REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: FULL-SIZED PROJECT
TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title: CBPF-MSL: Strengthening the management effectiveness of the protected area landscape in Altai Mountains and Wetlands			
Country(ies):	People's Republic of China	GEF Project ID:[1]	4653
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4596
Other Executing Partner(s):	Xinjiang Forestry Department, Liangheyuan Provincial Nature Reserve Management Bureau, Altai Mountains Forestry Bureau	Submission Date: Resubmission Date:	June 7 2013 July 25, 2013
GEF Focal Area (s):	Biodiversity	Project Duration(Months)	60
Name of Parent Program (if applicable): ➢ For SFM/REDD+ ☐ ➢ For SGP ☐	China Biodiversity Partnership Framework and Action Plan (CBPF) and Main Streams of Life – Wetland PA System Strengthening Programme	Agency Fee ($):	319,021

A. FOCAL AREA STRATEGY FRAMEWORK[2]

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	Output 1.1. New protected areas (2) and coverage (150,000 hectares) of unprotected ecosystems.	GEF TF	1,356,300	11,555,952
		Output 1.2. New protected areas (2) and coverage (150,000 hectares) of unprotected threatened species.	GEF TF	1,191,900	7,815,500
	Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management.	Output 1.3. Sustainable financing plan (1).	GEF TF	819,479	1,530,000
Sub-total				3,367,679	20,901,452
Project management cost				177,000	1,098,548
		Total project costs		3,544,679	22,000,000

B. PROJECT FRAMEWORK

Project Objective: To strengthen the management effectiveness of protected areas to respond to existing and emerging threats to the globally significant biodiversity and essential ecosystem services in the Altai Mountains and Wetland Landscape in Xinjiang UAR

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount ($)	Confirmed Cofinancing ($)
1. Systemic and institutional	TA	▪ Effective legal framework for the Xinjiang PA system	▪ Provincial PA management regulations developed providing for, *inter alia* :(i) different categories of PAs, each with	GEF TF	515,000	6,070,000

[1] Project ID number will be assigned by GEFSEC.
[2] Refer to the Focal Area/LDCF/SCCF Results Framework when completing Table A.

capacity for planning and managing PA system and the sub-system of wetland PAs in Xinjiang UAR [3]		emplaced, enhancing conservation status of 748,071 ha of natural wetlands within the 35 PAs in Xinjiang UAR (with total coverage of 22,952,334 ha) through application of approved provincial regulations providing for the establishment and management of different categories of PAs, and an enabling framework for co-management. ▪ Strengthened capacity of Forestry Dept of Xinjiang UAR to effectively manage the provincial PA system, indicated by: (i) improved capacity assessment scorecard scores over baseline, increasing from between 52-60% to all over 70% (ii) development and establishment of safeguard measures to protect wetland biodiversity from overgrazing and mining	clear criteria for establishment, management objectives and standards; (ii) an effective monitoring and reporting regime for PAs; (iii) a framework for the development and management of revenue generating activities within PAs; (iv) measures to prevent adverse impacts from prospecting and mining and grazing; (v) a regulatory framework allowing for collaborative management of PAs with residents and PA adjacent communities. The development of NR specific regulation also will be explored. ▪ Sector-related governance and regulatory framework for supporting PA system: (i) Embedding of PA management concerns in the provincial development plans, cross-sectoral plans such as climate change mitigation and adaptation, tourism and the plan for achieving water security; (ii) Sector specific standards developed for areas near wetland PAs including standards and procedures for regulating mining and oil/gas extractive activities; (iii) Official guidelines for ecological compensation and restoration by mining and tourism investors. ▪ Institutional strengthening: Supervisory capacity of the provincial Forestry Department for planning and monitoring wetlands and PAs and enforcement and compliance monitoring of new sector standards. This includes strategic training activities and application of the professional competency standards for wetland PA management staff (to be developed at the national level), as basis for enhanced performance.			
2. Altai Mountains and Wetland Landscape (AMWL) PA Cluster ensures effective biodiversity conservation at landscape scale, including Liangheyuan	TA	▪ Strengthened AMWL PA Complex provides effective landscape level biodiversity conservation indicated by: (i) improvement in the average METT scores of the PAs from baseline scores between 28 - 71% to between 60 and 80% at the end of project; (ii) improvement in the ecosystem health index[4]	▪ PA system in AMWL expanded based on a systematic review of PA coverage viz biodiversity conservation needs and climate change threats and adaptation needs; new PAs gazetted and operationalized in critical areas. ▪ Systematic PA management and biodiversity monitoring system established for the Altai PA network, with data sharing and joint training and survey activities. ▪ Altai PA cluster management objectives are mainstreamed in provincial	GEF TF	1,631,000	7,679,500

[3] Wetlands PAs are a sub-system of the larger PA system, and comprise sites primarily established to protect important wetlands including lakes and waterways.
[4] Biodiversity and ecosystem health is reflected in the ability of a site to maintain its biodiversity values including ecological function. Many wetland sites are very dynamic and it is important to measure this ability as this will become increasingly important as climate and water flow patterns change. The project will develop an ecosystem health index linked to habitat suitability in each site for important biodiversity and its status to measure biodiversity health and potential to adapt to climate induced change.

NR, Buergen Beaver NR, Kanas NR, Kekesu Wetland NR, Ertix River Keketuohai NR and other smaller NRs		especially designed for the PAs in the landscape, from between 57 and 67% in three PAs to at least 70 to 75%; (iii) realignment of PA system to enhance ecosystem resilience and connectivity adding a minimum of 150,000 ha of important wetlands to the PA system; (iv) reduction of grazing and mining threats; (v) development of management agreements with Mongolia for coordinated management of critical transfrontier habitat and species such as beaver and otter ▪ Increase in the provincial and local government operational budgets for the AMWL PA network by 40% from the baseline of US$ 1,515,594 per year.	development planning process and included in the provincial 13th 5-year plan, through: (i) development of a financing plan for Altai PA network, costing PA management activities needed to manage threats to biodiversity; (ii) economic valuation of the Altai PA system (market and non-market values) including the roles wetlands will play in reducing vulnerability to water scarcity under conditions of climate change; (iii) development of a mechanism to incorporate new funding sources from eco-compensation initiatives and new financing investments from public and private sector players in support of PA management; (iv) strengthened inter-sectoral coordination at the landscape level. ▪ Awareness of the importance of the PAs in safeguarding biodiversity and ecosystem services in the landscape increased through targeted campaigns, communication, and a data sharing platform. ▪ Transfrontier conservation improved through increased capacity of PA authorities to participate in trans-frontier cooperation to improve the monitoring of species that occur across the Altai Sayan Ecoregion and to reduce transboundary threats including poaching, habitat degradation and habitat fragmentation by border fences.			
3.Demonstration of effective wetland PA management through community co-management	TA	▪ Community co-management in the Liangheyuan NR (with a coverage of 680,776 ha) improves management effectiveness in the PA, indicated by: (i) reduction in biodiversity pressure (overgrazing and illegal mining) in the PA; (ii) total ban on grazing in the PA's core areas; (iii) increase in the METT score from 65 to over 80; (iv) threatened species' populations (incl. beaver, moose, wolverine) are stable or increasing; (v) 20% increase in average income of park residents (approximately 7,000 families in summer)	▪ Liangheyuan NR operations strengthened to address grazing and mining threats through: (i) management planning; (ii) setting up of ecological monitoring and wetland use management systems; (iii) enforcement strengthening (surveillance, interception of malfeasance and prosecution); (iv) restoration of ecosystems fragmented and degraded by mining or overgrazing, including peatlands; (v) staff training tailored to improve management of specific threats to the PA. ▪ Joint PA governance and management structure put in place with clear rules, and roles and responsibilities for site co-management agreed between the Liangheyuan NR authority and Kazakh communities residing in the PA. The co-management agreement will define mechanisms to reduce grazing pressure and maintain biodiversity patterns and processes (incl. peatland in mountainous headwaters) as well as mechanisms for securing alternative livelihoods. A sustainable use management system will be established for pasture and other	GEF TF	1,221,679	7,151,952

			resources used or harvested by local communities in designated zones, with resource inventories, plans, enforcement and monitoring.			
Subtotal					3,367,679	20,901,452
Project Management Cost (PMC)[5]				GEF TF	1,770,000	1,098,548
Total project costs					3,544,679	22,000,000

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 ($)
Local Government	Xinjiang UAR Provincial Government	Grant	16,500,000
Local Government	Xinjiang UAR Provincial Government	In-kind	4,500,000
GEF Agency	UNDP	Grant	1,000,000
Total Co-financing			22,000,000

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in $)		
				Grant Amount (a)	Agency Fee (b)[2]	Total c=a+b
UNDP	GEF TF	Biodiversity	China	3,544,679	319,021	3,863,700
Total Grant Resources				3,544,679	319,021	3,863,700

[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	246,000	0	246,000
National/Local Consultants	390,000	606,000	996,000

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).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF[6]

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

N/A

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

[6] 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

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

A.3 The GEF Agency's comparative advantage:

In addition to what was described in the PIF, UNDP has finalized its Biodiversity and Ecosystem Framework for 2012 and 2020, which will be integrated in the UNDP Business plan and country programmes. Under the Framework, the second Programme is dedicated to unlocking the potential of protected areas, including indigenous and community conserved areas, to conserve biodiversity while contributing towards sustainable development.

