshan NRs</p>	<p>Baseline Value: Zero</p> <p>Baseline value: Zero</p> <p>Mainline agency sector plans don't presently reflect biodiversity considerations.</p> <p>8,000 visits to 5 project supported Huangshan NRs</p>	<p>schools "mainstream" pilot supported biodiversity modules in their respective curricula.</p> <p>2 economic sector development plans incorporate biodiversity considerations in their respective 5 year, 13th year plans</p> <p>Visitation increases to 80,000 visits to 5 project supported Huangshan NRs</p>	<p>Survey of community members identifies main sources of income at project inception, project mid-term and project end.</p>	<p>don't change from current emphasis of importance of providing teaching on environmental matters;</p> <ul style="list-style-type: none"> - Participating sector agencies don't adopt policies opposing the adoption of project-supported policies favoring biodiversity conservation; - Change in political leadership resulting in delays in new policy formulation; - Economy continues to grow and favors tourism visitation in Huangshan Municipality. <p>Eco-tourism will continue to grow in popularity in China.</p>
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See Project Document Appendix 1 Results Framework for detailed table for outputs and milestones for achieving output targets.

⁷ In line with FAO SO2
GEF5 CEO Endorsement Template-December 2012.doc

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

GEF Secretariat (and associated responses by the project preparation team):

Q. 13. Provide further details on activities to be financed by GEF and the incremental additional reasoning.

Response by the project team: This issue has been addressed under Section 1.1.1 (incremental reasoning), section 2.4 (detailed description of project activities, and section 4.3.1 (financing plan) of the Project Document and in more detail in the Results Based Budget (Appendix 3 of the PRODOC).

Q. 14. Need for a detailed economic analysis of to justify alternative livelihood options.

Response by the project team: As noted in the text (see the description of sub-component 2.2 under Section 2.4 of the PRODOC supported by the consultant's report) all production activities to be financed under the project have been determined to be both technically and economically viable. Of equal importance based on detailed surveys of potential villages it was confirmed that there was widespread knowledge of the different options and their respective strengths and weaknesses and those selected were largely determined on the basis of villagers belief in which offered most potential reflecting local circumstances. While the team does not necessarily share the reviewer's skepticism of the association between the provision of optional economic alternatives and reduced pressure on adjacent protected areas, citing examples both from GEF supported activities in Guangxi Integrated Forestry and Conservation Development Project and the China Sustainable Forestry Development Project, it was decided to avoid the potential shortcomings of the underlying assumptions associated with the "alternative" livelihoods. The sustainable development activities are therefore no longer conceived as "alternative livelihoods" but rather as part of the productive collaboration necessary to build better relationships between target protected areas and local communities. They are now more of an incentive to catalyze co-management action. In addition, it was decided that GEF funding would be limited to providing training and public awareness raising associated with establishment and management of the co-management consultative committee and the significance of biodiversity and the role of the NRs in its conservation. The one exception is supporting village participation in forest ecological tourism pilot activity in Shenhecun Village (Tianhushan PNR) given its important demonstrative value to other NRs and future potential for expansion building on the success of HNSR.

Q. 15. Further details and indicators on the GEBs.

Response by the project team: The global environmental benefits are fully revised/specified in the project document and this CEO Endorsement Request. See the summary under CEO section A.5 and the results framework.

Q. 16. Is there a clear description of socio-economic benefits?

Response by the project team: This issue has been addressed in the respective Socioeconomics section of the CEO document, Project Document under Subcomponent 2.2, Output 2.1.3 and in the results framework under the "FAO Development Objective" indicator "5 target communities and households benefiting from improved and increased services from protected areas with particular emphasis on sustainable tourism."

Q. 19 and 20. Need for further details on coordination mechanism and arrangements and the roles and responsibilities of the relevant implementation partners.

Response by the project team: These issues have been addressed under Sections 4.1 and 4.2 of the Project Document.

Q. 26. Efforts should be made to increase FAO's cofinancing as well as mobilize others by the time of CEO endorsement.

Response by the project team: The co-financing ratio 1:4 has been secured. This issue has been addressed under Section 4.3 of the Project Document.

GEF Agencies:

There were no specific comments to address at the time of CEO endorsement.

Convention Secretariat:

There were no specific comments to address at the time of CEO endorsement.

STAP scientific and technical screening of the Project Identification Form (PIF):

Date of screening: 6 October, 2011

Screeners: Thomas Hammond

Panel member validation by: Thomas Lovejoy

STAP's advisory response to GEFSEC and FAO was "Consent." STAP requested that the following issues be addressed in the full project document (responses from the team are provided below each issue in italics):

Q. 1. It would be helpful to identify in Expected outcome 1 (iii) the relationships of the committee for the sustainable management of biodiversity in Huangshan municipality with two other committees, as outlined in the PIF, that the Municipality has already created earlier; specifically the Nature Reserve Management Committee and Rare and Endangered Wild Life Protection Committee.

