



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT IDENTIFICATION

Project Title:	CBPF-MSL: Strengthening the management effectiveness of the sub-system of wetland protected areas for conservation of globally significant biodiversity		
Country(ies):	People's Republic of China	GEF Project ID:	4655
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4391
Other Executing Partner(s):	State Forestry Administration (SFA)	Submission Date:	August 31, 2011
		Resubmission:	September 15, 2011
GEF Focal Area (s):	Biodiversity	Project Duration (months):	60
Name of parent program: For SFM/REDD+ n/a	CBPF and Main Streams of Life -Wetland PA system strengthening Programme	Agency Fee (\$):	238,929

A. FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative grant amount (\$)	Indicative co-financing (\$)
BD-1	Outcome 1.1: Improved management effectiveness of existing and new protected areas.	Output 1.1. New protected areas (4) and coverage (600,000 hectares) of unprotected ecosystems. Output 1.2. New protected areas (4) and coverage (600,000 hectares) of unprotected threatened species (20).	GEFTF	997,771	11,164,638
	Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management.	Output 1.3. Sustainable financing plans (1).		GEFTF	879,000
Sub-total				2,522,771	15,964,638
Project management cost			GEFTF	132,000	835,362
Total project cost				2,654,771	16,800,000

B. PROJECT FRAMEWORK:

Project Objective: *To strengthen the management effectiveness of the sub-system of wetland protected areas to respond to existing and emerging threats to the globally significant biodiversity*

Project Component	Grant type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative co-financing (\$)																		
1. Systemic and national institutional capacity for managing the sub-system of wetland PAs ¹	TA	<ul style="list-style-type: none"> Coverage of natural wetlands in the national PA network increased from the baseline of 50.3% to 52%; adding an extra 600,000 hectares under protection contributing towards the collective programmatic expansion target of 55% as follows: <table border="1"> <thead> <tr> <th rowspan="2">Type of wetlands</th> <th rowspan="2">Total area (mil. ha)</th> <th colspan="2">% under PA</th> </tr> <tr> <th>Base-line</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Natural lakes</td> <td>8.35</td> <td>53</td> <td>58</td> </tr> <tr> <td>Coastal Wetlands</td> <td>5.94</td> <td>61</td> <td>67</td> </tr> <tr> <td>Riverine</td> <td>8.2</td> <td>32</td> <td>35</td> </tr> </tbody> </table>	Type of wetlands	Total area (mil. ha)	% under PA		Base-line	Target	Natural lakes	8.35	53	58	Coastal Wetlands	5.94	61	67	Riverine	8.2	32	35	<ul style="list-style-type: none"> National wetland PA management related regulations revised or developed (possibly including amendment to the Nature Reserve Regulations, development of Regulations for Co-management of Wetlands PAs, and Regulations for the Control of IAS) in close collaboration with other responsible divisions of SFA and MEP and other agencies. National guidelines for management and zoning of different types of wetland PAs developed, providing tailored approach to address specific threats and protect unique wetland dynamics and biodiversity New wetlands added to the PA system to contribute towards the 55% target and to improve resilience by: <ul style="list-style-type: none"> -A systematic review of the wetland PA coverage is conducted with climate change adaptation consideration; - Areas identified in critical areas to increase resilience and connectivity 	GEFTF	900,000	8,164,638
Type of wetlands	Total area (mil. ha)	% under PA																						
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¹ Wetlands PAs are a sub-system of the total PA system comprising sites primarily established to protect important wetlands including lakes and water-ways. For more detail, see section B.1 .

		<table border="1"> <tr> <td>Wetlands</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Marshes</td> <td>13.7</td> <td>55</td> <td>61</td> </tr> <tr> <td>Total</td> <td>36.2</td> <td>50.3</td> <td>55</td> </tr> </table> <ul style="list-style-type: none"> BD health status index monitoring system and better staff competencies enables improved support to be channeled quickly to wetland PAs that are most in- need and thereby improving management effectiveness 	Wetlands				Marshes	13.7	55	61	Total	36.2	50.3	55	<ul style="list-style-type: none"> -PA set up in these critical areas; gazetted and basic operation started Protection status of the wetland PAs strengthened through upgrading of at least 20 sites from provincial to national NRs, and through designation of 6 new Ramsar sites; entailing i) biodiversity survey of these sites; ii) management planning in line with international standards, iii) training of staff, iv) provision of monitoring and patrolling equipment. Supervisory capacity of the SFA at the national level for planning and monitoring wetlands PAs and Ramsar Sites strengthened through strategic training activities for the national-level staff, and development and adoption of a set of professional competency standards for wetland PA management staff at the provincial and site levels, as a basis for enhanced performance. BD health status index established and a mechanism for monitoring and a system-level crisis management established, enabling the SFA at the national level to predict crisis or react promptly to a situation and ensure provision of necessary remedial measures such as emergency funds or actions. 			
Wetlands																		
Marshes	13.7	55	61															
Total	36.2	50.3	55															
2. Mainstreaming wetland PAs in sectoral planning	TA	<ul style="list-style-type: none"> Strengthened national development and sector planning framework provides: <ul style="list-style-type: none"> (i) Safeguards from sector practices in and near wetland PAs in the long term reducing pressures on biodiversity from agricultural; industrial and mining-related pollution; IAS threat; habitat change including water related disturbances from dams. Estimations of this pressure reduction will be developed as part of the process of setting up these safeguards. The biodiversity health index also to be set up by the project will enable monitoring of pressure reduction and achievement of targets. (ii) Increased financing for wetland PA management: a) budget allocations for PA management operation increased > 50% over the baseline amount of US\$ 180 million per year from national level sources; and b) number of new sustainable financing mechanisms for PAs 	<ul style="list-style-type: none"> Coordination improved with sectors impacting wetland management , including agriculture, environmental protection, mining, and land and water resources (including water diversion schemes and post-Three-Gorges Dam Plan) by: Cross-sectoral bodies established that embed wetlands concerns in major cross-sectoral plans such as climate change mitigation and adaptation, combating desertification and achieving water security. Strengthened participation in CBD Steering Committee and China National Commission of Implementing Ramsar Convention A system for safeguarding wetland PAs from sector practices developed, including setting up of standards for infrastructure development and operation, standards and procedures for mining, and issuance of official guidelines for fisheries, aquaculture and agriculture in and around wetland PAs. Value of wetland ecosystem services proven and fully recognized by policy makers and wetland protection measures included in the 13th 5-year plan and subsidiary sectoral plans. A wetland PA system financing plan developed, defining management needs of wetland PAs, identifying current funding level and optimal level of financing, financing options and steps to achieve financial sustainability. 		1,100,000	6,300,000												
3. Knowledge management, lessons sharing, and awareness	TA/IN V	<ul style="list-style-type: none"> Improved data sharing platform being regularly updated, as indicated by use levels of data providers and data users Public and government have better understanding and better access to information about wetland issues, indicated by results of the Knowledge, Attitudes and Practices (KAP) surveys Programmatic impact assured and monitored and knowledge and lessons documented and 	<ul style="list-style-type: none"> Virtual database containing information (ranging from basic wetland PA data such as boundary, zones, important species, trends, water level and quality and local involvements to BD health index and management guidelines for different threats scenarios and wetland types) from all the PA agencies, developed and adapted for web access, providing necessary information for wetland PA mangers for their management decision making. Wetland PA awareness campaigns conducted, with clear linkage between wetland conservation issues and the national water security issue, at national and local level including handbook for decision makers, publications, media coverage, blogs and outdoor 	GEF TF	522,771	1,500,000												

	disseminated widely	<ul style="list-style-type: none"> events. ▪ CBPF-MSL Programme steering and coordination fora established with effective information and knowledge sharing mechanisms, for programmatic reporting. ▪ Coordination with, and reporting mechanisms to, the CBPF Steering Committee established to ensure coordination with existing and emerging wetland and PA projects under the CBPF Programme. 			
Sub-total				2,522,771	15,964,638
Project management cost			GEF/TF	132,000	835,362
Total project costs				2,654,771	16,800,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and BY NAME if available (\$)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (US\$)
National Government	State Forestry Administration	Cash	11,920,000
National Government	State Forestry Administration	In kind	3,980,000
GEF Agency	UNDP	Cash	900,000
Total co-financing			16,800,000