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

The project is designed by closely complying with the objectives, outcomes, components, GEF budget and co-financing specified in the PIF. There has been no change in the GEF and co-financing budget totals nor in the allocation of budgets across outcomes. The overwhelming majority of quantitative targets from the PIF have been maintained. The only minor variations are the confirmed number of pilot/demonstration sites that will have interventions under Outcome 2, the transfrontier conservation element of Outcome 2, and estimates of annual operating budgets in the AMWL PA network.

The project framework in the PIF document indicated under Component 2 that the project will support the strengthening of several PAs in the AMWL landscape. It is still planned that all 5 NRs mentioned by name, along with several other PAs in AMWL including Wetland Parks and Forest Parks with wetlands, will be strengthened significantly through this project. The change is simply that one of the PAs included in Table 1 of the PIF document (i.e., Jingtasi Rangeland NR) will not be a central focus of the project, as it has little wetland included within its boundaries. Additionally, the area currently encompassed in Liangheyuan NR is less than was indicated in the PIF due to a reduction in the extent of the NR in 2004 (as compared to its original anticipated extent, which was the figure reported in the PIF document; this is further explained in the project document in Annex 9, on page 177). Because of the latter change, the area in AMWL currently under formal NR classification is decreased by 30% as compared to that reported in the PIF. Nonetheless the Liangheyuan NR will be effectively enlarged through the project with enhanced collaboration with other sections of the Altai Mountains Forestry Bureau (which is responsible for the management of Liangheyuan NR), specifically with the county offices of AMFB in Fuyun and Fuhai counties. (Similar co-management partnerships also will be supported by the project between Kanas NR and the Habahe and Buerqin county offices of AMFB.) Most significantly, the current plan to increase the extent of wetland PAs in AMWL by at least 150,000 ha remains unchanged; a figure that represents a 14 percent increase in PA coverage, based on the current areas of five wetland PAs, including the Kanas NNR.

Transfrontier conservation is well developed in the project, the only change from PIF document being that engagement with the "four country transfrontier cooperation forum" is not included in the project. Nonetheless international cooperation cooperation is included, between Mongolia and China. Specifically, the project will develop a Beaver Conservation Strategy and Action Plan as well as a Tavan Bogd NP – Liangheyuan NR partnership, as described in more detail in the Project Document in Output 2.5 starting on page 63. More information is also provided in Annex C of this document.

Through the PPG phase with its baseline METT analyses, it was determined that the original estimates of PA annual operational budgets that are received from provincial and local government for the 5 wetland PAs were inaccurate, by around 30 percent. Yet still there remains urgent need to enhance operational funding for these very important NRs.

Finally, through fuller integration of the broader mountain and forest landscape into the conservation remit of the Altai Mountains Forestry Bureau' (e.g., with enhanced responsibilities given to AMFB staff working in its 6 county branch bureaus, largely focused on execution of the national Altai Mountains Natural Forest Protection Project), the comprehensive PA network in AMWL can be greatly strengthened, significantly enlarged, and its resilience in the face of climate change increased. This element has been strengthened in the project document, compared to the original PIF.

A summary of the changes described above is provided in Table 1.

Table 1. Changes made, compared to information provided in original Project Identification Form (PIF)

Area of change	Original PIF	Final project document
Liangheyuan NR	Reported area = 1,130,000 ha	Current (actual) area = 680,776 ha
Transfrontier cooperation	'Four-Country Cooperation Forum'	Two Sino-Mongolian partnerships
PA operational budgets	Operational budget = $ 1,100,000	Operational budget = $ 1,515,594
Inclusion of AMNFPP areas	Not considered directly	Integrated into PA Network plan

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:

N/A

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:

The risk table has bene updated as below. Two additional risks have been highlighted in the project document: Local government lacks an interest to establish or enlarge wetland PAs (assessed as medium risk), and management of PAs remains ineffective, leading to a decline of biodiversity (assessed as low risk). A fuller is included in the Project Document. The other risks' assessed level remains largely unchanged.

Identified Risks	Category	Impact	Likelihood	Risk Assessment	Elaboration of Risks	Mitigation Measures
Different sectors involved in the establishment and management of PAs work in isolation	Strategic	Medium	Moderately likely	**Low**	Coordination of action between SFA and other PA management authorities proves difficult, as a result of institutional rigidities – thus undermining conservation efforts promoted through the project.	The Government recognises the need for better coordination, and has specifically requested project support to develop the coordination apparatus, as a key measure to improve environmental governance. The project is fully positioned as an integral part of the CBPF, in order to ensure that it contributes directly to overall biodiversity conservation efforts of the country through implementation of the NBCSAP. CBPF and NBCSAP implementation fora will be fully utilised in order to ensure that essential coordination between the PA management authorities occurs. During project preparation, initial consultative efforts have laid the foundation for the creation of a new, permanent inter-agency coordination and management committee for individual PA sites and for clusters or networks of PAs in Component 2.
Local communities may still follow incompatible land use and resource use practices, jeopardizing biodiversity	Political	Medium	Likely	**Medium**	Even under co-management (where communities have usufruct rights to natural resources), economic development interests of communities will override conservation priorities, leading to continued loss and degradation of biodiversity.	Whilst there is significant interest amongst local communities to be entrusted with conservation of the land where they live, both 'carrot and stick' may be required for some communities to implement agreed conservation actions (when it is not of direct short-term economic benefit for them, or causes losses in some livelihood opportunities). The government is already experimenting with a variety of eco-compensation schemes and the project will build directly on these government efforts. The project will also build on national and global experiences in co-management of PAs and of natural resources, and will provide support at every stage of co-management agreement development and negotiations between stakeholders. The distributional implications of management actions between and within communities

						also will be assessed as part of the environmental valuation and socio-economic assessments that will be undertaken under Component 2. The project equally will adopt an integrated approach to improving community attitudes and practices in relation to PAs, including awareness raising, participatory approaches including co-management, and support for the development of alternative livelihoods.
Conservation efforts may be limited by ecological responses to climate change	Environ-mental	Medium	Likely	**Medium**	Severity of climate change impacts, increased incidence and extended duration of extreme weather (e.g., floods and drought) and retreat of glaciers may undermine conservation efforts promoted by the project through changes in water availability, biodiversity distribution and changes in community resource use intensities.	Given that climate change impacts are likely to increase over the long term, the project will assess these changes as part of the PA system level analysis and will propose actions and management approaches to increase ecosystem resilience. These will include realignment of PA zones and boundaries if necessary and improving functional connectivity between habitats and PAs as well as across the broader landscape. Migration patterns and timings may change, requiring adjustments in the PA network design to accommodate species with large geographic ranges and migratory species.
Project implementation may be halted by political unrest in the project area	Political	Medium	Moderately likely	**Low**	There may be a political risk in the ethnically sensitive region of Xinjiang. Any repeat of former rioting could halt or compromise smooth project operations in the Autonomous Region	Recently the ECBP Programme was able to complete two projects in Xinjiang despite recent riots. Sensitivity of the region can even be an asset in guaranteeing high level of government attention to ensure good governance. Being an autonomous region, with a higher legislative power than provinces, Xinjiang presents an interesting opportunity to establish a modern and solid legal framework for PA management. In addition, in order to minimise this project risk, the Ministry of Finance will also sign an agreement with the Government of XUAR before project inception, which require necessary enabling conditions in Xinjiang including social stability, detailing various risk mitigation measures. Additionally, any potential risk to the project lies not so much in physical risk for individual participants, whether foreign or national; but rather in the possibility that provincial government may restrict travel or implementation of internationally (co-)funded projects — and while this is possible, it is unlikely, as the project has the highest levels of support in China, both at provincial and national level, with commitment given to this effect as has clearly been demonstrated through joint authorship and government signatures endorsing this important project.
Lack of financial incentives and poor or limited enforcement of agreed plans or priorities hinder mainstreaming wetland PAs and	Financial / Regulatory	High	Medium	**Medium**	Mainstreaming wetland PAs (and more generally, biodiversity) into sectoral policies will be hindered by lack of incentives for other sectors, and poor enforcement of agreed priorities or plans allow for incompatible large-scale activities to occur in other sectors such as mining and tourism	Although historically this risk has been very high, with the elevation of environmental agency to the level of Ministry, it is expected that the government will have greater capacity to identify and mitigate the severe threats such engineering-oriented programmes pose for biodiversity. This project proposes to not just focus on coordination but also on joint planning, approval of policy, programmes and legislation at provincial level with participation of key wetland-impacting sectors and agencies. The project will support development of strong PA regulations and a framework for development of tools for mainstreaming such as sector specific standards

biodiversity in other sectors					development. (For example, Kalamaili Ungulate NR is threatened by approval of large open-cast coal mining inside the NR, and Lop Nur wetlands have dried up as a result of upstream water diversions.)	developed for areas in/near wetland PAs including standards and procedures for regulating mining and other extractive activities, a consolidated information database on wetland PAs, a wetland PA system review, and economic valuation studies. Under the CBPF umbrella, efforts will be made to develop viable partnership between different (sometime competing) government agencies. The project will also seek to operationalize new Wetland Conservation Regulations.
Local government lacks an interest to establish or enlarge wetland PAs	Political	Medium	Likely	**Medium**	Due to lack of understanding of the benefits of PAs, lack of scope for participatory management, and interest in maintaining current economic land and resource uses, county and prefecture government generally prefers to keep land administration under its direct control, without consultation or partnership with PA authorities, with resultant ecological damage. In addition, it is often difficult for local governments to adequately finance the management of PAs.	The project aims to raise awareness of the economic values of wetland biodiversity and ecosystem services, to develop eco-compensation arrangements to help provide sustainable financing for PAs and related local communities, and to engage local authorities through participatory processes with regard to the development and expansion of the PA system and for the management of individual PAs.
Management of PAs remains ineffective, leading to a decline of biodiversity	Opera-tional	Medium	Moderately Likely	**Low**	In many cases PA staff lack professional capacity for dynamic leadership, with few incentives for them to demonstrate commitment in achieving NR management objectives, and opportunities for continuing professional development are few.	The project will support the development of professional standards for PA jobs, provide training to raise current standards, and work with PA system planners to develop sustainable financing for the PA system. In addition, the project will provide opportunities for learning and for sharing of experiences and approaches between NRs, and a provincial systems level plan will be developed for long-term training opportunities for PA staff at multiple levels.

