



PROJECT IDENTIFICATION FORM (PIF)¹

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT IDENTIFICATION

| | | | |
|---|--|------------------------------------|--------------------|
| Project Title: | Securing Biodiversity Conservation and Sustainable Use in Huangshan Municipality | | |
| Country(ies): | China | GEF Project ID:² | |
| GEF Agency(ies): | FAO | GEF Agency Project ID: | 612661 |
| Other Executing Partner(s): | The Municipal Government of Huangshan City (Anhui Province) | Submission Date: | September 12, 2011 |
| GEF Focal Area (s): | Biodiversity | Project Duration (months): | 60 |
| Name of parent program (if applicable): <input type="checkbox"/> For SFM/REDD+ <input type="checkbox"/> | China Biodiversity Partnership and Framework for Action | Agency Fee: | 260,727 |

A. FOCAL AREA STRATEGY FRAMEWORK³:

| Focal Area Objectives | Expected FA Outcomes | Expected FA Outputs | Indicative Financing from Relevant TF (GEF, LDCF, SCCF) | Indicative Co-Financing ^a |
|-----------------------|--|--|---|--------------------------------------|
| | | | (\$) ^a | (\$) ^b |
| 1. BD-1 | Outcome 1.1: Improved management effectiveness of existing and new protected areas; | Core Output 3. Sustainable financing plans (up to 12 existing PAs under improved management); Core Output 2, New protected areas and coverage of unprotected threatened species (two new protected areas created representing 500 ha in area) based on the results of a gap analysis and numbers of endangered species in need of protection). Provincial and county level PA coverage will be increased by 33,600 and 12,320 ha, respectively. | 1,380,767 | 6,089,465 |
| 2. BD-2 | 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks; | Core Output 1. Policies and regulatory frameworks for production sectors (at least one new policy and/or regulatory framework promoting "mainstreaming" of biodiversity principles in 6 production sectors); and | 876,379 | 2,915,854 |
| | | Core Output 2. National and sub-national land-use plans that incorporate biodiversity and ecosystem services | 220,127 | 1,044,681 |

¹ It is very important to consult the PIF preparation guidelines when completing this template.

² Project ID number will be assigned by GEFSEC.

³ Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.

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|---|--|---|------------------|-------------------|
| | | evaluation (a biodiversity conservation master plan). | | |
| 5. Project management cost ⁴ | | | 130,000 | 450,000 |
| Total project costs | | | 2,607,273 | 10,500,000 |

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 (contributing to Eastern China's only biodiversity "hotspot"). The project's specific objective is to evaluate, adapt and implement relevant "best practices" derived from the successful management of Huangshan National Scenic Reserve (one of China's most successful and well-managed protected areas) to strengthen and upgrade the existing municipal system of PAs. The experiences derived from this approach would in turn 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 relevant to other areas in China and abroad. A series of publications and a web page would be used to ensure wide dissemination of project "products" to other PAs in China.

| Project Component ⁵ | Grant Type (TA/INV) | Expected Outcomes | Expected Outputs | Financing from Relevant TF (GEF, LDCF, SCCF) | Indicative Co-Financing |
|--|---------------------|--|---|--|-------------------------|
| | | | | (\$) ^a | (\$) ^b |
| 1. Policy, Planning and Institutional Arrangements | TA | An integrated approach to the conservation and management of forest biodiversity supported by a coherent policy, planning and institutional framework in Huangshan Municipality. | (i) policy studies and tools in support of "mainsreaming biodiversity in economic sectors (e.g. ecological compensation fund, promoting the sustainable financing of biodiversity conservation of PAs and incorporating biodiversity conservation as a management objective in the Yellow Mountain National Scenic Reserve (NSR)); (ii) a biodiversity conservation eco-tourism master plan; and (iii) a committee for the sustainable management of biodiversity in Huangshan municipality established. | 343,266 | 839,870 |
| 2. Improved PA Management Effectiveness and Networks | TA,INV | Increased management efficiency in at least 90,000 ha of the municipal network of protected areas conserving forest biodiversity (measured by using the BD O1 TT). | (i) an evaluation of the scientific justification and management effectiveness of 61 municipal PAs; (ii) "rationalization" of the existing PA system (e.g., merging of some PAs, possible elimination of others); (iii) creation of new PAs (if gap analysis shows habitats of critical importance are not represented in the system); (iv) preparation of new (or updating of existing) management plans for selected PAs; (v) upgrading of existing facilities in selected PAs; (vi) pilot species re-introduction program; (vii) creation of a PA network and development and implementation of a series of cooperative protocols on selected issues (e.g., data sharing, patrolling and enforcement and biodiversity conservation monitoring); (viii) upgrading the wildlife rescue and rehabilitation center; and (ix) creation of botanic generic garden for rare and | 758,467 | 2,022,505 |