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

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1. THE GEF FOCAL AREA STRATEGIES:

The project is aligned with the GEF BD-1 objective: Improve Sustainability of Protected Area (PA) Systems. More specifically, the project contributes to Outcome 1.1: Improved management effectiveness of existing and new PAs and Outcome 1.2: Increased revenue for PA systems to meet total expenditures required for management. The project focuses on strengthening the wetland PA sub-system, recognising the special nature of the wetland PAs. Compared with other terrestrial PAs, wetland PAs are much more directly affected by externalities from development activities outside their borders, which can undermine ecosystem functions vital to the protection of biodiversity. The project will contribute to the objective and outcomes by creating a strong national system for managing wetland PAs, improving the spatial design of the wetland PA system and bringing an additional 600,000 ha under protection, ensuring better terrestrial wetland ecosystem representation and filling ecosystem coverage gaps. This will increase the resilience of the sub-system in the face of a fast changing climate by maintaining connectivity between core areas allowing the gradual redistribution of component species of different wetland ecosystems and ensuring adequate protection of upstream non-wetland habitats such as forests and grasslands that serve as vital catchments for the wetlands themselves. The project will also consolidate and strengthen the enabling legal, planning and institutional framework for the effective management of PAs with globally significant wetlands; and strengthening the capacity (strategies, tools, mechanisms, knowledge, skills and resources) to support the operational management and financing of wetland PAs system. The stronger wetland PA system would indirectly improve management of over 36.2 million ha of natural wetlands in the country. It will further catalyse the improved management of the entire national PA system covering 143 million ha. Given the vulnerability of wetland PAs to external threats, systemic capacity not only to manage the PA sites but also to manage activities in the immediate landscapes will be required. Furthermore, the project will support mainstreaming of wetland PAs within sector practices so as to reduce pressures on wetland PAs and making them more sustainable and resilient in the face of climate change. In addition, the Project directly contributes to the goals of Programme of Work on Protected Areas (PoWPA) in particular: Goal 1.2: To integrate PAs into broader land- and seascapes and sectors so as to maintain ecological structure and function; Goal 3.1: To provide an enabling policy, institutional and socio-economic environment for PAs; Goal 3.2: To build capacity for the planning, establishment and management of PAs; Goal 3.4: To ensure financial sustainability of PAs and national and regional systems of PAs; Goal 4.1: To develop and adopt minimum standards and best practices for national and regional PA systems; and Goal 4.2: To evaluate and improve the effectiveness of PA management.

A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS:

The proposed Project is well aligned with several national and provincial policies and programmes. The 12th National Five-year Plan (2011-2015) urges environmental protection and sustainable growth, enhancing “ecological conservation and restoration.” The plan urges the reinforcement of biodiversity conservation, strengthening monitoring in Nature Reserves (NR) – the main protected area category - and improving their management and protection. Details of sectoral plans under the 12th Plan and activities are still being formulated, presenting an opportunity to mainstream wetlands concerns in the plans. Meanwhile, the newly

approved National Biodiversity Conservation Strategy and Action Plan (NBCSAP 2011-2030) also attaches high priority to wetlands conservation and PA protection. It identifies 35 biodiversity priority protection regions in China (see Annex II in the PFD) which covers the most of important wetland areas. The project will enable the State Forestry Administration (SFA) to achieve its target of adequately protecting 55% of the natural wetlands in China by the end of 2015, mitigating further loss of natural wetland areas and degradation of their functions. The Project addresses key priorities under the NBCSAP, through implementing its priority strategy of strengthening the effectiveness of the PA system in China and contributing directly to the achievements of the following action programmes under the Plan Action lines 12,13 and 14 respectively including: coordinating action to implement and improve the national nature reserve plan; enhancement of biodiversity conservation in priority areas of protection; and standardisation of nature reserves to carry out actions to improve the quality of nature reserve management. The project is also in line with the China Biodiversity Partnership and Framework for Action (CBPF), which is China's primary investment strategy for biodiversity conservation through the GEF and other partners. This project has been designed to address urgent, priority and catalytic issues identified under the CBPF, in particular under Theme 3: Investing and Managing Effectively in Reducing Biodiversity loss in Protected Areas. It will contribute directly and substantially to the Results 4, 16, 17, 18 and 19 of the agreed CBPF Framework which are respectively: financial flows to biodiversity conservation increase over current baseline; effective governance and legal framework for the national protected area system; harmonised and effective national system for selecting, designing, managing and monitoring protected areas; NRs and PNRs are effectively managed; National NRs and PNRs have stable and sufficient finance. The project is part of the GEF/UNDP Programme *Main Streams of Life - Wetland PA System Strengthening for Biodiversity Conservation*, which is a sub-programme of the CBPF. The project will be the umbrella project of the programme, and will contribute to the national level programme outcomes under the three programmatic components: 1) mainstreaming wetland PAs in development and sectoral planning; 2) enhancing management effectiveness of the wetland PA sub-system; and 3) knowledge management and lessons sharing.

B. PROJECT OVERVIEW:

B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

China has a total land area of 960 million ha. With a population of 1.3 billion people and the fastest growing economy in the world, China is poised to become the next economic superpower and its capacity to conserve or consume natural resources is crucial to global conservation. China's huge economic outreach impacts biodiversity in all corners of the planet. China is one of the world's 17 megadiverse countries, and has a wide range of biogeographical features ranging from mountain chains, to deserts, to grasslands, to forests ranging from boreal to tropical evergreen and mangroves, also extensive marine areas including important coral reefs. China contains parts of 32 (7.5%) of the 426 WWF global recognised freshwater ecoregions; 17 of these lie entirely within China. China contains parts of 6 of the Global 200 freshwater ecoregions (3 entirely within China).

Wetlands biodiversity is especially impressive. China is home to all the 42 types of wetlands that are classified by the International Convention on Wetlands. China's natural wetlands are estimated to total 36.2 million ha, comprising marshes (13.7 million ha), natural lakes (8.35 million ha), coastal wetlands (5.94 million ha), and riverine wetlands (8.2 million ha). In addition, artificial lakes, ponds and reservoirs total 2.285 million ha and rice fields 38 million ha which also support a wealth of wetland biodiversity. These wetlands are found in all biotic regions and physical zones of China from the lakes and marshes of the high plateau, to the lakes, oases and streams of the arid zones; the peat bogs, floodplain lakes and varied wetlands of the rest of inland China plus specialized coastal wetlands around the eastern and southern coasts. It is estimated that China's wetlands contain over 6,500 plant species representing 101 families of which 100 species are endangered. Coastal wetlands harbour some 5,000 plant species and 3,200 animal species whilst inland sites have recorded 1,548 plants and 1,500 higher animal species. There are 770 species of freshwater fish (including many endemic species) and 54% of all Asia's endangered wetland bird species. China's wetlands harbour 50 species of the duck family Anatidae, 30% of the global total and 9 cranes out of the global total of 15 species. 95% of all the world population of Siberian Cranes winter at Poyang Lake in Jiangxi Province. In terms of the number of amphibian species occurring in the country, China ranks 7th in the world. Of the 326 amphibian species found in China, 88 are under threat of extinction.

