

**GLOBAL ENVIRONMENT FACILITY
MEDIUM-SIZED PROJECT BRIEF
LOP NUR NATURE SANCTUARY**

PROJECT SUMMARY

PROJECT IDENTIFIERS

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| 1. Project Name: Lop Nur Nature Sanctuary Biodiversity Conservation | 2. GEF Implementing Agency: UNEP |
| 3. Country or countries in which the project is being implemented: China | 4. Country Eligibility: China ratified the Convention on Biological Diversity on 5 January, 1993 |
| 5. GEF focal area(s): Biodiversity | 6. GEF Operational Programme/Short term measure: Short Term Measure Under OP# 1 (Arid and Semi-Arid Ecosystems).. |

7. Project linkage to national priorities, action plans, and programs:
 Since the 1980's, China has become increasingly committed to nature conservation and environmental protection. A Nature Conservation Strategy was prepared in 1987 which formed the basis of new environmental protection and wildlife conservation laws which were promulgated in 1989 to facilitate the development of a comprehensive system of nature reserves and rationalized categories of protection for endangered wildlife. The Government recently completed a biodiversity country study and a biodiversity conservation action plan with support from the GEF.

Several desert ecosystems, unique as habitats for a number of endangered/unique/endemic species and as the last vestiges of true wilderness, have been identified by the above mentioned environmental protection frameworks as high priority for conservation. Among these desert ecosystems, the Lop Nur region of the Gashun Gobi desert, home to the last surviving genetically pure herd of wild Bactrian camels (*Camelus bactrianus ferus*) in the world, was recently declared by the Chinese Government as a Nature Sanctuary.

This was a decision of great significance for the commitment of China to nature protection: the Xinjiang Lop Nur Nature Sanctuary of China (as the Sanctuary would be called - see map in Annex 1) is indeed a 107,768 square km area of a former nuclear test site in the Gashun Gobi desert which the Chinese Government has agreed to set aside for the protection of unique biodiversity, including the internationally recognized highly endangered wild Bactrian camel. This unique arid ecosystem had been preserved from human encroachment due to the fact that it was a nuclear test site for over 30 years. The bulk of the nuclear testing was carried underground and there is so far no evidence that the bactrian camel was adversely affected by the tests. This will however be an aspect of monitoring under the scientific research programme to be established under the project. With the cessation of nuclear testing, the only way to prevent damaging human encroachment on this ecosystem was to gazette it as a protected area/nature sanctuary in which illegal mining and hunting, the most serious threats to the wild camel's survival, would be prevented.

The government of China is seeking funding from the GEF and other sources to strengthen the establishment and management of the Sanctuary. GEF funding is sought on a short term basis as an input to the capital costs required for the effective establishment of the Sanctuary since lack of capital is a barrier to the success of this initiative. The Chinese Government is committed to pick on the running costs, estimated at Yuan 250,000 per annum (approximately US\$35,000).

8. GEF national operational focal point endorsement:
 Chen Huan, Deputy Division Chief, World Bank Department, Ministry of Finance, Beijing. Letter of endorsement dated 24 January 1998 is hereto annexed (Annex 2)

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| <p>9. Project rationale and objectives:</p> <p>Goal: to conserve highly endangered globally significant biodiversity and remove root causes in the Lop Nur Sanctuary;</p> <p>Objectives: to promote effective establishment and management of the Sanctuary by providing the enabling conditions for preserving its globally significant endangered biodiversity.</p> | <p>INDICATORS:</p> <ul style="list-style-type: none"> ● A unique arid ecosystem conserved and the species that have adapted to it saved from extinction ● Participation in the Sanctuary management and commitment of all stakeholders towards conservation of biodiversity of global significance. |
| <p>10. Project outcomes:</p> <p>(a) Establishment of a Sanctuary for the preservation of the Lop Nur arid ecosystem and the species that have adapted to this ecosystem, in particular the highly endangered endemic wild Bactrian camel</p> <p>(b) Implementation of the management plan of the Sanctuary developed in close collaboration with local, provincial and national authorities;</p> <p>(c) Development of replicable models of community awareness-raising programmes in biodiversity conservation and Sanctuary management.</p> | <p>INDICATORS:</p> <p>(a) Prevention of degradation of the ecosystem due to human encroachment;</p> <p>(b) Increased commitment by local, provincial and national government to implement the management plan for the Sanctuary;</p> <p>(c) Increased cooperation between local communities and Sanctuary wardens in enforcing protection measures for the wild camel.</p> |
| <p>11. Project activities to achieve outcomes (GEF cost/Co-financing, US\$ cash)</p> <p>GEF funding, as requested, will help overcome the capital cost barrier hindering the establishment and management of the Lop Nur Nature Sanctuary for the preservation of a unique arid ecosystem which is the habitat of unique species that have adapted to it, in particular the internationally recognized highly endangered endemic wild Bactrian camel species. The recurrent/running costs will be picked up by NEPA and co-financing sources. In this regard, it should be noted that a Charitable Trust, the “Wild Camel Protection Foundation” registered with the UK’s Charities Commission, is being set up with the aim of generating revenues to manage the Lop Nur Nature Sanctuary in the long term.. However, the establishment of this Charitable Trust is a separate activity from this project carried out by various private well wishers and no GEF funds will be used for the capitalization of the trust. NEPA has undertaken to fund the cost of recurrent expenditure estimated at Yuan 250,000 (approximately US\$35,000) per annum after injection of capital funds.</p> | |