⁴ GEF will finance management cost that is solely linked to GEF financing of the project.

| | | | | | |
|--|--------|---|--|-----------|------------|
| | | | endangered species. | | |
| 3. Threat Mitigation, Biological Corridors and Alternative / Sustainable Livelihoods | TA,INV | Reduction in threats to forest biodiversity and improved ecosystem "health" in Huangshan forest ecosystems covering at least 100 km ² of land (measured by using bio-indicators to be defined during project preparation). | (i) threat analysis and mitigation (i.e., prevention and control of pine tree nemotode disease, prevention and elimination of alien species and illegal extractive activities); (ii) establishment of one or more biological corridors between PAs; and (iii) piloting and subsequent implementation of alternative/sustainable livelihood options for the local communities living in proximity to municipal PAs. | 758,466 | 4,557,505 |
| 4. Capacity Building and Environmental Education and Awareness | TA | Increased institutional capacity and public and political support for the conservation of biodiversity in China's forest ecosystems. | (i) planning and design of proposed biodiversity conservation public interpretation center and trails in Huangshan NSR; (ii) public awareness campagins; (iii) community workshops; (iv) development of education materials on biodiversity conservation and sustainable use for primary and secondary schools; (v) promotion of model schools featuring biological conservation classes; and (vi) training activities on biodiversity conservation and sustainable management for participating agency employees. | 474,440 | 2,312,500 |
| 5b M & E and Information Dissemination | TA | Increased receptivity and adoption of "best practices" in promoting PA networking and sustainable tourism management China's forest ecosystems. | (i) experienced project monitoring and evaluation team; (ii) systematic monitoring and evaluation of the project; (iii) publications of project-related "best-practices" and "lessons-learned"; and (iv) website to share the experience and information dissemination. | 142,634 | 317,620 |
| Project management Cost | | | | 130,000 | 450,000 |
| Total project costs* | | | | 2,607,273 | 10,500,000 |

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

| Sources of Co-financing for baseline project | Name of Co-financier | Type of Co-financing | Amount (\$) |
|--|--------------------------------|----------------------|-------------------|
| Municipal Government | Huangshan Municipal Government | Grant | 9,000,000 |
| Municipal Government | Huangshan Municipal Government | In-kind | 1,270,000 |
| GEF Agency | FAO | Grant | 20,000 |
| GEF Agency | FAO | In-kind | 210,000 |
| Total Co-financing | | | 10,500,000 |

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

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

-N/A-

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1. THE GEF FOCAL AREA STRATEGIES: The proposed project would support GEF-5 Biodiversity Objective # 1 (BD-1): "Improve Sustainability of Protected Area Systems" and BD-2: "Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors." The project would contribute directly to BD Outcome 1.1: "Improved management effectiveness of existing and new protected areas" through: (i) establishment of an integrated approach to the management and

conservation of forest biodiversity in Huangshan Municipality's PA network; (ii) formulation of a strategic master plan for the sustainable management of the municipality's forest ecosystems; and (iii) strengthening management capacities of relevant PA units at all levels (municipality, county and PA) and cooperation between the PA units. The contribution to BD-2 would be primarily through: (i) development of policy tools for mainstreaming biodiversity in economic sectors; and (ii) promoting biodiversity-friendly industries (eco-farming, eco-processing, and eco-tourism) in landscapes in proximity to project supported PAs.

