



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4865		
Country/Region:	China		
Project Title:	Expansion and Improvement of Biodiversity Conservation and Sustainable Use of Natural Resources in the Greater Shennongjia Area, Hubei Province		
GEF Agency:	UNEP	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Biodiversity
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-1; BD-1; BD-2; BD-2; Project Mana;		
Anticipated Financing PPG:	\$82,192	Project Grant:	\$2,657,534
Co-financing:	\$15,000,000	Total Project Cost:	\$17,657,534
PIF Approval:	February 20, 2013	Council Approval/Expected:	April 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Yoko Watanabe	Agency Contact Person:	Edoardo Zandri

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes, China has ratified the CBD and eligible for GEF BD finance.	
	2. Has the operational focal point endorsed the project?	Yes, an appropriate endorsement letter by the OFP dated 6 March 2012 is attached.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	UNEP's comparative advantage in managing a PA project at the provincial level is not clear. Particularly, considering that UNDP is also preparing a PIF on wetland PA system in the same province, the overall relevance in preparing two PIFs in the same province on PA management with a same provincial agency should be reviewed with a view to consolidate the initiatives. 6 July 2012	

		<p>provided. However, we still need to note that UNEP does not have much experience working on national level GEF projects in China, besides the Yangtze river project and a few additional enabling type activities and MSPs. In order to strengthen coordination with the other PIF in the same province that is implemented by UNDP, and also considering UNDP's extensive experience in China, the PM considers that further coordination between UNEP and UNDP should be considered, including option to jointly implement the project.</p> <p>18 Sept 2012 Additional information provided.</p>	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	n/a	
	5. Does the project fit into the Agency's program and staff capacity in the country?	<p>UNEP's staff capacity in implementing a provincial level PA project in China is under question. Please clarify further.</p> <p>6 July 2012 Please note comments made above under section 3.</p>	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	Yes.	
	• the focal area allocation?	<p>Yes, the project is within the country BD STAR allocation.</p> <p>12/20/12 The utilization of BD STAR for China</p>	

	<ul style="list-style-type: none"> • the LDCF under the principle of equitable access 	n/a	
	<ul style="list-style-type: none"> • the SCCF (Adaptation or Technology Transfer)? 	n/a	
	<ul style="list-style-type: none"> • Nagoya Protocol Investment Fund 	n/a	
	<ul style="list-style-type: none"> • focal area set-aside? 	n/a	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>The outputs under BD1 and BD2 are not aligned with the BD FA results framework. Please review and revise based on the results framework.</p> <p>6 July 2012 On BD2 on IAS, one can not create a new output that is not agreed under the FA results framework. Please delete.</p> <p>18 Sept 2012 Adequate revision has been made.</p>	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	<p>While the biodiversity significance of the area is generally known, the geographical scope of the project is unclear (is Greater Shennongjia Area different from the Shennongjia Forest District?) and it is not clear how the project is going to address the system level issue on PA management at the provincial level.</p> <p>6 July 2012 The general scope of the project is in line with BD1 and BD2.</p>	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	<p>Please clarify that the area is recognized as one of the priority area specifically identified under the recently approved NBSAP. It is rather unclear from the current description.</p> <p>6 July 2012</p>	

		provided. The area is identified as priority site under the NBSAP.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	The project has a specific component on capacity development which is focused mainly on training and awareness raising. While this could contribute to the sustainability of the project outcomes, further clarification and thoughts are required on the actual on-the-ground activities to ensure concrete project outcomes. Please also refer to below comments.	
Project Design	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	<p>While several baseline projects are described in the PIF, the project area of "Greater Shennongjia Area" is not clearly defined thus difficult to determine clear linkage with these ongoing baseline projects. Please clarify.</p> <p>6 July 2012 Baseline projects include a few of them that are completed, including the wetland biodiversity project (which, if not mistaken is a GEF-financed project) and the EU-China CBPF. Completed projects and GEF projects can not be considered as baseline project.</p> <p>18 Sept 2012 Revision has been made. However, considering that the government finance is envisioned to implement the conservation plan, we suggest that this element will also be included as baseline (please refer further to comment below).</p>	
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to		

	similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	<p>The incremental reasoning of the project is weak. Please provide concrete GEB and scenarios on with and without GEF investment.</p> <p>6 July 2012 The baseline scenario is still very vague and do not provide a clear picture on what would be accomplished through the government baseline interventions, and what concrete alternative outcome the GEF project will bring. Please provide further information.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>No. There are several major weaknesses with the project design and framework:</p> <p>1) Situation analysis and justification of the project is weak. The project needs to provide a logical justification for a project by: defining the geographical scope of the project; providing information on the forest and biodiversity status; threats and barriers with area specific information: gaps and opportunities; and planned actions. Some information are scattered around in the PIF but it does not provide a clear picture of the situation and the needs.</p> <p>2) Project interventions are focused mainly on planning and capacity building, without concrete implementation activity on the ground. The project should be focusing its initiatives on concrete actions on the</p>	

sustainable use of biodiversity resources with the communities and other stakeholders.

3) It is rather unclear how the enforcement and implementation of the plan would be managed under the project.

4) Communication and education activities would most probably not be sufficient to address the threats in the area. Concrete actions, approach and incentive schemes need to be identified and implemented to address the threats.

5) What are the plans to ensure financial sustainability of the outcomes?

6) Linkage between the provincial and PA level initiatives are not clear. How would the project address the PA system level needs at the provincial level, and what is the overall role of provincial government? Coordination with the UNDP PIF is particularly important from this perspective (refer also to comments below).

6 July 2012

While further information has been provided, questions still remain on many of the comments made earlier:

Component 1:

1) While we understand the importance of planning, the total \$8.7m for an integrated biodiversity conservation plan is too expensive and inappropriate. The component should have balance on

of the plan.

2) Most of the activities noted under component 1 seems to be more relevant to be carried out during PPG phase.

3) While it is noted that the sustainability of activities will be secured by government finance, it is worrisome as there is even no cash cofinance identified for this project at this point. Please further clarify and provide further information.

Component 2:

1) This component is still very general and lack specificity. It appears that it would be important to establish appropriate institutional level structure and capacity to manage the greater shennongjia area, rather than conducting training. This component requires further thoughts and revision.

Component 3:

1) The outcome of this component needs to be more specific, such as inclusion of ecosystem services in regional planning, rather than general support towards communication and campaigns.

2) What kind of support is expected from the GEF towards the establishment of an education center?

Overall, the project framework is still too focused on planning, training, and campaign/communication, without concrete and clear conservation outcomes or outputs. Please kindly

18 Sept 2012

As repeatedly commented above, the GEF considers important that GEF BD projects to have a good balance between planning/capacity building and implementation/concrete conservation actions on the ground. As noted, if the implementation of the GSA conservation plan is indeed planned to be undertaken by government finance, it would be appropriate that this would be part of the project design (as cofinanced activities) to ensure realization and sustainability of the plan that would be supported by the GEF finance. Please revise the project design, framework, and finance accordingly.

26 Nov 2012

Thank you for the further explanation and revision to the PIF. However, the PM recognizes that the fundamental concern on the project design is yet to be addressed. In order to ensure appropriate balance between planning/capacity building and implementation/concrete actions on the ground, the project could start piloting/implementing some activities on the ground during development of conservation plan, including the PES/ecotourism schemes noted in the socio-economic benefit section and other monitoring/enforcement activities, and demonstrate some concrete results, which could also be useful for the plan development. These on-the-ground activities could be financed by cofinance but should be adequately