Wetlands are vital for national development as they underpin water supply for a very large and growing population, the agriculture and fisheries sectors, and industries. The country is facing a serious water crisis – severe water shortages², coupled with dangerous levels of pollution and frequent and disastrous floods. In addition to causing serious socio-economic effects, the related loss of freshwater diversity is also gravely serious; 40% of all amphibian and 88% of all fish evaluated are categorised as threatened. Yangtze dolphins became extinct, and many species such as finless porpoise and alligators are in a critical situation. Many water birds are endangered or threatened.

Threats: China's globally significant wetland biodiversity continues to be lost. The proportions of endangered species for most taxa are among the highest of all countries worldwide. A very high proportion of species are now listed as endangered. The proportions of endangered wetland species such as fish (89% VU and above), amphibian (40% VU and above) and water birds (12% VU and above c.f. 6.7% for non water birds) are even higher than other terrestrial groups. Wetland biodiversity is under

² According to the OECD's 2007 *Environmental Performance Review: China*, "China has very low water resources per capita (one quarter of the world average), and they are unevenly distributed (e.g. one tenth in northern and western areas). Among the 600 larger cities, 400 suffer from water shortages."

severe pressure from the following factors. More detailed descriptions of threats are found in the Programme Framework Document.

Loss/degradation of habitat: Natural wetland areas in China have been shrinking at a fast rate. Many wetlands are being drained for agriculture, or are impounded and cut off from each other by dams and weirs breaking migratory pathways between upstream breeding areas and downstream feeding areas and otherwise fragmenting many aquatic species populations. River connections are blocked by thousands of large-scale dams, changing water flow and chemistry, blocking fish migration paths and displacing millions of people. Many upstream activities such as offtake of water for agriculture and overgrazing of grassland and desertification has reduced water flow to wetlands, dried up some waterways and decreased the wetlands' water retention capacity. Half of China's coastal wetlands have been lost for urban and industrial development, and over 1.3 million ha of lake surface has been lost to reclamation. Increased siltation from forest loss upstream severely degrades wetlands downstream. Uncontrolled mass-tourism at wetland sites has also degraded critical wetland ecosystems through causes such as inappropriate tourism facility development and trampling.

Overexploitation of natural resources: Most wildlife species, including many wetland dependent species like waterfowl, in China have already been reduced by hunting to very low population numbers. Hunting is compounded by demands for many wetland species, in particular turtle species and amphibians such as frogs and newts, by a growing traditional Chinese medicine trade, by the habit of eating wildlife and by the valuable trade in some rare species such as falcons, shatoosh wool, etc. Overfishing of wild freshwater and marine species remains out of control. Many formerly common commercial species are now endangered e.g. sturgeons, shad and icefish or can no longer be found in the wild such as Chinese Paddlefish.

Pollution: According to CCICED (2010), 850 out of 1,200 monitored rivers are polluted. 50% of the remaining lakes are now eutrophic, which is harmful to fisheries, agriculture and human health. Furthermore, marine habitats are becoming polluted by silt, metals and fertilizers washing from China's rivers. Excessive nitrogen in water leads to increasing outbreaks of toxic algal blooms. The use of untreated water affects development especially in the poorer, more disadvantaged regions. The main causes of pollution are agricultural run-off, industrial and domestic discharges.

Climate change: Climate changes will cause redistribution of major ecological zones across the face of China requiring adjustments in species distributions, migration patterns and phenology. Sea levels will rise threatening many coastal habitats. Over the last four decades, there has been a significant increase in extreme weather events such as droughts, heat-waves, out of season temperature plunges and floods. The frequency and intensity of typhoons reaching China has doubled over the past 30 years. These changes may mean some PAs are unable to protect the species for which they were established. Climate changes dramatically impact wetlands by affecting seasonality of water flow, water temperature, pH and oxygen content, endangering species survival and decreasing wetland's ecosystem services. These in turn impact the biota including suitability of sites for migrating species.

Invasive alien species (IAS): With such dynamic changes to the landscape, changing climate and agricultural practices, extensive reforestation and massive global trade, China is particularly susceptible to the threat of IAS. Wetlands are particularly threatened and are being damaged by an invasion of exotic water hyacinth, other water weeds, mollusks, introduced crustaceans, fish, terrapins and even mammals (muskrats). Zebra mussels are blocking drains and aggressively displaces local fauna in the south and south east coast of China. Louisiana crayfish in the south east lakes of China is weakening and undermining flood dykes and killing and displacing local crustaceans and other fauna. These are just some examples of wetland IAS threatening biodiversity and causing big economic losses to the country.

The Chinese Government has taken concrete steps to systematically address the above mentioned threats, through its efforts to mainstream wetland conservation in development planning. In particular, concerted efforts have been made through the UNDP/GEF supported *Wetlands Biodiversity Conservation and Sustainable Use Project* which ended in 2009. The Government has also established a large number of "wetland PAs". Wetland PAs are sites primarily established to protect important wetlands including lakes and water ways, and represent a sub-system of the national PA network. The wetland PA sub-system is extensive, covering an area of approximately 48,962,400 ha, forming a sub-system of the national PA system consisting of over 5,000 PAs, representing over 18% of the country's land surface. The sub-system consists of 99 National wetland NRs covering an area of 28,022,629 ha, 226 Provincial wetland NRs covering an area of 13,165,081 ha, and over 250 local level NRs covering 6,614,690 ha. In addition, there are more than 200 smaller wetland NRs that are under the jurisdiction of local governments, as well as 145 National Wetland Parks and 102 Local Wetland Parks that have been established under the National Wetland Park Management Regulations issued in February 2010, covering 1.16 million ha.³ These are directly managed by the local government through local forestry department and its subsidiary units.

Through the established governance framework and budget appropriation, this impressive wetland sub-system confers protection wetlands in PAs that is above that provided by the national framework governing wetlands in broader landscape. Covering 50.3% of the national wetlands and representing all the 42 wetland types identified under the Ramsar Convention, this sub-system thus provide the foundation for conserving China's wetlands. Nonetheless the entire PA system has a number of deficiencies that result

³ A wetland park is defined in the Government Regulation as "Specific areas aiming to protect wetland ecosystems and wisely use wetland resources, which can be used for conserving and restoring wetlands, promoting public awareness, knowledge and understanding of wetlands, conducting wetland monitoring and scientific research, and providing ecotourism facilities." The functions of wetland parks are similar to NRs, but are usually located near urban areas, where people can easily visit. In addition, one of the important functions of wetland parks is the provision of an entertainment area for the general public.

in a sub-optimal level of management effectiveness of all PAs and particularly of wetlands PA that requires specific approaches given their special characteristics. Despite sub-optimal efficiencies there is a clear opportunity to work alongside baseline programmes to reduce pressures and improve wetland biodiversity status through strengthening the management effectiveness of the wetland PA sub-system and improve spatial coverage of the system.

Baseline: Given the current water crisis, water resources management is a top priority of the Government. The Government is investing billions of US\$ in water resource management, including a large number of dam construction plans and the south-north water diversion scheme to alleviate severe water shortage in northern part of China. The Government is increasingly recognizing the importance of dealing with environmental issues in water resource management, and has adopted integrated water resource management (IWRM) and integrated river basin management (IRBM) concepts and embedded them into the programme estimated at US\$ 39 million. The main objectives related to water resources management in the 12th Five-Year Plan include flood management system improvement, water supply security, water infrastructure and facility construction, water resources utilization efficiency and water environment and ecology. Although these will improve water flow rates, they tend to be engineering oriented and do not sufficiently take into account safeguarding of wetland biodiversity. The proposed project aims to influence these water resource related construction projects so that they will adequately integrate wetland PA objectives in their planning and implementation in order to maximise biodiversity co-benefits. Key agencies, in particular those with their own wetland NRs such as Ministry of Environmental Protection, Ministry of Water Resources and Ministry of Agriculture will be part of the Project Steering Committee.