Note: See Risk Assessment Guiding Matrix on page 77 of Project Document.

A.7. Coordination with other relevant GEF financed initiatives

An outline of how the project will coordinate with other related initiatives in the region is presented below.

Collaborations with other related intiatives

INITIATIVES / INTERVENTIONS	HOW COLLABORATION WITH THE PROJECT WILL BE ENSURED
WB/GEF Project: *Mainstreaming Biodiversity Protection within the Production Landscapes and PAs of the Lake Aibi Basin, 2009-2014* Aims to strengthen the Xinjiang's PA system – which includes Lake Aibi National NR – emphasis on developing/improving wetland safeguard measures from sector development activities	Coordination with this biodiversity project will be ensured through XFD, with representation from the project's leadership in the PPLG. A regular sharing of experiences and key lessons learned will be integrated into regular PMO operations.
Other international projects in the Altai Sayan Ecoregion, from which important lessons may be learned for this project: - EU-China Biodiversity Programme (ECBP) – AMFB and Wetlands International developed a *Wetland Conservation and*	Lessons and recommendations from these projects have already been considered and elements incorporated into project design. In addition, an activity under Output 1.3 (institutional

INITIATIVES / INTERVENTIONS	HOW COLLABORATION WITH THE PROJECT WILL BE ENSURED
Sustainable Use Strategy for the Altai Mountains, which was endorsed by Prefecture Government (completed) - WWF Mongolia – *Ensuring long-term conservation of biodiversity in trans-boundary areas of the Altai Sayan Ecoregion between Mongolia and Russia* (completed) - Darwin Initiative – *Cross-border conservation strategies for Altai Mountain endemics (Russia, Mongolia, Kazakhstan)* (completed) - IUCN/WCPA – *Altai-Sayan Mega Connectivity Conservation Corridor: An adaptation response to climate change in the heart of Asia* (on-going development)	strengthening) focuses on the promotion of continued dialogue and relevant exchange of information and experiences between projects, across Altai Sayan Ecoregion countries. Thus lessons learned and recommendations from these projects will have opportunity to feed into Xinjiang's wetland PA conservation strategy development.
Tourism development in Altai region: - A UN World Tourism Organization (UNWTO) *Sustainable Tourism Observation Site* was established in Altai's Kanas Scenic Area on 16 September 2012 - The *Altai Thousand-Kilometer Tourism and Cultural Corridor Project* is currently being considered by prefecture government; the *International Economic Cooperation and Planning Meeting* focused on the Silk Road and Altai Region was held on 9 August 2012	The project implementation team should consider cooperation with Zhongshan University, partner with UNWTO in establishing the observation site in Kanas Scenic Area. Zhongshan University has opened a *Kanas Tourism Development and Planning Research Center*, which recently co-organized the *Kanas Area Tourism Planning and Sustainable Development International Workshop* together with UNWTO. Several Altai-focused regional tourism plans are currently in development and under consideration by both prefecture and provincial governments; partnerships with these initiatives will be developed through the project. Government of Altai Prefecture, Xinjiang Normal University and Xinjiang Finance and Economics University have jointly organized some planning meetings. The *Greater Kanas Scenic Area Tourism Plan* also is currently being developed by government.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

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):

The target PAs in this project make enormous contribution to the provincial economy through the protection and maintenance of ecological services including provision of water, and for the socio-economic welfare of the people of Xinjiang. Wetland PAs in Xinjiang provide essential water resources to both people and industries. For example, more than 50 rivers originate in the Altai Mountains, and eventually converge into two major rivers, the Ertix and the Ulungur. These rivers are the lifeblood for an estimated one million people of all ethnicities in Altai Prefecture, and the basic foundation of economic development in north Xinjiang. By safeguarding vital hydrological services, the project will generate large positive social and economic externalities to the Province. Wetlands also support livelihood and economic opportunities, such as fisheries and agriculture, and offer opportunities for public recreation and tourism. By strengthening the management of PAs, and putting in place measures to manage the adverse impacts of tourism and other sectors, the project will make an important contribution to safeguarding future use options in Xinjiang. Finally, in Liangheyuan NR, the estimated 3,000 residents will also directly benefit from the sustainable use system to be put in place as well as from a sense of empowerment that comes from fuller participation in PA co-management and benefit sharing arrangements. Specific alternative livelihood programmes also will be developed, focused on community tourism.

As women in the local communities play a major role in herding work and are engaged in natural resource use, they also are included amongst the primary local beneficiaries of the project. In fact, Kazakh women are at the heart of the households' family and economic matters. With the project, this household level involvement will be enhanced to a broader community level through support of local cooperatives (such as handicraft cooperatives, in which women are

the main artisans) and the development of novel governance mechanisms for improved interaction and partnership with protected area authorities (such as the development and strengthening of channels for community dialogue and emplacement of co-management arrangements). It is also important at a more regional level to further advance gender considerations – and to integrate these considerations at all administrative levels and across development sectors and in the business sector. One way this is achieved through the project is by developing key partnerships with successful businesses owned or operated by women leaders. The content of awareness raising materials – whether oriented to environmental conservation or with presentation of local culture and livelihoods – also will be used to present more equitable interactions across genders as well as for promotion of conservation goals.

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

The project's approach of addressing PA system level barriers (including inadequate provincial level management capacity, limited tools and capacities at site level, and a significant disconnect between the management of wetland PAs and development and sectoral planning) is cost-effective in that it will have broad applicability at provincial and national levels, including impacts beyond the selected demonstration sites. The project also is cost-effective inasmuch as it helps extend the scope of conservation funding in the project area – which to date is focused mainly on forested areas – to consider the broader landscape as a comprehensive and integrated whole, including wetlands and rangelands as well as local people and communities' traditional livelihoods.

As part of the national CBPF-MSL programme, the project contributes directly towards larger national policy, regulatory, fiscal, data management and communications goals in support of wetland biodiversity conservation and an effectively managed national wetland PA system through upscaling of its demonstration activities and approaches. The project implementation arrangements include a direct link between the Provincial Project Leading Group (steering committee) and the CBPF MSL national project to ensure that this will be realized.

At a technical level, the streamlining of approaches in the provincial PA system for law enforcement, for biodiversity and ecological monitoring, and information management 7 will be a cost-effective investment in terms of project impact as well as for XFD's subsequent operations. The project's approaches to building support within multiple development sectors and stakeholder groups including local communities and building capacity of the provincial forestry bureau are expected to lead to cost-effective PA management that avoids duplication of work, reduces biodiversity degradation and loss of ecosystem services from incompatible development practices, and ensures the sharing of timely information and resources.

The project also is cost-effective because it builds on community-based approaches to conservation and sustainable resource use that have already undergone preliminary trialing in herding communities elsewhere in western China, particularly in Qinghai Province.

The total GEF investment of US$3,544,679 for this project will leverage a minimum of US$22 million in co-financing from XFD and UNDP, a highly cost-effective ratio of 6.2. The overall GEF investment for strengthening the management effectiveness of XUAR's terrestrial PA system will average around US$ 3.2 per square kilometer per year (or US$ 0.03 per hectare per year). Even when the investment is considered in relation only to the wetland NRs in AMWL (cf. Outcomes 2 and 3), comprising a smaller geographic coverage, still the project represents a cost-effective investment at less than US$ 0.70 per hectare per year.

Finally, the receipt of GEF resources channeled through a UN implementing agency is a source of pride for provincial government agencies in China, which often facilitates their ability to achieve the necessary political commitment to take difficult decisions on issues such as upgrading PA protection status, inter-agency coordination to reduce external pressures on PAs, the adoption of more environmentally friendly practices in related sectors, and concessions on land uses; a particularly cost-efficient means to an end.

C. DESCRIBE THE BUDGETED M &E PLAN:

[7] In some instances in project implementation, these management approaches will be developed and trialed at the landscape level, in order to later serve as a model for province-wide application.