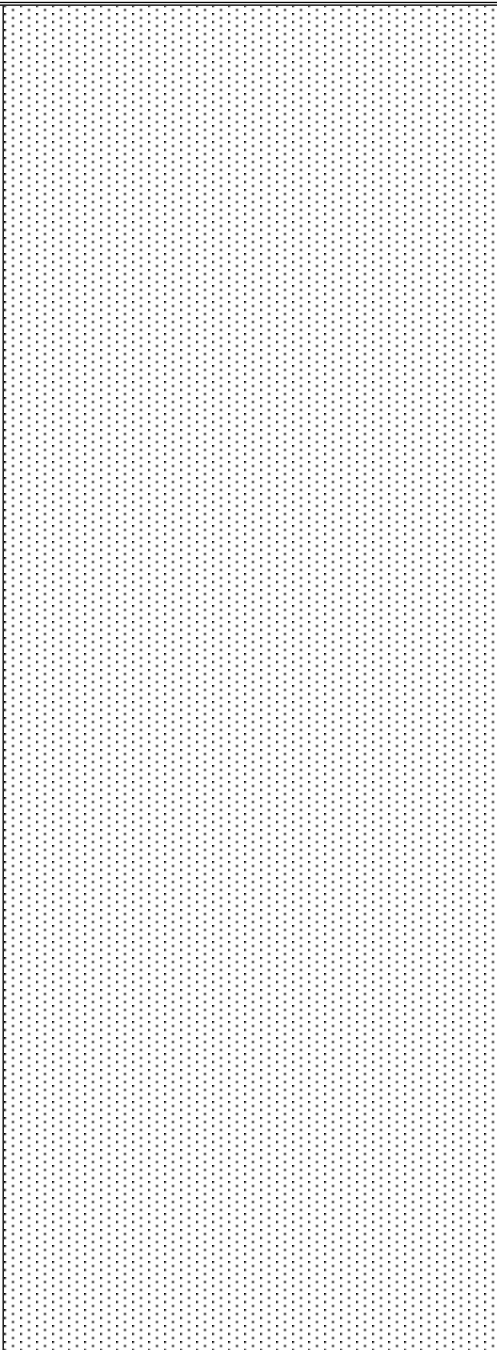
		<p>results. Further, the GEF project period could also be prolonged to ensure sustainable implementation of the plan and to be part of the project. With the current project approach and design, it is still unclear how the project is going to demonstrate and generate concrete results for improved management effectiveness of the existing and new protected areas.</p> <p>12/20/12 Adequate revision has been made. Further details on concrete outcomes and outputs for each component should be defined by the time of CEO endorsement.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>No. Please provide further information.</p> <p>6 July 2012 No, as commented further under section 13 above, please provide further information.</p>	
	<p>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?</p>	<p>No. While poverty and gender issues are generally noted, it is unclear how the project will be addressing the issues in concrete terms and what impact it is expected to achieve.</p> <p>6 July 2012 Additional information has been provided. However, it is rather difficult to understand how the project that is focused on planning and training would result in actual socio-economic benefits that are described. Please further clarify.</p> <p>18 Sept 2012 We would like to see at least some</p>	

		accrued on the ground through the implementation of the plan and training.	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	<p>Please clarify whether any indigenous or ethnic minority groups are involved in the project, and if so how the project will ensure appropriate involvement of these groups.</p> <p>6 July 2012 Adequate information has been provided.</p>	
	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)	Appropriate information has been provided.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>No. No information has been provided on how the project will be coordinated with the UNDP wetland PA management PIF that is currently under development in the same province with the same agency. It does not make good sense to develop two PIFs from both coordination and cost-effectiveness considerations. The GEF Secretariat suggests to review this situation with the national and local partners, and consider to consolidate/integrate the two projects. The consolidated project could possibly have a single system level intervention (planning and institutional level outcomes) while having separate components focused on wetland PAs and forest PAs in the province.</p> <p>6 July 2012 Potential coordination mechanism</p>	

		<p>Further we would like to see how UNEP and UNDP would coordinate for the implementation, supervision, monitoring etc of these projects. Please clarify.</p> <p>18 Sept 2012 Additional information provided.</p>	
	<p>20. Is the project implementation/ execution arrangement adequate?</p>	<p>No. Further consideration is required on the roles of the provincial level government versus area/local government, and how the PA system level issues are to be addressed.</p> <p>6 July 2012 Additional information has been provided. However what we understand from other projects is that the the coordination between the different levels of government staff are not always optimal and they are essential element of the project. It is not the case for this project?</p> <p>18 Sept 2012 Thank you for the response. Please reflect this idea in the PIF text.</p>	
	<p>21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		
	<p>22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?</p>		
<p>Project Financing</p>	<p>23. Is funding level for project management cost appropriate?</p>	<p>Yes, it is 5% of the project sub-total amount.</p>	