The Government is also investing in wetland conservation and rehabilitation, in order to combat degradation of ecosystems and their services, and to secure water resources. It launched a number of ecological restoration projects that are among the largest in the world – costing US\$ 109 billion – in sectors such as forestry, agriculture, and water resources. It will also invest a further US\$ 30 million as special funds to enhance wetlands PA and Ramsar site management. In addition, in the 12th Five Year Plan Period, the SFA is expected to invest US\$185 million annually in managing the 550 wetland PAs under its direct jurisdiction, and 145 national wetland parks and Ramsar sites, in coordination of wetland management and provision of technical support for wetland survey and monitoring. Although the Government investment seems substantial at first glance, the seemingly large annual expenditure becomes dwarfed when the vast size and number of wetland PAs are considered. China is the 4th largest country in the world, and even the combined area size of the national and provincial wetland PAs alone would make the 59th largest country in the world between Iraq (437,072 km²) and Paraguay (406,750 km²).

The Government is also investing US\$ 25 million (2006-2014) in the Support Capacity Building and Innovations to Promote Green Development in China Project, with US\$ 7.6 million co-financing from the UNDP. The Project aims to integrate poverty reduction and rural green economy development with improved environment and capacity to adapt to climate change impacts. Within the programme, community capacity building for conservation and PA compatible land use and resource use practices is targeted, which will need to be closely coordinated with the proposed project to promote synergy. GIZ is investing US\$ 4 million through its new China Wetlands Programme (2011-2015) with the SFA, aiming to demonstrate wetland protection and replicable models of sound wetland management in Heilongjiang, Shandong and Zhejiang Provinces. While the proposed project will contribute directly to the achievements and sustainability of the interventions under the programme, the project will benefit immensely from experiences and knowledge generated at different sites under the programme. WWF is developing a biodiversity strategy for the Middle and Lower Yangtze and Yangtze Estuary While these investments aim to improve site level wetland management, none takes the approach of improving the wetland PA sub-system as a whole at the national level. Coordination will be assured through the project steering committee.

Long-term vision and barriers to achieving it: The long-term solution this project proposes to safeguard wetland biodiversity and essential ecosystems is to strengthen the sub-system of wetland PAs through redesign, better mainstreaming, strengthened legislative and institutional framework, secure funding, improved coordination between sectors to mitigate external threats to wetland PAs, and information sharing, and awareness and capacity building. Through focusing on the wetland PA sub-system, the project will be able to address systemic and institutional issues that are specific to wetland PAs, tailoring interventions to the uniqueness of wetlands needs. Wetland PA protection status will also be upgraded to address the emerging threats particularly that of climate change to which the wetlands are particularly vulnerable, given the large change in water supplies experienced by the country. In light of the vast territory and the large number of wetland types represented in the country, a strong wetland sub-system and coordination function are vital to enable the replication of many of the site level interventions described in the baseline programmes. However, there are a number of systemic, institutional and financing barriers that impede the systematic increase in wetland PA management effectiveness as a means of attaining the long-term conservation solution.

Barrier 1: Insufficient systemic and institutional capacity at the national level

Effective PA management in China remains hindered by weakness in the legal basis for PA development and management. In China, there is no comprehensive law for the establishment of PAs. The PAs are established under ministerial regulations only, making them vulnerable to pressure from other sectors with strong sector laws⁴. The Regulations on Nature Reserves provides for

⁴ In China, laws are formulated and issued by the National People's Congress, the highest order in China's legal system. Regulations are formulated and issued by the State Council and provincial People's Congress, or some people's congress of autonomous prefectures and municipalities. Regulations are less powerful than laws. Decrees can be issued by government at different levels through departments.

the process of establishing NRs at different administrative levels, setting broad criteria for the NRs and indicating possible and prohibited activities in the three zones envisaged in each PA⁵. However, the regulations do not provide much flexibility in terms of zoning and management options. The result is that most PAs are managed in ways that are contradictory to the word and spirit of those regulations. In particular, the zonation of NRs as stipulated in the regulations cannot often be applied to the wetland NRs, in particular lacustrine wetland PAs. Consequently, such human activities as fishing cannot be completely eliminated in the core zones in many wetland NRs. There are no guidelines tailored for management and zoning of different types of wetland PAs, contributing to the establishment of an extensive “paper system of NRs” where *de fact* management comes nowhere near the strict protection regulations for NRs.⁶ Wetland PA specific guidelines are essential given that threats to wetland PAs often occur outside the PAs, and are dependent on, and affected by, activities upstream. In addition, wetland ecosystems are highly “fluid” with seasonal changes in water levels making management more complex, with transition ecosystem such as mangroves adding even larger complexities. There is a need for wider categories and more flexible zone options to allow for different levels of naturalness, protection and sustainable utilisation to match local conditions and needs.

In addition, not all the important types of wetlands are adequately represented in the wetland PA sub-system. Notably, riverine wetlands are severely under-represented. Furthermore, some important wetland NRs which serve as migratory waterfowl habitats such as Shengjinhu NR, Nanwenghe NR, and Liangheyuan NR, are not yet enlisted as Ramsar sites because: 1) the designation formalities are complicated; 2) more designations imply more responsibilities for the government; 3) the local governments do not always want to designate their wetlands because they think such a designation will impose more restrictions to economic development. Many provincial and local wetland NRs are heavily under-resourced, and need to be upgraded to national NRs, to ensure adequate protection and financial and human resources. Ramsar status will also provide additional financial, human and technical resources for improved level of conservation.

The wetland areas in China are still faced with the challenges of unwise use, resulting in reduction of natural wetland areas and loss of biodiversity, declining wetland services, and the reduced capacity of wetlands to support socio-economic development and regional ecological security. There is a dire need to strengthen the SFA’s capacity to plan and manage the wetland PA sub-system through improved coordination with sector agencies that have jurisdiction over certain resources within wetland PAs, and development of tools and mechanisms for ensuring the standards of wetland PA management.

Barrier 2: Disconnect between wetland PA sub-system management and development planning and sectoral planning

The wetlands PAs face the same generic problems as other NRs in terms of extreme pressure from use of water and aquatic wildlife resources by poor local communities and many other sectors and stakeholders. The problems are often even more complicated than other types of PAs due to the following two reasons. All wetlands are dependent on water flow, species flow and are affected by movement of pollutants from far outside the NR boundaries and thence way beyond the control of the management authority. This makes wetland PA management ineffective without adequate safeguards from external threats, to protect the integrity of the wetland PA system as a whole and ensure a catchment approach to maintaining wetland biodiversity and ecosystem functions. The problem is compounded by the fact that different agencies are involved in the establishment and management of PAs. Unlike “forest” NRs with predominantly forest ecosystems, the authority over the land areas of wetland NRs is not exclusive to the SFA as the NR management authority. For example, the user right for the water surfaces of lacustrine NRs falls into the hands of fishery authorities (or local fishermen/farmers), while the user right for palustrine wetlands often belongs to herders. This has led to the promotion of many activities that have negative impacts on biodiversity and ecosystems. At present, the wetland NR management authority can only execute management over limited natural resources such as migratory water birds, however it lacks effective management authority over water, fishery and grassland resources.

Coordination between sector agencies is weak resulting in overlaps and inappropriate government projects that are often harmful to the local environment and biodiversity. Some wetlands including the marsh and bogs, which are important habitats for water birds, are categorised as “unused land” in national land use inventories. Water resource development projects for water diversion and irrigation have reduced the water supply to important wetlands in a number of PAs, causing serious degradation of wetlands and harmful impacts to the local environment and biodiversity. There are existing inter-sectoral coordination mechanisms on environment at the national and provincial levels such as the Convention on Biological Diversity National Committee (led by the MEP), National Greening China Committee comprising 18 government agencies and organised by the SFA, and the Wetland Convention National Committee comprising 16 government agencies led by the SFA. These committees tend to focus more on reporting for the conventions and conservation projects supervised by the Committees, rather than influencing the development and sectoral planning for biodiversity conservation. There is a need for creating mechanisms and tools to ensure the strong safeguard measures for wetlands within the PAs from the threats posed by external sector activities.