A.2 NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NBSAPS, NATIONAL COMMUNICATIONS, TNAS, NIPS, PRSPS, NPFE, ETC.: At the national level, the proposed project is in direct conformity with the China Biodiversity Partnership and Framework for Action (CBPF) 2007-2017, China's principal investment strategy for biodiversity conservation developed to facilitate dialogue with GEF and other financing agencies. Under this Framework, the Project will directly support three of the five priority themes identified under the Framework. These are: (i) Improving Biodiversity Governance (Theme 1); (ii) Mainstreaming Biodiversity into Socio-Economic Sectors and Plans and Investment Decision-Making (Theme 2); and (iii) Investing Effectively in Reducing Biodiversity loss in Protected Areas (Theme 3). More specifically, it will support the following results identified in the CBPF: (i) financial flows to biodiversity conservation increase over current baseline (Result 4); (ii) the general public is supportive of conserving biodiversity (Result 5); and (iii) biodiversity conservation and sustainable use is mainstreamed into local plans (Result 12).

At the provincial and municipal level, the Master Plan for Building Anhui Province into an Ecological Province has identified water retention in southern Anhui Province as a critical development objective in Huangshan Municipality to be achieved through conserving and increasing the forest coverage and biodiversity conservation. These objectives have been subsequently reflected in the Provincial and Municipal 11th Five Year Plans. The promotion of eco-tourism and other environmental-friendly industries have been identified as priorities in the on-going formulation of the 12th Five-Year Plan. These development objectives are in complete conformity with the project objectives.

B. PROJECT OVERVIEW:

B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS: For purposes of the proposed project, the Huangshan project area refers to Huangshan Municipality, one of 17 municipalities located in the Eastern's China's Anhui Province measuring 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.

Huangshan's broad range of forest habitats support a rich variety of flora and fauna estimated to include over 1,800 species of higher plants and 456 species of vertebrates accounting for 7% of the total known plant and animal species found in China. Many of these are considered to be rare or endangered in China (national protected category I or II). Examples include: leopard (*Panthera pardus*), clouded leopard (*Neofelis nebulosa*), black muntjac (*Muntiacus crinifrons*), spotted deer (*Cervus nippon*), serow (*Capricornis milneedwardsi*), Tibetan macaque (*Macaca thibetana*), white-necked long-tailed pheasant (*Syrnaticus ellioti*), silver pheasant (*Lophura nycthemera*), giant salamander (*Andrias divadimus*), Henry emmenopterys (*Emmenopterys henryi*), ginkgo (*Ginkgo biloba*), Douglas fir (*Pseudotsuga sinensis*), Chinese yew (*Taxus spp.*) and sunken ear frog (*Rana tormotus*). The Chiang-nan Hilly Region (of which Huangshan Municipality is a part together with the Zhejiang and Fujian Uplands) is one of 108 biodiversity distribution centers (for plant species) documented by research supported by IUCN in 1990. In 2009, The Nature Conservancy (TNC) designated Huangshan Municipality as one of 33 areas to be considered as priorities for biodiversity conservation in China. One of their criteria for this recommendation was based on the application of an "irreplaceability" index⁶ that demonstrated that the

⁶ "Irreplaceability" is measured as a continuum of values between 0 and 1, where sites with values of 1 are essential for achieving more than one biodiversity target and are therefore irreplaceable. As the site has an increasing number of potential replacements, it becomes more replaceable and the values decrease from 1. Hence, sites with rarer biodiversity features have higher irreplaceability values than sites with more common features. See CBPF and Action for more detail.