Response by the project team: The Biodiversity Advisory Committee (BAC) to be created under the Project will replace the two existing committees, which were under the leadership of the municipal Bureau of Forestry, and build and strengthen on their earlier work through ensuring involvement of main production sectors to include tourism, agriculture and fisheries and transport.

Q. 2. Please clarify Output 3 (iii) regarding whether alternative/sustainable livelihood options development will be developed for both the local communities living inside and those adjacent to PAs. Section B.2 of the project (paragraph 2, point (iv) addresses sustainable livelihoods in communities affected by the creation of biological corridors. However, as stated in the PIF, a number of protected areas have local communities living inside of protected areas whose livelihoods depend on the extraction of natural resources. Further precision on how the project partners will engage with communities inside of protected areas would be useful. In addition, it would be helpful and beneficial with respect to the project's socio-economic benefits if the best practices for alternative livelihoods of local communities were described in greater detail.

Response by the project team: Two of the villages (Chencun Village and Fucun Village) are in the close proximity to Huangshan NSR and the other three are in the buffer zones of their respective project supported NRs (Liangguang Village in Wuxishan PNR, Shancha Village in Tianhushan PNR and Shanglingcun in Jiulongfeng PNR). Villages participating in pilot programs for the sustainable economic activities were selected on the basis of (i) location in or proximity to a project-supported protected area, (ii) partial dependence on PAs as a source of income (in particular in the form of logging and/or farming), (iii) availability of suitable village land to support sustainable economic activities as identified in the project, and (iv) interest and support (through provision of labor inputs) in the proposed activities. The economic activities identified during project preparation are: (i) bamboo: Fucun (HNSR), Chencun (HNSR) and Liangguang (Wuxishan PNR) Villages; (ii) Chinese torreyia nut: Shanlingcun Village (Jiulongfeng PNR); (iii) oil-tea camellia: Shenhecun Village (Tianhushan PNR); and (iv) forest ecological tourism: Shenhecun Village (Tianhushan PNR). All activities were determined to be economically sustainable. The development of these activities will be facilitated through the creation of co-management consultation committees (CCC) in each site. Community activities related to the respective nature reserve and the conservation of biodiversity will be led by NR staff. Technical support for the production activities will be provided by the local Forestry Bureau and Science and Technology Research

Department. Participating villagers will provide land and labor arranged through a cooperative agreement signed between the CCC and the GEF PMO. It is projected that these pilot activities will double the average income of the villagers in five years time and contribute to a reduction of dependence on logging and farming in the participating reserves facilitated with public awareness raising and increased village involvement in NR planning and management processes (see table below). The increase of income is projected to largely come from the proposed sustainable economic activities. Once they are successful, their experience will be shared and adapted to other villages.

Source and Amount of Income (,000 RMB) in Five Villages Participating in the Project in 2012

Village	Liangguang	Chencun	Fucun	Shancha	Shangling
Labor	244.3	500.0	231.5	700.0	379.8
Logging	102.8	425.4	853.0	926.0	336.1
Farming	624.0	1,104.9	694.0	122.0	677.2
Service	0.0	50.0	4,800.0	4,866.0	106.5
Economic products	594.0	20.0	50.0	85.0	12.5
Husbandry	137.3	23.6	488.0	42.0	149.0
Other	30.6	72.0	612.5	2,024.1	172.2
Total income (village)	1,692.9	2,201.8	7,719.0	8,765.1	1,833.3
Per capita income (farmer)	0.7	0.9	0.9	1.1	0.8
Projected per capita income (2016)	1.4	1.7	1.9	2.2	1.4

Q. 3. The PIF states that the Bureau of Construction is responsible for national scenic reserves and the Bureau of Forestry is responsible for natural forest reserves and protected areas. Please clarify the support to project implementation (Outcome of Component 4) expected from these government entities. In addition, it would be useful to explain the relationship of both Bureaus with the Municipal and Provincial governments involved in this project as related to the management of the diverse protected areas across multiple jurisdictions in this intervention.