An underlying issue behind this disconnect is insufficient understanding of the economic value of wetland biodiversity and ecosystem services and how the loss of these will economically affect various industries and peoples’ livelihoods. Although a

⁵ Three management zones in the Regulations are: Core Area (no entry except on special permission accorded for scientific studies), buffer zone (no tourism or trading activities and no construction of production facilities) and experimental zone (visiting and tourist activities allowed, construction of facilities are possible as long as it does not have negative effects on biodiversity.)

⁶ This problem makes it difficult to assign IUCN categories to most sites. Their legal management objectives should make most of them category I but actual *de facto* management would leave them as mostly V or VI.

number of economic valuation studies on natural resources and ecosystems have been carried out in China, there is no clear synthesis to cause major policy shift. The creation of payment for ecosystem services mechanisms has been hindered by the lack of standards for valuation methods and service indicator selection and difficulty in determining service providers and receivers due to the complex social and economic structure of the country. In addition, and given the fact that ecosystem service values are often much higher than compensation capacity, the evaluation results could only be considered as theoretical ceiling values when setting compensation standards.⁷

Related to the above, underfunding for actual management activities of wetland PAs is an important factor for suboptimal management effectiveness of wetland PAs. Wetland PAs, like other PAs, are mainly funded by provincial governments. These funds are mainly allocated to national and provincial NRs. National NRs can access national annual funding for PA management ranging from US\$ 155,000 to US\$ 4.7 million. These funds are allocated in a rather arbitrary fashion and are used for improvement of basic capacity and facilities for NR management –i.e. personnel cost and construction of buildings and roads within PAs, however, they do not usually cover training, monitoring and law enforcement. Lower level (county, municipal, prefectural etc.) NRs only receive very small funding support from local government, and often face difficulties even maintaining staff salaries. SFA currently does not have the capacity nor the tools to identify how much it actually costs to adequately or optimally manage the wetland PA sub-system and the PA system as a whole. Although the government is promoting eco-compensation mechanisms, there is no established mechanism which is geared towards reducing threats to PAs and increasing PA financing.

Barrier 3: Insufficient awareness, knowledge and access to useable information

Awareness of the importance of wetlands for both biodiversity and the delivery of ecosystem services is not well developed among government planners, the general public or local communities. Even the managers of wetlands NRs often have poor or only partial recognition of the functional values of wetland sites. They must be recognised and managed as areas of high economic and social value rather than merely as nice places to watch birds. Even where ecological and other data exists, lack of access and sharing prevents it being used for effective planning of PA systems, developments that might adversely impact PAs and biodiversity and planning of mitigation and adaptations strategies in face of changing climate. Whilst the SFA wetlands database stores details of several thousand wetland sites across the whole country, these data are neither in a user friendly access style and are not openly shared. Data is always incomplete and needs continuous updating and improvement. At the very least planners need access to the best available data if they are to respect wetlands values and take wetlands needs routinely into consideration in all major planning processes. Great improvement can be made to the collection of fresh data during monitoring of wetland sites (including use of biodiversity and ecosystem health indicators), and improvements can be made to the flow and processing of such data into data handling centres. In addition, there is a lack of a knowledge sharing platform to store and avail information and technical knowhow on successful wetland management cases around the country which were achieved through government and donor-funded initiatives.

B.2. Incremental/Additional cost reasoning: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) AND THE ASSOCIATED Global environmental benefits TO BE DELIVERED BY THE PROJECT:

The incremental approach can be summarised as follows: The government of China has clearly identified water security and wetland conservation as a top priority. However, wetland conservation is more focused on maintenance of ecosystem services such as water provisioning and flood prevention, rather than on biodiversity conservation and species management. Although the Government recognises the PA system as a cornerstone for biodiversity conservation, there have been no systematic actions to concretely identify and remove barriers to improving the PA system, and the wetland PA sub-system is no exception. The proposed project complements existing programmes and projects on wetland conservation, by addressing wetland biodiversity conservation through strengthening the wetland PA sub-system rather than focusing only on wetland PA sites. Given the extensive nature of the national PA system in China and the sheer size of the country, the Project mainly focuses on the national NRs within the wetland PA sub-system, as a way to focus on one nationwide selection of the PAs that are largely under supervision of one division of the SFA and that have higher BD values and more chances of financial support. The Project will create a strong national framework for wetland PA sub-system management, providing the foundation for provincial and site level interventions through the six provincial level projects under the Wetland PA Sub-system Strengthening Programme, as well as under related government and donor supported projects and programmes. The Project takes a cost-effective approach of strengthening the PA management effectiveness of the system as a whole, with catalytic impacts on the national PA system as a whole.

In the baseline situation without the GEF investment in the proposed project, there will be no framework and tools for systematic management of the sub-system of wetland PAs. The wetland PAs will continue to be managed at the site level under regulations that are not suitable for the reality of wetland PA management on the ground. The wetland PA management authorities will have limited jurisdiction over the wetlands within the PAs and have neither tools nor capacities for mitigating threats coming from outside the PAs. Hence the management effectiveness of wetland PAs will remain weak and highly vulnerable to external

⁷ For example, the State Forestry Administration estimated in 2010 that forest ecosystems contribute 10 trillion yuan, or about a third of China's gross domestic product. This estimate takes into account carbon sequestration, water conservation, biodiversity protection and biomass production.

influences such as inappropriate development and economic activities within the PAs and in the watersheds that directly affect the wetlands within the PAs. As such, the wetland PA system as a whole will remain unable to fulfil its role in safeguarding biodiversity. Suboptimal coordination with other PA management agencies and other economic sectors will remain a bottleneck for engendering systemic improvement in wetland PA management effectiveness. Inadequate legal and regulatory provisions will continue to hamper any fundamental improvement. The insufficient technical and coordination capacity and knowledge management capacity of the SFA will remain as a critical bottleneck.

In the alternative scenario enabled by the GEF, despite the enormity of the scale of the threats to the globally significant wetland biodiversity and massive investments already committed for existing efforts, there are some niches which have not been filled and where relatively small but targeted investments could yield substantial impacts. This project proposes filling these niches, nested within the continuing government effort to conserve wetland and strengthen PAs. It complements baseline programmes and projects, by addressing wetland biodiversity conservation through strengthening the wetland PA sub-system rather than focusing only on PA sites. Given the extensive nature of the national PA system in China and the sheer size of the country, the project focuses on the wetland PA sub-system as a way to focus on one nationwide selection of the PAs that are largely under supervision of one division of the SFA. Needless to say, almost all NRs in China contain some level of wetland components and all wetland PAs have a lot of non-wetland habitat inside them. Hence many problems faced by PAs and lessons learned will in most cases be appropriate for the entire PA system. This project, with the provincial level projects under the same programme, will contribute to catalysing improvement in the entire terrestrial PA system covering 14.9% of the country, through addressing issues that are common across the different types of PAs. The project will create a strong national system for managing wetland PAs, improving management effectiveness and sustainability of the wetland PA system as a whole through, *inter alia*, increased supervisory capacity of SFA, improved legislative and regulatory framework at the national level, standardised PA reporting and performance monitoring system. The project will mainstream wetland PAs in sectoral planning through strengthening national development and sector planning framework to safeguard wetland PAs from external threats. Financing for wetland PA management operation will be increased and cost effective operation will be introduced through PA system financing planning and through use of economic valuation. Interventions to strengthen knowledge management will also be targeted in order to disseminate the management know-how of PAs containing different wetland types and to promote uptake of good practice. The knowledge management component will also ensure the availability and accessibility of essential data and information for decision making by the PA and sectoral agencies.