Municipality had the highest value possible in Eastern China and that these mountains and represented the only biodiversity "hot spot" in this region of China.

Fully aware of the significance of the region's biodiversity, both the provincial and municipal governments have adopted a series of measures to conserve the area's living resources. Examples include: (i) promotion of public ecological campaigns, one of the first such efforts in China; (ii) the designation of Huangshan Municipality by the Province's Master Development Plans as an area to be managed primarily for water and biodiversity conservation objectives; objectives that were subsequently reflected in the 11th Five Year Plan; and (iii) the establishment of 5 national and 7 provincial level PAs representing in aggregate an area of 564 km² and the establishment of an additional 61 county level PAs representing a further 377 km² of area under protection. More recently, the municipal government established the Nature Reserve Management Committee and the Rare and Endangered Wild Life Protection Committee which have been instrumental in promoting public awareness activities (e.g., "Bird Week" and "Wild Life Protection Month").

Despite the considerable government and public support for environmental protection and biodiversity conservation, there is growing evidence that conservation objectives are not being fully achieved. With respect to the municipal PAs, a number of them have local communities that live inside the core zones (e.g., in Lin Nan Provincial PA there are an estimated 2,400 people that live inside the PA that measures only 28 km²) and whose livelihoods depend largely on the extraction of natural resources (fuel wood, medicinal herbs and/or pouching). In addition to those communities, there are the communities that live adjacent to many of the PAs whose livelihoods also depend much on the extraction of natural resources. Annual fires associated with clearing of fields for planting poses an additional major threat to a number of PAs. Illegal logging and hunting in PAs continues 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 PAs that include the use of such outlawed methods as electric rods contributing to mass kill-off. Off-site, there are potential adverse impacts, in the absence of sound planning, associated with rapid economic development being spurred by the completion of high-speed rail and highway links to Beijing and Shanghai and) and natural (e.g., invasive species) origin. With the rapid growth of China's middle class growth in tourism visitation to this relative pristine area in the absence of effective planning and management represents a new threat. Major needs include: (i) rationalizing the existing number of PAs that are typically too small to achieve conservation objectives into larger but fewer PAs; (ii) creating new PAs where critical habitat and rare and endangered populations are not represented in the existing system; (iii) increasing connectivity between PAs; (iv) promoting greater collaboration between management institutions; and (v) providing alternatives to local communities still dependent on these forest ecosystem for hunting, farming and logging.

One of the major constraints affecting the Municipality's ability to address the aforementioned threats and needs is its limited institutional capacity. Management effectiveness is constrained by insufficient funding, lack of qualified technicians, incomplete or outdated baseline data and limited scientific research and conservation studies. The situation is exacerbated further by lack of coordination and collaboration between the Bureau of Forestry (responsible for natural forest reserves and protected areas) and the Bureau of Construction (responsible for national scenic reserves). There is little to no collaboration among individual PAs. Finally, despite the creation of the large number of PAs in Huangshan they are mostly small in size and are not providing sufficient habitat to meet minimum conservation objectives.

The one exception to the situation is Huangshan (Yellow Mountain) National Scenic Reserve (NSR). The area was designated a National Scenic Reserve due to its geological formations and visual landscapes that have become world renown and subsequently designated a "Key National Scenic Area" (1982), 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 Management Committee in close partnership with a publicly traded company in which the government has 51 % ownership. The NSR also represents one of the best preserved forest ecosystems in eastern China (an estimated 93% of the area remains in forest cover).