The project's Monitoring & Evaluation (M&E) framework will build on the UNDP's existing M&E Framework for biodiversity programming. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from the UNDP/GEF Regional Coordination Unit in Bangkok, Thailand. The Strategic Results Framework in Section II, Part I, provides performance and impact indicators for project implementation along with their corresponding means of verification. The METT tool, Financial Scorecards and Capacity Assessment Scorecards (see Section IV, Part V) will all be used as instruments to monitor progress in PA management effectiveness. The M&E plan includes: inception report, project implementation reviews, quarterly and annual review reports, a mid-term review and final evaluation. The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized in the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

INCEPTION PHASE

A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goal and objective, as well as finalize preparation of the project's first annual work plan on the basis of the logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF team which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Review Report (ARR), as well as mid-term review and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

MONITORING RESPONSIBILITIES AND EVENTS

A detailed schedule of project review meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for PLG meetings (both Provincial and Altai PPGs), and (ii) project related Monitoring and Evaluation activities. Day-to-day monitoring of implementation progress will be the responsibility of the Project Manager based on the project's Annual Work Plan and its indicators. The Project Manager will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The Project Manager will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

Measurement of impact indicators related to global biodiversity benefits will occur according to the schedules defined in the Inception Workshop, using METT scores. The measurement of these will be undertaken through subcontracts or retainers with relevant institutions. Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the Implementing Partner, or more frequently as deemed necessary. This will allow

parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

Annual Monitoring will occur through the bi-annual AMWL Project Leading Group (Altai PLG) followed by the annual Provincial Project Leading Group (PPLG) meetings. The PLG meetings are the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to these leadership and supervisory meetings two times a year. The first such meeting, at both provincial and landscape level, will be held within the first six months of the start of full implementation.

The Project Manager in consultations with UNDP-CO and UNDP-GEF RCU will prepare a UNDP/GEF PIR/ARR and submit it to PLG members at least two weeks prior to the PLG for review and comments. The PIR/ARR will be used as one of the basic documents for discussions in the PLG meeting. The Project Manager will present the PIR/ARR to the Project Leading Group, highlighting policy issues and recommendations for the decision of the PLG participants. The Project Manager also informs the participants of any agreement reached by stakeholders during the PIR/ARR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary. The Project Leading Group has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

The terminal PLG is held in the last month of project operations. The Project Manager is responsible for preparing the Terminal Report and submitting it to UNDP-CO and UNDP-GEF RCU. It shall be prepared in draft at least two months in advance of the terminal PLG in order to allow review, and will serve as the basis for discussions in the PLG. The terminal meeting considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation.

UNDP Country Offices and UNDP-GEF RCU as appropriate, will conduct yearly visits to project sites based on an agreed upon schedule to be detailed in the project's Inception Report/Annual Work Plan to assess first hand project progress. Any other member of the Project Leading Group can also accompany.

PROJECT REPORTING

The Project Manager in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. The first six reports are mandatory and strictly related to monitoring, while the last two have a broader function and the frequency and nature is project specific to be defined throughout implementation.

A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed two-year Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation. When finalized, the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

An Annual Review Report (ARR) shall be prepared by the Project Manager and shared with the Project Leading Group. As a self-assessment by the project management, it does not require a cumbersome preparatory process. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the Project Progress Report (PPR) covering the whole year with updated information for each element of the PPR as well as a summary of results achieved against pre-defined annual targets at the project level. As such, it can be readily used to spur dialogue with the Project

Leading Group and partners. An ARR will be prepared on an annual basis prior to the Project Leading Group meeting to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The ARR should consist of the following sections: (i) project risks and issues; (ii) project progress against pre-defined indicators and targets and (iii) outcome performance.

The Project Implementation Review (PIR) is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project team. The PIR should be participatorily prepared in July and discussed with the CO and the UNDP/GEF Regional Coordination Unit during August with the final submission to the UNDP/GEF Headquarters in the first week of September.

Quarterly progress reports: Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF RCU by the project team.

UNDP ATLAS Monitoring Reports: A Combined Delivery Report (CDR) summarizing all project expenditures, is mandatory and should be issued quarterly. Quarterly financial reporting should be done in concert with advance financial planning, in accordance with UNDP FACE procedures. The Project Manager should send it to the Project Leading Group (Altai PLG) for review and the Implementing Partner should certify it. The following logs should be prepared: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the Project Manager to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the Project Manager to maintain and update the Risk Log, using Atlas; and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on good and bad experiences and behaviours. It is the responsibility of the Project Manager to maintain and update the Lessons Learned Log.

Project Terminal Report: During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

Periodic Thematic Reports: As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. and will be project 'knowledge products' that disseminate key lessons learned. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with

UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget. Since the project is located in a predominantly Kazakh-speaking area, those publications aimed at local stakeholders or communities should be also published in Kazakh.

INDEPENDENT EVALUATIONS, AUDITS AND FINANCIAL REPORTING

The project will be subjected to at least two independent external evaluations as follows: An independent Mid-Term Review will be undertaken at exactly the mid-point of the project lifetime. The Mid-Term Review will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term review will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term review will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

An independent Final Evaluation will take place three months prior to the terminal Project Leading Group meeting, and will focus on the same issues as the mid-term review. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

LEARNING AND KNOWLEDGE SHARING

Results from the project will be disseminated both within and beyond the project intervention zone through a number of existing information sharing networks and forums. Project publications are described earlier, under Part IV: M&E. On-going internal assessment by PMO staff will help to collate lessons learned, and will seek to identify what the project team considers to be useful and practical information to gather and analyze. Because this requires additional effort, time and funds, an associated budget has been included for this.

In addition, the project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF Regional Unit has established an electronic platform for sharing lessons between the project coordinators. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identify and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the team in categorizing, documenting and reporting on lessons learned.

Capturing and sharing knowledge and lessons learned will constitute an important component of the project and an essential way to ensure sustainability and replicability of project achievements. This project element cuts across all three project components. As the local stakeholders are mostly Kazakh, it is important that project communication activities have access to necessary facilities for translation and distribution in appropriate languages. It is also noteworthy that most field areas are unable to receive electronic information, therefore reliance on printed materials will be high.

COMMUNICATIONS AND VISIBILITY REQUIREMENTS

Full compliance is required with UNDP's Branding Guidelines and guidance on the use of the UNDP logo. These can be accessed at http://web.undp.org/comtoolkit/reaching-the-outside-world/outside-world-core-concepts-visual.shtml Full compliance is also required with the GEF Branding Guidelines and guidance on the use of the GEF logo. These can be accessed at http://www.thegef.org/gef/GEF_logo. The UNDP and GEF logos should be the same size. When both logs appear on a publication, the UNDP logo should be on the left top corner and the GEF logo on the right top corner. Further details are available from the UNDP-GEF team based in the region.

Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines").8 Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

AUDIT CLAUSE

The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted according to UNDP financial regulations, rules and audit policies by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

Table 5. M&E Activities, Responsibilities, Budget and Time Frame

Type of M&E activity	**Responsible Parties**	**Budget US$** *Excluding project team staff time*	**Time frame**
Inception Workshop	Project Manager, UNDP CO UNDP GEF	10,000	Within first two months of project start up
Inception Report	Project Team UNDP CO	None	Submit draft two weeks before the IW, finalize it immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members	To be finalized in Inception Phase and Workshop. Indicative cost: 15,000	Start, mid and end of project (Years 1, 3, 5)
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	Oversight by Project Manager Project team	To be determined as part of Annual Work Plan's preparation. Indicative cost: 8,000 per year; total: 32,000	Annually prior to ARR/PIR and to the definition of annual work plans (Years 2-5)
ARR and PIR	Project Team, UNDP-CO UNDP-GEF	None	Annually
Quarterly progress reports	Project team	None	Quarterly
CDRs	Project Manager	None	Quarterly
Issues Log	Project Manager UNDP CO Programme Staff	None	Quarterly
Risks Log	Project Manager UNDP CO Programme Staff	None	Quarterly
Lessons Learned Log	Project Manager UNDP CO Programme Staff	None	Quarterly

[8] The GEF Guidelines can be accessed at http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf

Mid-term Review	Project team UNDP- CO UNDP-GEF Regional Coordinating Unit External Consultants (i.e. review team)	40,000	At mid-point of project implementation (Year 3)
Final Evaluation	Project team, UNDP-CO UNDP-GEF Regional Coordinating Unit External Consultants (i.e. evaluation team)	40,000	At the end of project implementation (Year 5)
Terminal Report	Project team UNDP-CO local consultant	0	At least one month before the end of the project
Lessons learned	Project team UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc.)	15,000 (average 3,000 per year)	Yearly
Audit	UNDP-CO Project team	25,000 (average 5,000 per year)	Yearly
Total indicative cost *Excluding project team staff time and UNDP staff and travel expenses; included across project components*		US$ 177,000	

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 OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Jiandi Ye GEF Operational Focal Point	Director: International Financial institution Division III, International Department	Ministry of Finance	08/31/2011

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	Signature	Date (*Month, day, year*)	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP-GEF Officer-in-Charge and Deputy Executive Coordinator		25 July 25, 2013	Midori Paxton, Regional Technical Adviser – EBD	+66-818787510	midori.paxton@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
Objective – To strengthen the management effectiveness of PAs to respond to existing and emerging threats to the globally significant biodiversity and essential ecosystem services in the Altai Mountains and Wetland Landscapes in Xinjiang Uyghur Autonomous Region	Provincial Capacity: - Forestry Department - Water Resources Dept. - Environmental Protection	 59% 60% 52%	All >70%	Capacity Scorecards	Risks: Mainstreaming of biodiversity and recognition of the valuable roles of protected areas will be limited by inadequate incentives for other sectors and poor enforcement of agreed priorities and plans Assumption: Government remains committed to strengthening the PA system in XUAR, including increase in financing for PA network Government continues to be committed to provision of eco-compensation funds
	Financial sustainability: - Component : Legal, regulatory and institutional frameworks - Component 2: Business planning and tools for cost-effective management - Component 3: Tools for revenue generation	 24% 20% 11%	 40% 50% 40%	Financial Sustainability Scorecards	
	Increase in PA coverage, strengthened resilience and connectivity in the AMWL	PA network design not optimized for resilience and connectivity	Incorporation of AMNFPPA into AMWL PA framework Expansion of PA system in AMWL – with total increase of at least 150,000 ha in coverage Regional collaboration with neighbouring PAs enhanced	AMFB documents	
Outcome 1 The protection of wetland ecosystems through PA planning	**Outputs** 1.1 Provincial PA management regulations developed 1.2 Sector-related governance and regulatory framework enhanced to support PA systems 1.3 Institutional strengthening				Risk: Government institutions cannot agree on