Global benefits: The GEF funding will significantly contribute to secure critically important biodiversity and deliver global benefits including the strengthening of the sub-network of wetland PAs, thus enhancing conservation and management of the habitats of endangered species and many hundreds of endemic mammal, bird, reptile, amphibian and plant species. In particular, the lake, marshland, riverine, coastal and forest habitats that they occupy will be secured by bringing real protection in place of token (paper) protection within a total of 36 of the 58 WWF terrestrial ecoregions that are recognised in China, including 5 WWF Global 200 Ecoregions, as well as two WWF Global 200 Freshwater Ecoregions, namely the Russian Far East Rivers and Wetlands and the Yangtze Rivers and Lakes.

Three components are envisaged in this project under the **objective: *To strengthen the management effectiveness of the sub-system of wetland protected areas to respond to existing and emerging threats to the globally significant biodiversity***

Component 1: Systemic and national institutional capacity for managing the sub-system of wetland PAs

Under this component, the project will focus on strengthening systemic and institutional capacity at the national level. The project will support improving legal frameworks at the national level. This includes: Amendment to the Nature Reserve Regulations so that it will provide realistic and effective management standards for wetland PAs and development of the Regulations for Co-management of Wetlands NRs, and the Regulations for the Control of Invasive Alien Species in NRs, in close collaboration with other divisions of the SFA, MEP and sector agencies. Passage of the National Wetland Conservation Regulations will also be supported. Official guidelines for management and zoning of wetland PAs will be developed for different types of wetland PAs. These will provide management and zoning options that are specifically tailored to tackle existing and emerging threats to wetland biodiversity. The guidelines will be gazetted and national level extension actions of the new guidelines will be supported. A range of management tools for wetland PAs will also be developed, drawing on successes and lessons learned from many past and on-going projects at the site level. These will include wetland PA management plan templates, wetland biodiversity status and water quantity and quality monitoring protocols. A systematic review of the wetland PA coverage will be conducted based on representativeness of different wetland types, and with climate change adaptation consideration. Based on this, up to new wetland sites will be added to the PA system, improving the percentage of natural wetlands in the wetland PA network from the current 50.3 to 55%. Project will also support upgrading of at least 20 Provincial wetland NRs to National NR status and the enlistment of at least six new Ramsar sites, elevating their protection status and increasing their budget allocation.

The SFA at the national level is responsible for wetland conservation through effective PA management, although actual management activities are carried out at the provincial and other local government levels. Individual PAs have dual reporting lines – to the national government and the provincial government. Although operational costs are borne at provincial and county levels, national reporting line is particularly important for national level NRs, international programmes and international projects. The selection of national-level NRs and sites for nomination on different international programmes (Ramsar, MAB, WH etc.) are also

made at national level. Supervisory capacity of the SFA at the national level for planning and monitoring of wetland PA system and Ramsar Sites will be strengthened through strategic training activities, review and consolidation of staffing structure and development and adoption of a set of professional competency standards for wetland PA management staff as a basis for enhanced performance.

BD health status index will be developed and a monitoring mechanism and a system-level crisis management mechanism will be established. This will enable the SFA at the national level to predict crisis and react promptly to a crisis situation and ensure provision of necessary remedial measures such as emergency funds or actions. Biodiversity health index will reflect the ability of a site to maintain its biodiversity values. The biodiversity index will have two components: 1) score of habitat suitability for important biodiversity and 2) status of important biodiversity. Each site using this index will undertake a baseline survey which also selects indicators and target species for subsequent surveys. Indicators should include key wetland birds, important aquatic fauna – fish, mollusks; selected indicator insects; endangered mammals; major components of vegetation; incidence of IAS.

Improved systemic environment, BD health monitoring system and better staff competencies are expected to enhance SFA's overall capacity for wetland PA sub-system management and for channeling necessary support to wetlands in a timely fashion.

Component 2: Mainstreaming wetland PAs in sectoral planning

In response to barrier 2 above, this component will address inter-sectoral coordination, integration of wetland PAs, its objectives and functions in the national development and sectoral planning framework. This is expected to lead to significant reduction of threats to wetland PAs and an increase in available financing for PA management. The project will strengthen coordination with other sectors that are impacting wetland PA management, including agriculture, environmental protection, mining, and land and water resources (including water diversion schemes and the post Three-Gorges Dam Plan). For this, a cross-sectoral body will be established as the permanent standing committee with clear mandate, facilitated by the Wetland Conservation Management Centre within the SFA, in close coordination with the Academy of Forest Survey and Planning and the Department of Wildlife Conservation within the SFA. Capacity of these units for spearheading inter-agency coordination will be strengthened. Through the coordination body, the project will support embedding of wetlands concerns in major cross-sectoral plans such as climate change mitigation and adaptation, combating desertification and achieving water security. Capacity of the SFA to proactively and meaningfully participate in CBD Steering Committee and China National Commission of Implementing Ramsar Convention will also be supported.

A thorough review of the national development and sectoral planning process will be conducted to identify bottlenecks and areas for interventions for mainstreaming wetland PAs and the PA system as a whole in the planning and budgeting process. In order to provide strong tools for mainstreaming in economic sectors affecting wetland PAs, the project will support development of a set of measures to safeguard wetland PAs from sector practices, reducing threats from different sectors. This could include setting up of standards for infrastructure development and operation, development of standards and procedures for mining, and issuance of official guidelines for fisheries, aquaculture and agriculture in and around wetland PAs.

The project will further support compilation of the synthesis on the economic values of wetland PA sub-system (marketed and non-marketed values) following internationally recognized methodologies and making use of existing studies as much as possible. The economic work should include roles of wetlands in climate change adaptation and disaster mitigation. The implication of the wetland loss and degradation of various economic sectors also will be clarified in economic and financial terms. The project will be designed with the clear objective of mainstreaming wetland PAs (and the national PA system as a whole) in the 13th five-year development plan, and accompanying communication products especially targeted for policy makers and for mass media, and use of these product will also be supported.

Mainstreaming will be geared towards increasing government financing for operational budget (as opposed to construction budget) which is hampering effective management of wetland PAs. This will be done by improving principles and process for budgeting at the national level, by developing a wetland PA system financing plan defining management needs of wetland PAs, identifying current funding level and optimal level of financing, financing options and steps to achieve financial sustainability.

Component 3: Knowledge Management, lessons sharing and Awareness

In response to the above-mentioned barrier 3, it is important to achieve improved awareness of the importance of wetland PAs and provide better and up-to-date information from a consistent and reliable source. Data needs continuous updating and improvement through routine collection of fresh data during monitoring of wetland sites, and improved flow and processing of such data into data handling centres. Relevant data must be made easily and understandably available to planners and operators so that wetland services can be fully harnessed and not degraded.

The project will establish a wetland PA data sharing platform. Building on existing internal database, the virtual database will contain basic details and location data of all major wetlands, boundaries of all wetland NRs; and information about key features, species or vulnerabilities of each site. Data would serve as a baseline for continuing monitoring of sites at local levels. Data should be in line with procedures promoted internationally for Asian Wetland Inventory. The database would be available for open access and form a component of the National Biodiversity Information System (NBIS) which is currently being developed under coordination of MEP (holder of CBD Clearing House Mechanism). There will also be a knowledge management and sharing component in the database, storing and availing information and technical knowhow on successful wetland management cases

around the country which were achieved through government and donor-funded initiatives. This would provide a system level mechanism to synthesise the wetland management specific achievements of various investments from different parts of the vast country. Target primary users are government planners, academics, relevant NGOs, and international agencies. The system needs development, testing and then linking to agreed fields of the existing SFA wetlands database with appropriate virtual links to the NBIS and Clearing House Mechanism for harmonized virtual reporting. The improved data sharing platform will be regularly updated. The project will support the establishment of routine monitoring and reporting procedures from sites to provincial centres to the national database to the web platform.