A recent survey estimated that in the development of the Reserve as a tourist site, over 200,000 local jobs (direct and indirect) have been 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 have evolved with the successful growth of the NSR include 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 PAs. Similarly, given the Reserve's visitation levels, it provides a significant opportunity to increase public awareness of the importance of the region's biodiversity resources and measures being taken to conserve same. Promoting closer collaboration between the Reserve and the municipality's remaining PAs, will contribute to: (i) increased public awareness of the importance of biodiversity conservation, (ii) increased capacity to manage growth in tourism in the municipal PAs; (iii) provide a much needed additional source of revenue in selected PAs and (iv) serve to reduce pressure from visitation in the Reserve itself. Perhaps of greater significance, the proposed project will address a growing issue affecting PAs throughout China namely managing the demand (and associated threats) stemming from increased park visitation in the absence of sound planning and management. Lessons learned and experiences developed in the proposed project would have wide-spread relevance throughout the country.

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, an important representative sample of Eastern China's only biodiversity "hotspot". The project's specific objective is to evaluate, adapt and implement relevant "best practices" derived from the successful management of Huangshan National Scenic Reserve (one of China's most successful and well-managed protected areas) to strengthen and upgrade the existing municipal system of PAs. The proposed project has five components: (i) Policy, Planning and Institutional Arrangements; (ii) Improved PA Management Effectiveness and Networking; (iii) Threat Mitigation, Biological Corridors and Alternative / Sustainable Livelihoods; (iv) Increased Public Awareness, Education and Capacity Building; and (v) Project Management, Monitoring and Evaluation (M&E) and Information Dissemination. Key outcomes include: (i) an integrated approach to the conservation and management of forest biodiversity supported by a coherent policy, planning and institutional framework in Huangshan Municipality; (ii) increased management effectiveness in a network of protected areas designed to conserve forest biodiversity; (iii) reduction in threats to forest biodiversity and improved ecosystem "health" in Huangshan forest ecosystems; (iv) increased institutional capacity and public and political support for the conservation of biodiversity in China's forest ecosystems; and (v) increased receptivity and adoption of "best practices" in promoting PA networking and sustainable tourism management in China's forest ecosystems .

B. 2. INCREMENTAL REASONING: DESCRIBE THE INCREMENTAL ACTIVITIES REQUESTED FOR GEF FINANCING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED BY THE PROJECT: The proposed project would build on the existing system of municipal protected areas and sectoral approaches to the conservation of biodiversity. While partially effective, these efforts do not take into account the inter-connectivity between protected areas. Moreover, the existing approach is not cost-effective characterized by low management efficiencies (with the exception of the NSR), a large number of small PAs managed in isolation, inadequate baseline and information and an over-emphasis on the tourist dimension of protected areas at the possible expense of biodiversity conservation objectives. Finally, there is no common policy, plan and institutional mechanism to ensure that the Huangshan's Municipal forest ecosystems are protected and managed in support of the "green" development objectives set out in the 11th and draft 12th Five Year Development Plans that will drive key decisions affecting the future economic development of the Municipality. In aggregate, the baseline scenario would likely continue to support the relatively few and modest on-going biodiversity conservation efforts characterized by low efficiencies with resulting little impact and failure to avail of the opportunities offered by working closer with the NSR and develop experiences related to balancing tourism development with biodiversity conservation objectives applicable to both Huangshan as well as other PAs throughout China.

The GEF Alternative would support the development and initial implementation of an agreed on long-term strategy and associated institutional arrangements designed to conserve Huangshan's forest ecosystems. Financing the incremental costs associated with the Alternative would build on the Baseline Scenario by supporting: (i) policy studies, planning and the development of a coherent institutional framework that will support the long-term conservation of biodiversity in Huangshan Municipality; (ii) technical evaluation and subsequent support for the consolidation of the existing municipal PAs into a more cost-effective PA system and improved effectiveness in meeting conservation objectives; (iii) increasing management effectiveness in selected PAs and promoting increased collaboration between existing PAs through the creation of one or more networks; (iv) science based assessment and designation of biological corridors to facilitate greater connectivity between PAs supported by studies to identify alternative and/or sustainable

livelihoods compatible with conservation objectives in communities affected by the creation of corridors; (v) increasing public awareness of the significance of biodiversity and its conservation and the role of PAs, networks and biological corridors in achieving this objective; (vi) scientific monitoring; (vii) incorporation of adaptive measures to climate change effects into biodiversity conservation planning processes; and (viii) mainstreaming biodiversity conservation principles into productive sectors to support more informed decision-making.