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
and management is enhanced in Altai Prefecture and XUAR through systemic, legal and institutional capacity strengthening	▪ Existence of effective legal framework for the Xinjiang PA system emplaced, enhancing the conservation status of natural wetlands within the 35 PAs in Xinjiang UAR	No provincial level PA regulations w/ guidance for managers or clear stipulation of levels of authority No sector plans that integrate PA objectives as well as biodiversity	Provincial regulations for PAs proposed by the XFD, including wetland considerations, greater clarity of different management categories, and new framework for co-managed PA zones At least two sectoral plans integrate PA objectives and biodiversity considerations, such as water resources and agricultural bureaus	Revised PA regulations 13th Five Year Plan Provincial sectoral plans Provincial department plans and documents	management authority for wetlands and PAs Government agencies and leadership do not prioritize dialogue and strategic planning for wetland protection and PA planning and management <u>Assumption</u>: Stakeholder institutions constructively engage in the identification of the most cost-effective institutional and governance arrangements The individual PA institutions maintain a clear mandate and unequivocal authority to fulfill local oversight and management obligations for the PA network Information to support the planning and management of the PAs is made available by government and institutional data holders
	▪ Improved capacity scorecard (SC) scores of Forestry Department for participatory approaches in PA planning and management (Q8 in SC), PA staff competencies (Q9 & 16-19 in SC), and public awareness and support (Q21 in SC)	Average score for Q8,9, 16-19 and 21 is <u>1.43</u>. Most PA management plans not designed in participatory ways, and not comprehensive; and most PAs not managed collaboratively Many Forestry and PA staff with inadequate skills for their jobs Systematic monitoring and reporting systems not established, limited availability or access to information necessary for PA operations, incl. biodiversity and socio-economic development situations in/near PAs	Average score for Q8,9, 16-19 and 21 is <u>2.4</u> at minimum, through *inter alia* the following improvements: Majority of PAs in AMWL with updated and participatorially prepared management plans, including co-management components More systematic staff training program designed and initiated Accessible data and information sharing platform developed under supervision of XFD in support of PA management operationalised Data sharing platform includes 'freeform' categories for observations or information (incl. complaints) submitted anonymously or by the public	Mid-term and final capacity scorecard assessment of XFD AMFB and other Altai Foresty Department documents Forestry Department planning documents and progress reports Forestry Department documents including progress reports and selected (sample) dataset outputs Design of data and information system	
	▪ Existence of operational safeguard measures to protect wetland habitat and biodiversity from infrastructure placement and mining	EIA procedures are not adequately followed leading to undesirable impacts from infrastructure construction and mining. No legal obligation for post-	EIA law is strictly enforced for construction and mining projects affecting wetland PAs, with full participation of the wetland and PA management authorities. Clear standards are officially set up	EIA records Existence of approved official standards Mining and rehabilitation record	

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
		mining rehabilitation. No system for reporting malfeasance, or through which to submit formal concerns or complaints or to make suggestions	and enforced with minimum requirements for post-extraction site restoration of mining sites. Hotline contact number operationalized – also see the information platform above – with referral system (i.e., to other sectors) in place	Hotline call records	
Outcome 2 The biodiversity of the Altai Mountains and Wetland Landscape is effectively conserved with a strengthened PA network and enhanced operational budget through adoption of a landscape level approach to conservation planning and environmental management	**Outputs** 2.1 PA system in AMWL expanded 2.2 Systematic PA management and biodiversity monitoring system established 2.3 Altai PA management objectives mainstreamed into provincial planning process 2.4 Trans-frontier conservation improved 2.5 Awareness of the importance of the PAs in Altai landscape increased				<u>Risks</u>: The effects of climate change degrade the conservation value of PAs and wetlands The processes for development of regulations and safeguard measures to support effective management are prolonged and drawn out <u>Assumptions</u>: The Provincial and prefecture governments continue to be committed to the establishment and the support for PAs, including co-management options and genetic corridors Distributional data of threatened native species is updated and maintained at provincial level
	▪ Increase in management effectiveness of AMWL PA complex, as per the average METT scores of individual PAs	METT scores: - Liangheyuan NR = 65 - Kekesu Wetland NR = 71 - Buergen Beaver NR = 47 - Kanas NR = 64 - Ertix Keketuohai NR =28 **Average = 55**	METT scores: - Liangheyuan NR > 80 - Kekesu Wetland NR > 80 - Buergen Beaver NR > 65 - Kanas NR > 75 - Ertix Keketuohai NR > 60 **Average = 72**	METTs applied at BD-1 TT Baseline, mid-Term and final asssessments	
	▪ Improved ecological conditions of PAs, as per Ecosysteml Health Index (EHI)	EHI scores: - Liangheyuan NR = 67 - Kekesu Wetland NR = 67 - Buergen Beaver NR = 57	EHI Scores: - Liangheyuan NR > 75 - Kekesu Wetland NR > 75 - Buergen Beaver NR > 70	EHIs applied at PPG stage and integrated into standard PA functions	
	▪ Reduction in incidence of new mining contracts in PAs in AMWL region	Gold mining still occurs in some PAs, despite current regulations (but no specific baseline figures available)	No mining occurs inside PAs in AMWL region	AMFB reports Individual PA reports	
	▪ Viable alternative options are developed for herding	No assistance available from PA system to help local communities with economic	New co-management structures are in place, which support and strengthen alternative livelihood	Revised Liangheyuan NR management plan, progress reports, etc.	

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
	communities, that offset economic dependency on grazing inside PAs	opportunities	options for Kazakh herders (and other forms of collaboration)	Other AMFB reports	
	▪ Cooperation between Altai-Sayan Ecoregion countries is enhanced	No conservation action plan for Chinese beaver No relationship between two adjacent NRs in Altai Mtns	Beaver conservation action plan developed and adopted (agreed) by Altai Prefecture and the local government in Mongolia Tavan Bogd NP – Liangheyuan NR partnership MOU is reached	NR progress reports, consultation reports, etc. NR progress reports, consultation reports	
	▪ Operational budgets for PAs in AMWL increase	Operational budget for AMWL PA network is US$ 1,515,594 per year	Operational budget is increased by 40%, with new contributions from local, prefecture and provincial government	Financial Scorecards Financial records	
Outcome 3 The adoption and development of a 'community co-management' approach to conservation in Liangheyuan Nature Reserve demonstrates improved management effectiveness for a wetland PA in the Altai Mountains and Wetland Landscape	**Outputs** 3.1 Liangheyuan NR operations strengthened to address grazing and mining threats 3.2 Community-based collaborative PA governance and management structure put in place				<u>Risks</u>: Even under co-management, economic development interests of communities will override certain conservation priorities, leading to continued loss and degradation of biodiversity Insufficient incentives are created by eco-compensation and other financing schemes to facilitate conservation through co-management negotiations Other sector benefits will be deemed to outweigh identified short- and long-term ecological benefits of water and wetlands <u>Assumption</u>:
	▪ Reduction in biodiversity pressure from overgrazing	7,000 herding families graze livestock in the NR in summer, incl. 170 families (approx. 40,000 stock) in ecologically sensitive Sandaohaizi wetland Management zones in Liangheyuan NR not rationalized	Livestock numbers reduced by 20% in Sandaohaizi wetland, with economic burden to local people offset with alternative (complementary) livelihoods Zoning of Liangheyuan NR re-assessed and modified based on EHI surveys with illegal mining banned in core/buffer zones and grazing banned in core zones	Liangheyuan NR progress reports AMFB reports	
	▪ Enhanced socio-economic options to compensate for lost opportunities improving local economic situation	Community ecotourism not present in project area (Liangheyuan NR) Avg. household income is 1,980 CNY/year in Sandaohaizi community	At least 3 community tourism ventures established, bringing benefit to at least 30 families serving as a model for up-scaling Average household income for park residents increased by at least 20%, as a result of new livelihood opportunities	Business plans, project reports, government reports Socioeconomic survey results (undertaken by the Liangheyuan NR)	
	▪ Reduction in biodiversity pressure from mining	6,800 ha of PA land in NR is still threatened by mining	Illegal gold mining activities stopped in NR, and restoration of 800 ha of	Liangheyuan NR reports	

Objective/ Outcome	Indicator	Baseline	End of Project target	Source of Information	Risks and assumptions
	▪ Populations of threatened species (beavers, moose, wolverine) are stable	activities Wildlife populations: Beaver = 300-400 Moose = tbd Wolverine = tbd	land previously degraded by mining All select wildlife populations are stable or increasing	EHI database	Government policy remains favourable to involvement and responsibility of communities in co-management of grasslands, forests and wetlands Government support remains strong in its desire to promote intersectoral dialogues and consensus building

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).