	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	Yes but the components should be further reviewed based on above comments. 6 July 2012 Please note comment noted under section 14 and revise as needed.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	There is no cash cofinance identified at this stage. The situation should be reviewed and the project requires substantial cash cofinance. 6 July 2012 Considering experience with all other GEF projects in China with substantial cash cofinancing, we do not find it comfortable to approve a PIF without any cash cofinance. 18 Sept 2012 Cash cofinance has now been identified as \$9.965million.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	UNEP is providing \$100000 in kind contribution.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		

Secretariat Recommendation

<p>Recommendation at PIF Stage</p>	<p>30. Is PIF clearance/approval being recommended?</p>	<p>No. The PIF requires substantial review and revision, in coordination with the ongoing UNDP PIF development in the same province with the same agency. While the two PIFs focus on different biomes, i.e. wetland and forest, there are substantial areas for coordination as they both address PA system management issues. The PM suggests that UNEP and UNDP discusses on the issue with the government counterparts with the view to consolidate the two PIFs for better coordination and cost effectiveness.</p> <p>6 July 2012 Additional information has been provided, however, the PIF still requires substantial revision. Please review the comments further and revise the PIF accordingly. Project components, baseline projects, and cofinancing questions are considered particularly important.</p> <p>18 Sept 2012 No. Please refer to the comment under section 14 and revise the PIF accordingly.</p> <p>26 Nov 2012 No. The PM suggests for a teleconference to further clarify and discuss the issue.</p> <p>20 Dec 2012 Yes. Adequate revision has been made on project design. The PIF is technically cleared and may be included into an upcoming Work Program.</p>	
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	endorsement/approval.	<p>results from activities related to planning and implementation on the ground.</p> <p>- Concrete capacity building activities to be defined with measurable results indicators.</p> <p>- Concrete communication/awareness activities to be defined with measurable results indicators</p>	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	March 26, 2012	
	Additional review (as necessary)	July 06, 2012	
	Additional review (as necessary)	September 18, 2012	
	Additional review (as necessary)	November 26, 2012	
	Additional review (as necessary)	December 20, 2012	

*** This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	<p>The PPG requires concrete information on the assessments and studies that would be conducted during the preparation phase. The PPG as it currently stands lacks any specific information (e.g consultations and assessments on what? Baseline information on what? etc).</p> <p>The difference in activities between activity 1 and 2 are not clear.</p> <p>Activity 3 is not eligible for PPG financing.</p>

		<p>6 July 2012 Substantial additional information has been provided. However, PPG should list concrete activities, not components. For example, the activity would be "capacity needs assessment" and the output would be a "report on capacity assessment". The outputs should be specific report or product rather than one single project document. Please kindly revise as needed.</p> <p>18 Sept 2012 While we acknowledge UNEP's response, section B clearly notes to indicate proposed project preparation "activities." We also expect clear output, even brief report/paper etc, for each of the activity. Please kindly revise.</p>
	<p>2. Is itemized budget justified?</p>	<p>Both international and national consultant rates are high. Please revise.</p> <p>Please also clarify details on the travel and logistics costs.</p> <p>6 July 2012 Agency fee under table C is incorrect. No further details have been provided on the travel and logistic costs.</p> <p>18 Sept 2012 The Agency fee under table C indicates \$18182 and it is incorrect. It should be revised to \$8182.</p>
<p>Secretariat Recommendation</p>	<p>3. Is PPG approval being recommended?</p>	<p>No. Please revise based on above comments.</p> <p>6 July 2012 No, please further revise the PPG based on above comments.</p> <p>18 Sept 2012 No, please further revise the PPG based on above comments.</p> <p>26 Nov 2012 Thank you for the revisions and this is ready to be approved once the PIF is cleared. However, the GEF PMIS system still shows error message on the Agency fee, please kindly correct the fee amount to \$8181 to be exact (can not be rounded up) and resubmit the document.</p> <p>20 Dec 2012 Yes, adequate revision has been made. The PM recommends the PPG for CEO approval. Please note that PPG approval is pending CEO clearance of the PIF.</p>
	<p>4. Other comments</p>	

	Additional review (as necessary)	December 20, 2012
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