Global environmental benefits (GEB) to be achieved through the proposed project include: (i) conservation of biodiversity of global significance in at least 100,000 ha of PA and 100 km² production landscape; and (ii) improved functioning of forest ecosystems and processes which will result in increased carbon sequestration and ultimately positive contributions to the mitigation of global warming. Based on the proposed activities the following quantitative outcomes are proposed (to be confirmed together with targets during project preparation) to assess biodiversity conservation: (i) the creation of up to two new protected areas representing in aggregate 300 km² additional area protected; and (ii) reductions in fragmentation of existing PAs and the creation of migration corridors for the protected animals

While arguably not a GEB, there is substantial opportunity for the proposed project to avail of the some 10 million visitors received by the Huangshan NSR each year and promote an increased public awareness of the significance of the province's and municipality's biodiversity and the role of Huangshan PAs and network (to be created under the proposed project) in its conservation; an approach that should be highly cost-effective and build the support needed to make project outcomes sustainable..

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.

B.3. 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) OR ADAPTATION BENEFITS (LDCF/SCCF). AS A BACKGROUND INFORMATION, READ MAINSTREAMING GENDER AT THE GEF.": One critical component of the proposed project is the education and popularization of the importance of biodiversity conservation and sustainable use to the targeted tourists whose number is expected to increase by 10% annually above the 2.35 million tourists recorded in 2009. The increase of biodiversity consciousness will generate significant social-economic benefits in the future China and support current Chinese government policy promoting the environment-friendly economic development in the 12th Socio-economic Development Plan. The alternative livelihood programs supported under component 3 (such as honey bee raising, edible fungus and mushroom cultivation, weekend home-stay with the farmers and eco-tourism) would generate a significant number of job opportunities for local communities, especially the married women and elderly people (the young people, men in particular, work as migrant workers in the developed cities). These livelihood options would reduce dependence on agricultural farming and consequently mitigate related adverse impact on the forest ecosystems. Finally, it is estimated that the proposed project would mobilize an estimated USD 15 million in co-financing of activities in support of biodiversity conservation that, like the experience in the NSR, will generate a significant number of employment in support of tourism services.

B.4 INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MITIGATION MEASURES THAT WILL BE FURTHER DEVELOPED DURING THE PROJECT DESIGN:

| Risk | Rating Risk Type | Risk Mitigation Measures |
|------|---------------------|--------------------------|
|------|---------------------|--------------------------|