Comments	Response	Reference in the project docu
Comments from the GEF Council		
Canada: How will Altai project help China Government meet the Aichi targets?	This project, as part of the national CBPF-MSL Programme under State Forestry Administration and working collaboratively with six other provincial projects across the country, will contribute directly to all five major strategic goals of Aichi. As indicated in page 47 of the Project Document, the Project directly contributes in particular under Aichi's Strategic Goal C: To improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity. It contributes to Target 11 through increasing significantly the coverage and connectivity of the PA system in important regions with high biodiversity importance and significant ecosystem services, and by increasing management effectiveness of the PA system in a way that is integrated into the wider landscapes.Mainstreaming biodiversity (and PAs) across government and society to address underlying causes of biodiversity loss are incorporated at both provincial and landscape levels, including increased awareness at multiple levels of the value of biodiversity and its sustainable utilization (Target 1) as well as their integration into local to regional development planning processes (Target 2), as indicated on pages 47 and 43-44 of the project document, respectively – both of these contributing to Strategic Goal A. The benefits of biodiversity and its ecological services (including the value of water) will be better understood following implementation of awareness raising campaigns, including a series of exhibitions to promote a general awareness and appreciation of the value of water and wetlands and the development of an ecotourist guidebook, and integrated into different development sectors through mainstreaming and hence bring benefit regionally as well as for local communities through improved resource use (outlined in the Document on pages 47-48, in relation to Strategic Goal D, Target 14). Reducing direct pressures on biodiversity in AMWL, especially in the Liangheyuan NR, are addressed through several outputs in Components 2 and 3 with a focus on grazing and mining threats (Strategic Goal B, Target 5 and Target 7; see page 46 in the project document). Finally, Target 16 (Strategic Goal D: *Enhance the benefits to all from biodiversity and ecosystem services*) and Target 18 (Strategic Goal E: *Enhance implementation through participatory planning, knowledge management and capacity building*) are supported in the Project through introduction, trialing and expansion of participatory planning and capacity building for local communities, which are central features of this project. This approach also will be integrated at the institutional level through the inclusion of project activities aiming to revise PA legislation at provincial down to site level, with trial implementation of co-management approach for wildlife monitoring and development of alternative livelihood options together with eco-compensation financial transfers (see pages 43 and 47-48 in the project document) in support of PA financing, increasing the size and capacities of the local conservation workforce, and community socio-economic development.	ProDoc: All three components All project outputs See especially Baseline analysis starting on page 43, and Part II: Strategy starting on page 49
Switzerland: Improve project by a more holistic approach to watershed management.., i.e.,	A holistic approach to land use management is adopted in the project with intersectoral dialogue occurring at the provincial and AMWL landscape levels. Landscape (catchment) level management will occur in	ProDoc: Under Part II: Strategy, see Output 1.1 (p.52)

participatory integrated spatial land-use planning for whole water catchment areas, which lays foundation for identification conservation gaps for PA system and provide sound info for land-use related decision-making.	the PA system planning and re-alignment work based on climate change and connectivity considerations, as well as incorporated into PA management capacity building outputs at site, landscape and provincial levels. Overall, the project will create an enabling political, administrative and regulatory framework and capacity development of all stakeholders to be involved in integrated spatial land use planning.	Output 1.3 (p.55) Output 2.1 (p.58) Output 2.2 (p.60) Output 2.5 (p.67) Output 3.1 (p.70)
Switzerland: Risk assessment – weak and not critical enough.	More detail has been brought to the risk assessment in the full project document, clarifying the impact levels and likelihoods of different risks. A fuller description of risks identified at the PIF stage are included in the full document, and two additional risks are now described and highlighted in this document (and the full project document).	ProDoc: Table 12: Project risk assessment on page 83 CEO Doc: A6
Switzerland: How to achieve 40% budget increase on a regional and local level to improve PA network mgmt.	The 40% budget increase target will be achieved through a combination of different interventions under the project. PA objectives and biodiversity will be mainstreamed in different sectors through enhanced communication and coordination between bureaus, facilitated by XFD and AMFB; strategic workshops on PA legislation and development of sector-specific industry standards; and public awareness raising campaigns about the economic value of water, biodiversity, ecological services, and protected areas. With an economic valuation of PAs, biodiversity and ecological services (especially water, in AMWL region), a business case will be made and presented to government sectors. A sustainable PA system financing plan for the AMWL PA network will be developed to clarify the cost of required PA management and financing gap, as well as developing a plan to fill the gap. Particular attention will be devoted toward including these findings in the dialogues and discussions that feed into the drafting and approval of the 13th Five Year Plan. In this way, based on cost-benefit analyses and long-term financial planning, it is anticipated that greater financial resources may be redirected toward PAs and their operations in the future. At landscape level, an Altai Project Leading Group will be established (coordination group), which from the outset will plan to outlive the project lifespan *per se*. With recognition of Altai Mountains amongst China's 35 priority conservation areas (see the National Biodiversity Conservation Strategic Action Plan, NBCSAP) and as one of 25 priority Ecological Function Zones (with focus on water conservation), already there is both implicit and explicit recognition of the value of the region's biodiversity and ecological services – the project will strengthen the case and raise awareness of biodiversity values, leading to increased funding in future.	ProDoc: Component 2, primarily in Output 2.3 (p.62) Also see more detail about economic valuation of biodiversity and PAs in Annex 7, starting on page 165.
Switzerland: Clarify how GEF fund contributes to address the issues of increasing habitat fragmentation, the required integrated participatory spatial land-use planning and sustainable economic development in the target area.	With GEF funds, the project will seek not only to improve the effectiveness of individual PAs and to expand the area encompassed in nature reserves, but also to incorporate a large part of the landscape in holistic, ecologically sound development and land use planning. In the Liangheyuan NR, this will be done with participatory co-management with Kazakh herding communities, which will serve as demonstration for (and may be scaled up to) the whole Altai Mountains Forestry Area under Altai Mountains Forestry Bureau (AMFB) as the functional headwaters protected area. Collaboration with AMFB will thus magnify the impact of project interventions, e.g. in relation to the reduction of threats such as habitat fragmentation and integrated participatory planning, to a vast portion of the Altai Mountains. Even more widely across the mountains and wetland areas of Altai Prefecture, an Ecological Function Zone approach will be supported and strengthened through the project, in particular with mainstreaming across sectors and with the establishment of a more systematic biodiversity monitoring and management system. More localized instances of fragmentation, e.g. along rivers (which may block fish migrations and fragment beaver populations), will also be	ProDoc: Under Part II: Strategy, see Output 1.3 (p.55) Output 2.2 (p.60) Output 2.3 (p.63) Output 2.4 (p.65) Output 3.1 (p.70) Output 3.2 (p.73)

	addressed specifically in the development of a beaver conservation action plan, development of PA site management plans, and engagement with mining related issues in/near PAs through the land restoration component of the project. Awareness related activities also will assist in informing and modifying behaviours.	
Comments from the GEF Secretariat		
All comments provided at PIF stage were addressed in order to gain PIF approval. The PIF was approved on 20 October 2011.	-	-
Comments from STAP		
Management effectiveness: STAP acknowledges that improvement of the management effectiveness of the PAs is an essential component [of the project] and that, as proposed through Component 1, an effective governance framework is established [at provincial/landscape level] within which individual PAs will be considered within an overall PA network. As presented however, the description of Component 1 is more suited to dryland PAs rather than to wetlands…	As recommended in the fuller comment, the necessary water management arrangements to address the barriers to effective catchment level management include (i) the formalizing of a catchment level approach to management planning, to be agreed by diverse authorities, (ii) monitoring associated performance indicators at both PA network level and for individual PAs, and (iii) assigning clear responsibilities to perform effective analysis of flows, volumes and quality (including e.g. sediment loads and mining wastes). Such watershed planning and monitoring are necessary to ensure that appropriate hydrological conditions are preserved, to maintain and improve biodiversity conservation. The catchment approach is in the heart of the project. The project focuses on the 116,200 km² Altai Mountains and Wetland Landscape (AMWL) which includes both the headwaters (i.e., high montane areas including forests, grassland and wetland) and lower watersheds of the Ulungur and Ertix river systems. The AMWL region thus provides water for nearly all of northern XUAR, and is critical for life across much of the region. The project put emphasis on increasing the resilience of the PA system in the face of climate change, anticipated future developments and environmental change, reinforcing a catchment management approach to wetland systems. Adoption of catchment and landscape level approaches to sector development planning are encouraged through the development of appropriate provincial PA regulations and institutional capacity building in Component 1; through mainstreaming activities, development of more systematic PA management systems and awareness raising activities in Component 2; and capacity building for planning and management of Liangheyuan NR in Component 3. Individual PAs in AMWL also will be guided in the selection and monitoring of relevant water-related indicators for their PAs, and planners and field staff will receive appropriate technical training under Component 2. Assigning clear roles and responsibilities for regular monitoring, both to PA staff and local people (e.g., under co-management initiatives) will equally be addressed under both Components 2 and 3.	ProDoc: All three components See especially Part II: Strategy (p.57) where landscape level approach to effective PA management is presented, with wetland focus
Institutional strengthening: In order to achieve a professionally consistent and sustained expected outcome of strengthened capacity, the strategic training activities … would be expected to be fully consistent with [those developed by the] parent Program, *CBPF-MSL Main Streams of Life*	Several activities described under Component 1 are relevant to professional training and to the development of competency standards, both in Output 1.2 with development of key sector guidelines and especially in Output 1.3 with provision of training opportunities for mid-career and senior staff from Forestry, Environmental Protection, Water Resources, etc. More importantly, sustaining training over a longer period and on regular basis for PA planners and staff will require development of a training program based on agreed competency standards; this has been included under Output 1.3. Through the project, more attention will be brought to	ProDoc: Under Part II: Strategy, see Output 1.2 (p.54) Output 1.3 (p.55, in particular p.57 regarding training program) and Output 2.2 (p.60)