The project will also support a national wetland PA awareness campaign, clearly linking between the wetland conservation and national water security and making the full use of the economic argument for conservation. A range of communication materials including publications, media coverage and blogs will be developed. The lessons sharing workshops will be organised where staff from provincial and other wetlands projects in China annually share experience.

Furthermore, as an umbrella project of the CBPF-MSL Programme, the project will ensure coordination between the seven projects and monitoring of programmatic results, assuming the role of the secretariat for the Programme Steering Committee (PSC). This national project will assure close coordination with, and reporting to, the CBPF Steering Committee, in order to ensure coordination with other existing and emerging wetland and PA projects under the CBPF. The project will organise an annual exchange and lessons sharing forum with all the participating agencies of the seven projects. The project will assure close coordination with, and reporting to, the CBPF Steering Committee. Achievements, knowledge and lessons learned from individual projects under the Programme will be documented both in Chinese and English and disseminated widely.

B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS. FOR BACKGROUND INFORMATION, READ [Mainstreaming Gender at the GEF](#):

The role of the Wetland PAs extends far beyond protection of wetland biodiversity and migratory water birds. They make an enormous contribution to the national economy and ecological and social welfare. Wetland PAs provide essential water resources to people and industries – up to 300 million people in China consume contaminated water every day and 190 million are suffering from water related illnesses each year. They provide resilience to the environment through maintenance of valuable ecosystem services to surrounding and downstream areas, through protection of soils and watersheds, and climate amelioration. Wetlands also provide various livelihood and economic opportunities through fisheries, agriculture and tourism and associated employments. They also offer opportunities for public education, awareness and enjoyment, and living laboratories for continued biological exploration and study. As women among the local communities are more often engaged with gathering natural resources and collecting water, they are the primary beneficiaries of sustainable and quality supply of these resources. Therefore, a thorough gender analysis will be conducted to ensure full participation of women in project activities and to ensure that any activities do not adversely affect women or men. Definition of standards and guidance on sustainable livelihoods to local communities will advance socioeconomic benefits and in turn reduce threats to biodiversity, securing global ecosystem and biodiversity benefits.

B.4. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS

The following potential risks and mitigation measures have been identified. These will be reviewed and updated during the project preparatory phase.

Risk	Rating	Mitigation Measure
After 2013, China will launch a new round of government institutional reform to mainstream the people's livelihood-related issues (such as increasing incomes, regional equality, and health) into the agenda of governments. This may reduce the focus on, and budget for, wetland conservation, hindering the process of achieving wetland conservation objectives.	Low	Wetland conservation and people's livelihood are closely interlinked, in particular in terms of clean and steady water provision, as well as disaster mitigation. The project will ensure that this inter-linkage will be adequately acknowledged by policy makers at the national and provincial level as well as by the general public. The project will support necessary strategic studies and production of toolkits and materials to support better understanding of wetland PAs' contribution to economy and peoples' welfare and livelihoods.
Mainstreaming wetland PAs into sectoral policies will be hindered by lack of incentives for other sectors and poor enforcement of agreed priorities and plans that may be incompatible with larger hydro-power, water diversion, land conversion or other major development programmes.	Medium	This project proposes to not just focus on coordination but also on joint planning, approval of policy, programmes and legislation at the provincial level with participation of key wetland biodiversity impacting sectors and agencies. Reinforced coordination and joint planning with the MEP as the agency in charge of EIA and SEA would be particularly important. The project will support enabling legal framework for mainstreaming, development of tools for mainstreaming, such as the standards for infrastructure development and operation, standards and procedures for mining, official guidelines for fisheries, aquaculture and agriculture in and around wetland PAs, consolidated information data base on wetland PAs, wetland PA system review, and economic valuation studies. Under the CBPF umbrella, efforts will be made to develop viable partnership between different (and sometime competing) agencies. Given the importance the Central Government has put on wetland and biodiversity management, there is an added impetus for all agencies to work together and the project is being formulated with this spirit of

		partnership.
Mega projects such as dam construction and water diversion schemes totally overrides wetland biodiversity conservation concerns.	Medium	In order to mitigate this risk, the project supports development of sector specific safeguard measures to protect wetland PAs from sector specific practices. This could also include development of design standards and siting and operation guidelines for dams which minimize water inflow reduction and overall impact on wetland biodiversity. The proposed project being a national level project, it will be feasible and appropriate to address these issues.
Legislative revision process takes too long for the project to produce envisaged impacts.	Medium	The National Regulation on Wetland Conservation is already listed in the legislation plan of the Legislative Affairs Office of the State Council, and is expected to be passed in coming years. The project activities are expected to generate renewed interest in wetland conservation and expedite the legislative process. However, in order not to be severely impacted by potential delay in legislative process, the project's interventions are confined within revision/update of existing regulations and development of management and zonation guidelines specific to wetland PAs. Coupled with other interventions including enhanced coordination and mainstreaming of wetland PAs, and it should be possible to produce the envisaged outputs within the project timeframe.
Severity of climate change impacts (including water level change and increased incidence and extended duration of extreme weather (e.g., floods and drought) may undermine conservation efforts promoted by the project through changes in biodiversity distribution and changes in community resource use intensities	Medium to high	Given that climate change impacts are likely to increase over the long term, the project will assess these changes and propose actions and approaches to increase ecosystem resilience. These will include flexibility of wetland PA zones and boundaries. Maintaining a wide range of wetland types and improving connectivity. Migration patterns and timings may change, requiring adjustments in the PAs designed to accommodate migratory species. Take into consideration the issue of climate change in the process of conducting community efforts and pilot projects on alternative/sustainable livelihood.

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES, AS APPLICABLE:

Key stakeholders and roles and responsibilities in the program

Stakeholder	Roles and Responsibilities
National People's Congress	The highest organ of state power; responsible for the legal framework and revision of laws and national regulations; approves national development plans
Ministry of Finance	Operational Focal Point (OFP). Coordination and implementation of GEF projects. Critical partner for financing component of the project.
FAO	Technical agency for UN in agriculture, forestry and fisheries sectors. GEF implementing agency for the Poyang Lake Wetlands Project within the Wetland PA Programme and other GEF financed projects in China such as Dongting Lake Project. CBPF-MSL Programme Steering Committee member.
UNEP, WB, ADB	Partners in the CBPF umbrella programme for CBD actions for biodiversity in China. WB manages another GEF wetlands project in Xinjiang that should be closely coordinated. CBPF Partners.
Ministry of Environmental Protection	Coordination of environmental issues, pollution and CBD implementation and reporting, execution of CBPF. Processing and coordination of drafting legislation related to environmental protection. Responsible for Regulations on Nature Reserves. Manages 21 national wetland NRs and 28 provincial wetland NRs. Must be involved in any proposed regulatory revisions and be represented in the project steering committee.
State Forestry Administration	National executing agency for the project. Responsible for forest lands, most of China's nature reserves, wildlife issues, wildlife trade (CITES), wetlands protection (Ramsar Convention), drafting of departmental level regulations especially wetlands. Responsible for ensuring effective wetland PA management and provide supervisory and technical support to PA management. Manages the vast majority of NRs (over 80% of the NR areas) and provide financial support for national NRs.
National Development and Reform Commission	The national development planning agency and responsible for macroeconomic policy and management. Examines and approve major construction project. Responsible for promotion of the strategy of sustainable development; to undertake comprehensive coordination of energy saving and emission reduction. The focal agency for the UNFCCC. Critical for mainstreaming component and should be included in the project steering committee.
Ministry of Water Resources	Responsible for water security. Important stakeholder with high interest in terms of water quality, flood control and other ecological functions. Manages 3 national wetland NRs and 8 provincial wetland NRs for water resource management. Critical for mainstreaming component and should be included in the project steering committee.
Ministry of Agriculture	Responsible for agriculture and grasslands. Major stakeholder in terms of water use and sources of agricultural water pollution; responsible for freshwater fisheries. Should mainstream biodiversity and PA protection within their plans and avoid causing pollution of wetland sites. Can help monitor wetland biodiversity on agricultural lands adjacent to NRs. Also manages 3 national wetland NRs and 26 provincial wetland NRs. Need cooperation in controlling fishing within sustainable limits. Critical for mainstreaming component and should be included in the project steering committee.
Legislative Affairs Office of the State Council	Responsible for coordination of legislation and regulation functions under the State Council, including the regulation of nature reserve management and regulation of wetland conservation.
Ministry of Land and Resources	Responsible for protection and rational use of land and resources in particular geological resources for mining. Manage one wetland NRs. Critical for mainstreaming component and should be included in the project steering committee.
State Oceanic Administration	Responsible for marine fisheries and ecosystem management, as well as marine NR management.
Provincial and local governments' Forestry Departments	Planning and direct management of wetland PAs including Ramsar sites. Provides personnel and financing for PA management.
GIZ, Wetlands International, WWF and domestic level NGOs	Involvement in wetlands and biodiversity projects. Available for technical support, consultancies, training and monitoring. High capacity for grass roots action with local communities. GIZ undertake a parallel project at 4 sites that should be closely coordinated with this programme. GIZ and WWF will be included in the steering committee.