| | | |
|---|----------------------|--|
| <p><u>Inter-institutional Coordination.</u> Poor coordination among protected areas administered by different line agencies could undermine the achievement of conservation objectives by limiting the effectiveness of human and financial resources in improving management of individual PAs and their networks.</p> | <p>Low to medium</p> | <p>Project design this will make provision for adequate resources, both in terms of time and financing, to support the needed consultation and participation to reach an agreed vision, strategy (the master plan) and priority actions to be supported by the project. During project preparation, initial consultative efforts will lay the basis for the development of the necessary institutional arrangements to support project objectives. This will likely be a project coordination committee led by the municipal government leaders with representatives from all participating sectors. Over the longer term, the sustainability of the approach will be supported through the project's policy, institutional arrangements and strengthening and public awareness activities. During implementation, it will be the primary task of the municipal project management unit to ensure that the necessary institutional arrangements and consultation continue and to identify and resolve any potential issues early before they begin to affect implementation.</p> |
| <p><u>Policy Formulation.</u> Slow uptake of policy recommendations stemming from project supported policy studies could prolong the current situation characterized by growing threats to forest biodiversity, low management effectiveness and limited inter-institutional collaboration in response to existing threats and constraints.</p> | <p>Medium</p> | <p>As a risk, this will be addressed in project design through promoting a number of capacity building and public awareness raising activities in support of relevant policy reforms directed at both key decision makers as well as the public at large and may include site visits to areas where policy related studies and related activities are being supported. Working directly with the Municipal mayor's office through the project committee will facilitate policy reform. To monitor performance, the project will integrate tracking tools (in its M&E system) with well defined triggers to ensure a timely integration of policy reforms into municipal policy frameworks.</p> |
| <p><u>Climate Change.</u> Climate change as manifested through increased drought and heightened risk of forest fire could undermine the achievement of biodiversity conservation objectives.</p> | <p>Low</p> | <p>The project will integrate <i>inter-alia</i> climate risks and climate proofing measures into the overall master plan preparation process as well as the planning process of specific PAs to promote the integration of adaptation measures. Similarly, climate change variation will be taken into account in working with local communities in identification and piloting of alternative / sustainable livelihoods to account for climatic variability. The proposed project would also forge linkages and synergies with ongoing projects and efforts to mainstream adaptation and to contribute to the knowledge base through its information dissemination and public awareness activities.</p> |
| <p><u>Invasive Species.</u> Forest pests (and other invasive species possibly associated with climate change) could affect the ecological "health" of the forest ecosystems targeted by the project.</p> | <p>Medium</p> | <p>The project will support a science based monitoring program to provide advance warning of possible outbreaks of pests and/or evidence of invasive species. Protocols will be established among PAs participating in the network for facilitate a coherent and cost-effective response to this risk.</p> |
| <p><u>Currency Risk.</u> Significant fluctuation in foreign currency exchange rates may pose a risk to the achievement of all project outputs and outcomes.</p> | <p>Medium</p> | <p>To be addressed through incorporating appropriate price contingencies in the project budget.</p> |

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, NGOS, CIVIL SOCIETY ORGANIZATIONS, AND THEIR RESPECTIVE ROLES, AS APPLICABLE: The key stakeholders identified in the proposed project are the following: (i) management units associated with participating protected areas supported by the project; (ii) 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 and weekend home-stay at rural farms, etc.); (iii) participating local government agencies that will collaborate to mainstream biodiversity conservation objectives in their decision-making processes; (iv) the Anhui Provincial Forestry Department (PFD); (v) rural landholders that will directly benefit from sustainable / alternative livelihood activities supported under the project; (vi) participating enterprises responsible for producing ecologically healthy agriculture products; (vii) 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; (viii) tourists whose visits to well planned and managed PAs will serve to increase their awareness and knowledge about biodiversity conservation; and (ix) a number of civil organizations (e.g., the Wild Life Protection Association, local college and NGOs such as Green Anhui)) that will be invited to participate in the popularization of biodiversity conservation.

B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The only relevant, recent large scale initiative carried out in the municipality was a World Bank supported forestation project that was completed in 2007. Nevertheless, the project team has been in contact with provincial counterparts in Guanxi province responsible for the implementation of the GEF supported component of the Guangxi Integrated Forestry Development and Conservation Project (GIFDC). The global environmental objective of this on-going project is to improve the conservation of the globally significant biodiversity of Guanxi Province by ensuring *in situ* protection of threatened and globally important forest habitats and rare and endemic species. The Project which has just completed a successful mid-term evaluation has been instrumental in pioneering a number of new PA concepts relevant to Huangshan. These include: co-management, alternative livelihoods, scientific based monitoring and systematic patrolling and enforcement. The earlier contact was followed up by a recent visit of the Huangshan project preparation team to meet with the GIFDC project team and selected recipient PAs during the formulation phase of the PIF. Close cooperation and collaboration between the aforementioned GEF supported initiatives and the proposed project will continue to be encouraged during the preparation and implementation phases of the latter project facilitated through the China Biodiversity Partnership and Framework for Action (2007 – 2017).