Wetland PA System Strengthening for Biodiversity Conservation. However, STAP has previously advised that under that proposed Program's Component 1, several outputs are described relevant to ad hoc professional training and competency standards, but the Program fails to mention how in an institutional sense this effort will be sustained. STAP requested that this point be further elaborated by the proponents.	development of professional training and to a systematization of PA management and biodiversity monitoring in Output 2.2 – then, on the basis of experiences at landscape level (cf. Component 2), recommendations will be brought to provincial level (Component 1) for scaling up the use of competency standards and training approaches, which have proven successful in Altai Mountains and Wetlands Landscape. The CBPF-MSL programme will be coordinated by the national level project which will be implemented by the State Forestry Administration (SFA) through the programme level steering committee. The intention is to ensure relevant capacity development components of the 7 projects under the programme will be coordinated and cross-fertilised to produce programmatic results – institutionalization of a system of continuous training programmes and universal use of competency standards. For each project, including this project, institutionalization of training programmes will be a key element under the capacity development component.	
Institutional strengthening: STAP further advises that, for example, if there is no other project active in the field of capacity building in this sector the Program could affiliate with one or more universities to develop graduate programs and there are a number of international training centers (e.g. UNESCO-IHE, Delft, Netherlands) which could assist the Program and its dependent projects to develop viable long term training partners and curricula within China.	The project encourages the development of new partnerships with teaching/training institutions, both nationally and worldwide (under Output 1.3). UNESCO-IHE and the Durrell Institute for Conservation and Ecology (DICE) at Kent University are both suggested as possibilities, as they have undertaken similar roles elsewhere in the past. Strategic training activities, designed on the basis of professional competency standards for PA management staff, are planned under the project at both the provincial level (Output 1.3) and the landscape level (Output 2.2) under service contract; yet (as in the comment above) institutionalizing such training in order to attain and maintain professional standards requires that system wide program be developed – as will be promoted under Output 1.3. Even starting in Year 1 of the project, however, shorter duration targeted training courses will be provided at all three levels, including PA site level, e.g. the Liangheyuan Nature Reserve.	ProDoc: Under Part II: Strategy, see Output 1.3 (p.55) Output 2.2 (p.60)
The PIF promises that a model for effective biodiversity conservation using the Altai PA network will be established at landscape scale, this is to be commended, but again there is no explicit mention of water management or related wetland valuation.	As recommended by STAP [in the fuller comment], the project now includes (i) a cost/benefit analysis of water supply in the AMWL including an economic valuation of biodiversity, PAs and the environmental services of catchments and wetland PAs including water regulatory services (output 2.3); (ii) examination of *best practices* and *lessons learned* in use of eco-compensation (output 3.2); and (iii) landscape and provincial level intersectoral coordination of water management (outputs 1.2, 1.3 and 2.3).	ProDoc: Under Part II: Strategy, see Output 1.2 (p.54) Output 1.3 (p.55) Output 2.3 (p.61) Output 3.2 (p.73)
Component 2 calls for a Biodiversity Health Index to be set up but it is not clear what standards, including indicators, will be employed or how this tool relates to the Biodiversity Health Index proposed in the CBPF-MSL program document, comprising a score of habitat suitability for important biodiversity and status of important biodiversity.	During the PPG, the "Ecosystem Health Index (EHI)" was fully developed. The EHI was tested, fine-tuned, peer-reviewed by several national and international specialists involved in the PPGs of the 7 projects under the MSL Program, and key elements borrowed from, e.g., UN Millennium Development Goals and CBD Indicators are incorporated. The EHI was adopted as a management tool to monitor wetland biodiversity health under the MSL Programme. The EHI assesses wetland ecosystem health and has three components: 1) score of habitat suitability for maintaining important biodiversity; 2) status of that biodiversity and 3) the broader environmental context. As described in Annex 6, the EHI is designed to be robust with application in the field by a variety of users, even with different levels of education and formal experience of environmental monitoring. It is also designed to be easily replicable, as a pre-condition for sustainable monitoring. EHI is a not an evaluation *per se*. Rather, it is a dynamic, constantly varying index *that reflects biodiversity health*, just as a financial index reflects economic performance. Some key advantages of using EHI are:	ProDoc: Under Part II: Strategy, see Output 2.2 (p.60) Annex 6: EHI (on page 149)

	- EHI provides a *baseline* against which targets for maintaining or achieving a given level of health can be set. - EHI can be used as a results based indicator of project achievement and impacts - EHI can indicate where the project is succeeding or failing and allow revision of activity efforts throughout the project - EHI is complimentary to the Management Effectiveness Tracking Tool (METT) in project monitoring and evaluation. In the PPG phase, baseline assessments using EHI as management tool were done participatorially in three sites in AMWL: Liangheyuan NR, Kekesu Wetland NR, and Buergen Beaver NR.A comprehensive review of EHI (which is being undertaken as a trial within the MSL programme, including this provincial project) will be undertaken as part of the terminal evaluation of the Programme and its component projects, in order to assess the methodology and inform the GEF community and international conservation community.	
STAP commends the co-management arrangements envisaged for the Altai Liangheyuan NR demonstration of management effectiveness, and the intention to study lessons from eco-compensation arrangements elsewhere in China… STAP considers that lessons learnt from this component of the project will be of value to the GEF community.	Agreed. During the PPG phase, the project development team including implementing partners extensively discussed both the value and the key practical implications (and requirements) for successful application of co-management in Liangheyuan NR. Team members participated in strategic workshops and perused the literature as well as professional networks to ensure that current best practices have been incorporated in project design. The experiences and lessons from elsewhere in China (especially neighboring Qinghai Province) and more broadly in Asia (especially from the Mongolian part of the Altai-Sayan Ecoregion) were thus introduced and considered, leading to the present formulation of the Project Document. The significance of community level mobilization was particularly considered, including support for community trust funds and cooperatives (i.e., community level share-holding businesses) in order to facilitate the introduction of effective co-management arrangements in NRs for the benefit of biodiversity conservation and community development. Likewise, national and global experiences with eco-compensation schemes were considered during the PPG phase, to strengthen project development.	ProDoc: Under Part II: Strategy, see Output 3.1 (p.70)

Comments	Responses	Reference in documents
12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
While elements of **cost effectiveness** are explained, it would be helpful to provide some additional information to provide a convincing case, compared to the current investments (baseline activities) and other approaches used for conservation in the country. Please provide additional information.	Cost-effectiveness: One of the most important targets of the project is to develop or refine and to implement cost-effective conservation strategies and PA management through regional planning based on ecosystem and landscape approaches, with widespread capacity building, and incorporating community-based partnerships. Most current investments in China are focused on natural forest protection. But in the Altai Ecoregion, biodiversity and ecological value are not found exclusively in the forests; instead, the value of this ecoregion depends on the comprehensive ecosystem and landscape including forests and also wetlands, rangeland, water systems, and local people and communities with their traditional pastoralism, etc. In addition, in the baseline situation, conservation investments and activities are implemented separately by different government sectors, and there is significant lack of collaboration and coordination, and of any integrated ecosystem approach to planning and development. This project thus presents and develops a new integrated approach to conservation in the project area, which should result in significant gains through cost-effectiveness and also can serve as model throughout the province (Xinjiang UAR) and nationally, especially in western regions.	ProDoc: Page 84, paragraph 274; also see paragraphs 276 and 277 CEO Doc: Page 10, the first paragraph under question B3, and the following
14. Is the project framework sound and sufficiently clear?		
The project framework is well constructed and sufficiently clear with measurable indicators both on results and progress. However, there are few questions on the following:	Eco-compensation: The main project area is recognized nationally as the "Altai Mountain Forest and Grassland Ecological Function Area," the only national "ecological function area" for water resource conservation in Xinjiang UAR. According to the "Plan for National Key Functional Regions" (全国主体功能区规划) issued by the State Council, the Chinese Central	ProDoc: Page 33, paragraph 79

Comments	Responses	Reference in documents
1) **Eco-compensation**: Learning from the experiences from other parts of China, what are the key elements that have been considered to make this activity successful in Xinjiang and at the project site? What are the lessons learned, and is this the most appropriate modality for incentive creation in the region? Please further explain and provide further information. 2) **Awareness raising**: Awareness raising activities through traditional publications and campaigns seem to be rather limited. Any other innovative and appropriate and effective tools to be considered? Please review and provide further information	Government "will strengthen 'equalization fund transfers' to key ecological function regions especially in western China" (such as the project area, a designated 'ecological function area') – this is one of the most important eco-compensation initiatives in China today, which presents an enormous opportunity for the project. In addition, provincial-level eco-compensation mechanisms also should be established, in order to further strengthen (increase) funds available to protect and manage key ecological functional regions. Beyond conservation financing *per se*, based on pilot experiences elsewhere in China there also are at least two other key elements that are necessary to implement successful long-term ecological conservation: an appropriately large and sufficiently qualified work force, on one hand, and robust and transparent mechanisms in place at local level to receive and administer eco-compensation funds and other linked local community development initiatives (under the umbrella of 'community co-management' within the project), on the other hand. When taken all together, institutionalising eco-compensation as a tool to finance conservation initiatives, enhancing the size and quality of the conservation workforce through capacity building and strengthening community participation through co-management approaches are deemed to be the best combination of interventions available in the project area to incentivize conservation. Awareness raising: The public-friendly website to be developed under the project will be an important tool not only for data sharing, but also for awareness raising for the general public as well as development planners and decision-makers. Considering that ecotourism is rapidly becoming one of the main alternative economic development opportunities in the region, and that tourists (and tour operators) are a significant group that may be impacted by awareness raising activities, an *Ecotourism Guide* (guidebook) will equally serve as important tool for the propagation and dissemination of information. In addition, a series of exhibition will be developed and presented to raise awareness of biodiversity and the value of water	(last bullet point) Also page 38, paragraph 104 and page 46, paragraph 133 CEO Doc: Page 23 ProDoc: Page 62,