Stakeholder	Roles and Responsibilities
Chinese Academy of Sciences (CAS), several specialized and regional institutes	CAS is the National academy for natural science. Technical expertise available on hydrological, botanical and zoological aspects.

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

The CBPF will provide a national platform to ensure strong coordination between approved and planned GEF wetland biodiversity projects as well as other relevant initiatives of the Government and development agencies. This will be done through the CBPF Steering Committee and the Partner Coordination Group where CSOs, namely WWF, TNC and CI are represented. Under the CBPF, there are a number of GEF supported projects that have a focus on wetland conservation. These include the WB/GEF supported Mainstreaming Biodiversity Protection within the Production Landscapes and PAs of the Lake Aibi Basin (2009-2014), the ADB/GEF supported Jiangsu Yancheng Wetland System Protection Project (2011-2103), the FAO/GEF supported Demonstration of Estuarine Biodiversity Conservation, Restoration and PA Networking Project (2011-2016), Securing Biodiversity Conservation and Sustainable Use in China’s Dongting Lake PAs (2011-2016). These projects will directly benefits from the enhanced capacity of the SFA at the national level, which will be engendered by this project, to support wetland conservation, ensure wetland PA management effectiveness and increase financing for wetland PAs. These projects will improve wetland conservation and management, generate experiences and lessons with regards to wetland restoration, and mainstreaming of wetland conservation in local development and livelihoods. In addition, there are two GEF-financed provincial-level PA system strengthening projects to be implemented through UNDP (2011-2016) in Gansu and Qinghai provinces. Through strengthening management effectiveness of the entire PA system in the respective provinces, these two projects will also enhance wetland PA management through interventions that are common across different types of PAs. The proposed project’s focus on improving national systemic and institutional issues will have directly complement and support the efforts of the projects at provincial and site levels. Similarly, these provincial PA system projects will generate useful lessons for the national level project. The UNDP/GEF supported Priority Institutional Strengthening and Capacity Development to Implement the CBPF for Action has entered its implementation phase, with an aim to operationalise the CBPF. Under the CBPF, the Wetland PA Programme has been established, comprising this and six provincial projects executed by the provincial bureau of the SFA. A programme level steering committee will be established chaired by the SFA, in order to assure programmatic impacts and monitoring. As this project will be executed by the Wetland Conservation and Management Centre of SFA, coordination with other wetland conservation related support including the GIZ and WWF supported programmes will be assured through the project steering committee which will include the relevant agencies and CSOs.

C. DESCRIBE THE GEF AGENCY’S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

C.1. INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT:

UNDP provides a grant of US\$ 900,000 to this project, targeting improvement in environmental governance at the national level. US\$ 435,000 will be invested to promote the establishment of environmental tribunals and an environmental public interest litigation (PIL) process and thus facilitate the enforcement of new sectoral standards in PA by providing a forum for discussion/reporting infringements. The rest of the investment will be for promoting green development supporting improved governance at national and provincial levels and community based initiatives to promote green development, in realising the Government vision to build a “*Xiaokang*” society⁸. The Project aims to integrate poverty reduction and rural green economy development with improved environment and capacity to adapt to climate change impacts. It will support inter-agency collaboration for green development and strengthen the activities for carbon trade market. Networking of green development stakeholders is strengthened and a multiple-participatory extensive platform is established to promote broad collaboration in green development. These activities will complement the project in particular towards envisaged outcomes under component 2.

C.2. HOW DOES THE PROJECT FIT INTO THE GEF AGENCY’S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:

Protected Areas is one of UNDP’s signature programmes and the agency has a large portfolio of PA projects globally and across Asia including China. In particular, UNDP is equipped with a wealth of accumulated knowledge and experience from projects around the world in promoting PA system objectives in development and sectoral planning. UNDP has been supporting natural resource management, biodiversity and ecosystem management in China for over three decades, and has a large biodiversity portfolio in the country. UNDP implemented/is implementing a number of GEF supported projects that are complementary to this project, and is also the implementing agency for the € 51 million EU-funded ECBP programme. In addition, since 2007, UNDP has

⁸ The vision of *Xiaokang* refers to a society where people are moderately well off and in which economic prosperity is sufficient to move most of the population in mainland China into comfortable means, but in which economic advancement is not the sole focus of society. Explicitly incorporated into the concept of a *Xiaokang* society is the idea that economic growth needs to be balanced with the sometimes conflicting goals of social equality and environmental protection.

been the co-executing agency of the GEF supported CBPF, together with Ministry of Finance and Ministry of Environmental Protection.

The United Nations Development Assistance Framework (UNDAF) for 2011 to 2015 provides the framework for the UN-China partnership over the coming five years, coinciding with the period of China's 12th Five Year Plan. One of the three priority areas, or UNDAF Outcomes, is Outcome 1: Government and other stakeholders ensure environmental sustainability, address climate change, and promote a green, low carbon economy. The components of this programme are a strategic way of achieving this outcome, in particular through directly contributing to Output 1.1. Policies and regulations are strengthened to create a green economy; Output 1.2. Policy and implementation mechanisms to manage natural resources are strengthened, with special attention to poor and vulnerable groups; and Output 1.3. China's vulnerability to climate change is better understood and adaptation responses are integrated into Government policy.

Corresponding to the UNDAF, the UNDP Country Programme (2011 to 2015) seeks to reduce the vulnerability of biodiversity to climate change impact and safeguard local communities potentially affected by negative impacts of climate change by building ecosystem resilience, which is the fundamental building block of ecosystem's provisioning, regulating and support services essential for China's social and economic development. The proposed programme will contribute directly to its Outcome 4: Low carbon and other environmentally sustainable strategies and technologies are adapted widely to meet China's commitments and compliance with Multilateral Environmental Agreements; and Outcome 5: The vulnerability of poor communities and ecosystems to climate change is reduced.

The country office has a large biodiversity portfolio, with one Programme Manager and one Programme Associate specifically assigned to biodiversity related projects and broader support from the policy, administrative and financial sections. The UNDP Regional Technical Adviser based in Bangkok will provide technical support to the CO for implementation, monitoring and evaluation of the project.


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):

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 policies and procedures and meets the GEF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Yannick Glemarec, GEF Executive Coordinator, UNDP		9/15/2011	Midori Paxton, Regional Technical Adviser – EBD, UNDP	+66- 818787510	midori.paxton@ undp.org

Annex 1: Map - Wetland Nature Reserves in China