- C. DESCRIBE YOUR AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:** The project will benefit from FAO's extensive work on conservation and management of natural resources within the ecosystem context. FAO has considerable technical expertise and experience in a number of areas under this project (e.g. sustainable forest management, including protected areas and wildlife management, community-based forestry, development of natural resource and environmental policies and laws, conflict resolution, development of community-based enterprises, among others). FAO's experience with the development of national financing strategies for national forest programmes is also pertinent. More generally, FAO will bring to this project its considerable experience in providing countries with technical assistance in sustainable forest management and global knowledge on best practices in forest management gained through its Committee on Forestry and Regional Forestry Commissions. FAO will also support project implementation though bringing its expertise developed from a number of past and on-going initiatives directly relevant to project objectives. More specifically, FAO has cooperated with the PRC for more than 20 years in the project relevant sectors of agriculture, forestry and natural resources management. FAO has a long record of cooperation with the Chinese Forestry Department at both the national and provincial levels. In addition, FAO's Investment Center has supported a number of preparation and supervision missions of biodiversity conservation projects in China (primarily for GEF). Examples include: (i) the Protected Area's Management Component of the National Sustainable Forestry Development Project (2002) and (ii) Guangxi Integrated Forestry Development and Conservation Project (2006), both with the World Bank as Implementing Agency through the FAO-WB Cooperative Programme; and (iii) An IEM Approach to the Conservation of Biodiversity in Dryland Ecosystems (2008) with IFAD as GEF's Executing Agency through FAO's Investment Support Programme. Moreover, FAO is presently participating as the designated GEF Executing Agency with China's State Ocean's Agency (SOA) in the on-going preparation of the Demonstration of Estuarine Biodiversity Conservation and Restoration and Protected Areas Network Project in collaboration with the Bureaus' of Ocean and Fisheries of Shandong and Guandong Provinces. Finally, given the Organization's administrative, technical and financial support for similar project concepts in the past, there is a unique opportunity to replicate the proposed approach to other FAO supported initiatives both in China and elsewhere.

C.1 INDICATE THE CO-FINANCING AMOUNT YOUR AGENCY IS BRINGING TO THE PROJECT: FAO will provide the following in co-financing: USD 20,000 (grant) and USD 210 ,000 (in-kind).

C.2 HOW DOES THE PROJECT FIT INTO YOUR OWN AGENCY'S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND YOUR STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION: FAO has worked with other UN agencies in China in developing the UNDAF for 2011-2015. One of the outcomes to be achieved is to strengthen the policy and implementation mechanisms to manage natural resources. FAO, together with other UN agencies in China, will implement programmes to strengthen government capacity to effectively manage land and water resources, enhance government capacity to conserve biodiversity and ecosystems, empower communities to increasingly benefit from the development of eco-based livelihood resources and strengthen government capacity to develop and implement policies that ensure compliance with environmental health and safety requirements. With respect to in-country capacity, during GEF 4, FAO China increased its involvement with GEF particularly with respect to biodiversity projects and established good working relationships with the Chinese government at the national and provincial levels. The FAO Office in China recently assigned programme staff for GEF projects including the preparation and implementation of the current one. Additional support and expertise will be mobilized from the FAO Regional Office for Asia and the Pacific (Bangkok) and Headquarter's Investment Centre Division, Forestry Department and other relevant technical divisions as well as from other sources (government insittutions and international experts) when and if needed.

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

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the country endorsement letter(s) or regional endorsement letter(s) with this template).

| NAME | POSITION | MINISTRY | DATE (Month, day, year) |
|---------------|---|---------------------|-------------------------|
| 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 policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation. | | | | | |
|---|---|-------------------------------|--|--------------------|---------------------------|
| Agency Coordinator, Agency name | Signature | Date (Month, day, year) | Project Contact Person | Telephone | Email Address |
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