Comments	Responses	Reference in documents
	and wetlands, with the use of the endemic beaver as a flagship species for conservation.	paragraph 208 Page 64, paragraph 219 CEO Doc: Page 23-24
16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?		
While social elements, particularly through component 3 is recognized along with income indicator, please further explain **gender consideration** through the project.	Gender issues are considered integrally through the project. At the local level (Component 3), Kazakh women are at the heart of the households' family and economic matters. With the project, this household level involvement will be enhanced to a broader community level through support of local cooperatives (such as handicraft cooperatives, in which women are the main artisans) and the development of novel governance mechanisms for improved interaction and partnership with protected area authorities (such as the development and strengthening of channels for community dialogue and emplacement of co-management arrangements). At a more regional level (especially under Component 2), while a significant proportion of government leaders are women and thus present a good model for gender equality, it remains important to further advance gender considerations – and to integrate these considerations at all administrative levels and across development sectors and in the business sector. One way this is achieved through the project is by developing a key	ProDoc: Page 83-84, paragraph 273 CEO Doc: Page 9, second paragraph under B2

Comments	Responses	Reference in documents
	partnership with a very successful tourism business, which is owned and operated by a woman leader – clearly a good model of business success for all government partners and tourism business partners and competitors. The content of awareness raising materials – whether oriented to environmental conservation or with presentation of local culture and livelihoods – also can be used effectively to present more equitable interactions across genders as well as for promotion of conservation goals.	
17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?		
Please further clarify process that has been taken in **consultation with the ethnic minorities/indigenous peoples** in the region on project activities and implementation arrangements.	Since the early preparation phase of this project, which has spanned several years, the local management authorities of the main protected area in which are centred a large portion of the project's pilot activities (i.e., Liangheyuan NR) have engaged regularly with local Kazakh herding communities. The leader of Liangheyuan NR is Kazakh, and a majority of NR staff are either Kazakh or members of another national ethnic minority (indigenous) people. The process of engagement and consultation has included community meetings and consultations. During the formal PPG phase of the project (in 2012), visits and meetings were also held by the project development team with local Kazakh community cooperatives, individual herders and family businesses. Additionally, extensive discussions were had with government and PA leaders about the past, present and future roles of local communities (comprised primarily of ethnic minority people) in environmental conservation initiatives in the region, including the sharing of costs and benefits amongst stakeholders; and in particular about local involvement in decision-making and in implementation of co-management arrangements within PAs. The most significant demonstration of the PA management authorities' commitment to genuine engagement with local community members, however, may be in their early initial attempts at employment and 'co-management thinking' with local herders serving as wildlife monitors seasonally with PA staff workers. The project will build on this new approach and mindset, seeking to strengthen and enhance the developing partnership and respect for local community (ethnic minority) viewpoints and preferences; and to mainstream a viable co-management approach	ProDoc: Page 125, paragraph 348

Comments	Responses	Reference in documents
	throughout the Altai PA network, ultimately serving as model across Xinjiang UAR.	
18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)		
While **political instability** is recognized as low in the **risk analysis** of the project, considering the ongoing heightened conflicts and past experiences in the province, we would like to seek further explanation on why this is not an issue for this project. While the Altai area may not be strongly impacted, it could be a key issue particularly for provincial level activities. Please provide further explanation.	While some activities (especially meetings) will occur in the provincial capital, the majority of project interventions will occur in the field – in Altai town and elsewhere in the prefecture, which is situated in the far north of the province. Much of northern Xinjiang UAR including Altai Prefecture is a Kazakh area and remains peaceful and stable. Additionally, the potential risk to the project lies not so much in physical risk for individual participants, whether foreign or national; but rather in the possibility that provincial government may restrict travel or implementation of internationally (co-)funded projects — and while this is possible, it is unlikely, as the project has achieved the highest levels of support in China, both at provincial and national level, with commitment given to this effect as demonstrated through joint authorship and government signatures endorsing this important project.	ProDoc: Page 80, in Risk Analysis table under the 'political unrest' question CEO Doc: Page 7, in in Risk Analysis table under the 'political unrest' question

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS[9]

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

As described above, very little information could be found during the project preparation phase about the "four-country transfrontier cooperation forum (China-Russia-Mongolia- Kazakhstan)" which was mentioned in the PIF and understood to be associated with a proposed World Heritage Site. With a lack of substantial information about this initiative, and only limited concern or interest at the local and regional levels, this transfrontier element was not developed further in the project. However in its place, strong Sino-Mongolian cooperation is proposed. Based on the natural geography of the Altai Mountains as well as the two countries' political boundaries – it is clear that the largest portion of the Altai Mountains is situated along the Sino-Mongolia border and extending into both these countries (see especially the floristic zones CH, and MA in the map below). In this area, the project will develop a regional Beaver Conservation Strategy and Action Plan and a Tavan Bogd National Park – Liangheyuan Nature Reserve partnership, involving partners from Mongolia and China.

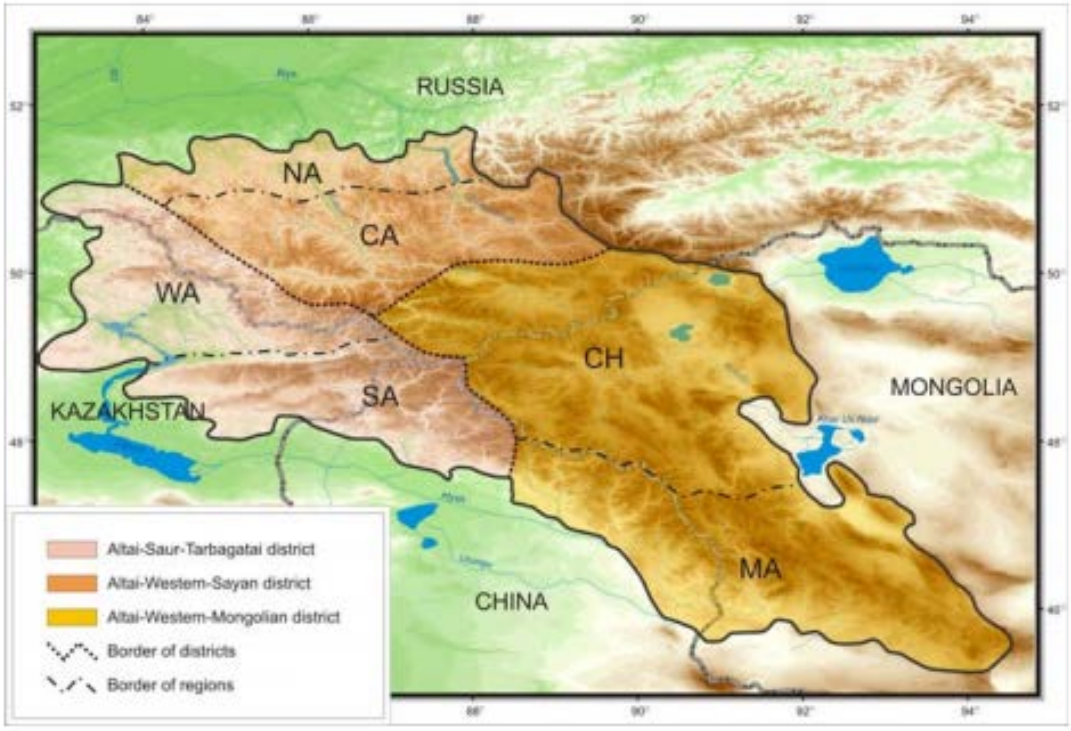

Figure 1. Floristic zones within the AMC, based on the distribution of endemic species.

***Key*: Altai–Western-Sayan district**: NA – Northern-Altai region, CA – Central-Altai region.
Altai–Saur-Tarbagatai district: WA – Western-Altai region, SA – Southern-Altai region.
Altai–Western-Mongolian district: CH – Chuya–Hovdian region, MA – Mongolian-Altai region.

[9] 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.

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

PPG Grant Approved at PIF: **$70,000**			
Project Preparation Activities Implemented	***GEF/LDCF/SCCF/NPIF Amount ($)***		
	Budgeted Amount	***Amount Spent To date***	***Amount Committed***
Activity 1-- Project Preparation*	70,000	38,058.65	31,941.35
Total			

*Note: Project Preparation covers the following activities as per the PPG request: (1) Systemic and institutional capacity for managing the sub-system of wetland PAs, (2) Biodiversity status assessment and assessment of monitoring and reporting needs, adaptation of national level biodiversity health index, (3) Assessment of PA information and data management system in XUAR, (4) Wetland PA financing needs and management effectiveness assessment and PA site profiling, (5) Profiling of the Altai Mountains and Wetland Landscape (AMWL) PA cluster and initial design of co-management activities, and (6) Feasibility analysis and budget.

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)

N/A