Response by the project team: In China, the Ministry of Construction (MOC) is in charge of all national level scenic reserves (NSR) which in Huangshan Municipality consists of Huangshan NSR, Qiyunshan NSR, and Huashan NSR. Similarly, the Ministry of Forestry (MOF) is in charge of all the national level nature reserves (NR) which for the Municipality consists of Qingliangfeng and Guniujiang NR. This pattern continues down to the provincial level whereby the Department of Construction and the Provincial Bureau of Forestry are responsible the provincial level scenic and nature reserves, respectively. At the municipal level, the Municipal Bureau of Forestry is in charge of all the county level NRs. Despite this hierarchy, management personnel of both the NSRs and NRs at all levels (national, provincial and municipal) are employed and paid by the administrative government of Huangshan Municipality on the basis, as elsewhere in China, that the protected areas are physically located in the Municipality. As a result the municipal government has both the mandate and the resources to mobilize relevant sectors in support of the Project. The HSAC is particularly significant in the Municipality given its importance as a source of public revenue and this is why the municipal mayor is the director of the HSAC, and the present acting vice-director of HSAC is a member of the standing committee of the political bureau of Huangshan municipality, the main decision-making body of the government. These institutional linkages are viewed as particularly favorable in support of project objectives through facilitating the coordination of all relevant sectors and resolution of conflicts if required. Finally, it should be understood that municipal government works to maintain good relations with respective provincial bureaus and the national level ministries because they represent potential additional resources for protected areas located in the Municipality.

Q. 4. Finally, please describe how the new biodiversity conservation eco-tourism Master Plan will contribute to the existing Provincial

Maser Plan, where Huangshan Municipality has been designated as an area to be managed primarily for water and biodiversity conservation

Response by the project team: In the 12th Five-Year (2011-2015) Social and Economic plan for Anhui Province, Huangshan Municipality is designated as an area to be managed primarily for water and biodiversity conservation. In support of this objective, the Municipality is developing the new Forest Eco-tourism Master Plan (led by the Municipal Commission of Tourism, for which the Project is contributing technical assistance). The new Master Plan will contribute to the achievement of the provincial target and it is expected to continue to be an important part in the next five-year plan for 2016-2020, especially given that the new leadership in China is calling for the construction of "Beautiful China" with increased emphasis on environment protection and biodiversity conservation. Anhui Province has already echoed the central government's call by building "Beautiful Anhui", and in response, Huangshan Municipality is working on "Ecological Huangshan".

Council Members:

Germany Comments

Component 1- policy, planning and institutional arrangements: In many projects the design and formulation of policies is one of the main objectives. However, it is not only policy formulation but rather the implementation of the policy that needs to be taken care of by the project. Here we suggest including activities and indicator(s) that show that policy implementation is being tackled. One activity could be the formulation of guidelines on how to implement the relevant policy.

Response by the project team: Please see Results Framework for the Outcome 1.1. indicator on biodiversity being mainstreamed into 12th 5 Year Plan. Also please see indicators at the Output level under the project document results framework that also focus on policies. Under Component 1, there are four output level indicators dealing with policy improvements and policy implementation mechanisms (policy committee).

Key stakeholders: We suggest including the Department of Agriculture at municipal level as one of the stakeholders when it comes to discussions with local communities and rural landholders on developing sustainable/alternative livelihood activities.

Response by the project team: The Department of Agriculture will be included into the Biodiversity Conservation Committee to be set up by the project under Component 1. The BCC will serve as the primary biodiversity mainstreaming mechanisms for the municipality. The DoA will also be involved in providing technical support to production activities under Sub-component 2.2: Co-management and Sustainable Development.

Sharing Benefits from National Scenic Reserve (NSR) and Protected Areas (PA): In many cases income from the National Scenic Reserve is not shared with local communities living in the reserves or protected areas. This has many reasons; amongst others are strict budget allocations and/or administrative hurdles. The project covers this aspect partly by providing alternative/system livelihood options. However, the project should look into possibilities and ways of how communities could be allocated a certain percentage of the annual income from the national scenic reserves as direct benefit/compensation for protection and effective conservation of biodiversity. One possibility would be to design an agreement with local communities, specifying their task and responsibility for protection and conservation of biodiversity in those specific areas. The amount can be used for village development projects.

Response by the project team: The project's Sub-component 2.2: Co-management and Sustainable Development, will enable stakeholders to further the concept of co-management of protected areas in Huangshan Municipality by establishing community co-management committees, an important prerequisite for future revenue sharing. As the protected areas strengthen their capacity to generate more income from the burgeoning tourism sector in China, the idea of revenue sharing with local communities will become more and more important.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS⁸

A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

N/A

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: 120,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To Date</i>	<i>Amount Committed</i>
Stakeholder consultations	25,000	25,000	0
Socio-economic baseline assessment and identification of viable sustainable livelihood options	18,400	18,400	0
Policy and institutional analysis	20,200	20,200	0
Analysis of the Huangshan Municipality NR system	22,000	22,000	0
Identification and prioritization of threats to the Huangshan forest ecosystems and development of mitigation measures	21,000	12,940	8,060
Development of an environmental education and public awareness strategy	13,400	13,400	0
Total	120,000	111,940	8,060

⁸ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

NA