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| <p>(a). Sanctuary Establishment Components</p> <p>i) HQ Establishment (\$100,000/200,000)</p> <p>ii) Check-points construction; (\$150,000/\$172,000)</p> <p>iii) Vehicles purchase (\$100,000/\$30,000)</p> <p>iv) Radio communication equipment (\$50,000/\$100,000);</p> <p>v) Scientific research (\$150,000/\$105,000).</p> <p>b) Public Awareness-Raising Component (\$100,000/\$0).</p> <p>c) Miscellaneous/project support services (\$45,000/\$50,000)</p> <p>d) Monitoring and Evaluation (\$30,000/\$0)</p> | <p>INDICATORS:</p> <p>i) Nature Sanctuary HQ set up in Urumqi city</p> <p>ii) Unauthorized entry into the Sanctuary effectively controlled;</p> <p>iii) Effective patrolling of the Sanctuary;</p> <p>iv) Communication between check-points and headquarters made possible;</p> <p>v) Establishment of scientific research programme to monitor endangered biodiversity of the Sanctuary;</p> <p>• Public awareness on conservation of unique biodiversity enhanced.</p> |
| <p>12. Estimated budget (in US\$ or local currency) Project Preparation: US\$ 82,000 (GEF/PDF A - \$25,000) (UNEP \$22,000) (Shell China \$35,000) GEF: \$ 725,000 (Total GEF \$750,000 including PDF A Grant) Co-financing: Y 2,500,000 NEPA (approx. \$350,000 including \$100,000 in kind) \$ 200,000 Cable and Wireless UK \$100,000 Shell China \$50,000 Various private sponsors (e.g. Robert Schad Foundation of Canada)</p> <p style="text-align: center;">Total \$1,507,000</p> | |
| <p>INFORMATION ON INSTITUTIONS SUBMITTING PROJECT BRIEF</p> | |
| <p>13. Information on project proposer: The National Environment Protection Agency of China (NEPA) is the lead agency coordinating all environmental protection related activities in the P.R.of China..</p> | |
| <p>14. Information on executing agency: NEPA in close collaboration with the Xinjiang Environmental Protection Institute (XEPI) based in Urumqi, the headquarters of Xinjiang Province/Autonomous Region. NEPA will enter into sub-contractual arrangements with competent relevant institutions or individuals as appropriate to carry out specific components/activities of the project, e.g. the public awareness-raising programme targeting the local communities living on the fringe of the Gashun Gobi. This programme will entail, among others, production of public awareness-raising tools including both audio-visual and written material in the appropriate local languages (Kazak, Uygur, Chinese).</p> | |
| <p>15. Date of initial submission of project concept: March 1996 (PDF A)</p> | |
| <p>INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY</p> | |
| <p>16. Project identification number:</p> | |
| <p>17: Implementing agency contact person: Cyrie Sendashonga, GEF Coordination Office; Hamdallah Zedan, Biodiversity Unit.</p> | |

18. Project linkage to Implementing Agency program(s): Catalyzing action for saving biodiversity internationally recognized as endangered has been one of the key activities of UNEP since its inception. Through the biodiversity-related Conventions such as CBD, CITES and CMS as well the various species-specific Action Plans (e.g. Large Marine Mammals Action Plan; Elephant, Tiger and Rhino Action Plans) which UNEP administers, UNEP has accumulated a wealth of experience, networks and partnerships to promote policy and operational responses to save highly endangered species from complete extinction. With respect to the wild Bactrian Camel, UNEP funded, in part or in full, two of the expeditions in China and the China - Mongolia border region to survey the status of the species. UNEP also funded the setting up of the Great Gobi National Park in Mongolia where wild Bactrian camels are afforded protection.

LOP NUR NATURE SANCTUARY BIODIVERSITY CONSERVATION

PROJECT DESCRIPTION

PROJECT RATIONALE AND OBJECTIVES

1. China, rich in biological diversity, contains about ten percent of the world's plants, mammals, birds reptiles and amphibians. However, over the past few decades increasing population pressures and development activities have eroded China's biodiversity resources. The combination of a large population (estimated at 1.185 billion people with an annual growth rate of 1.2 percent) and limited land resources (only ten percent of the land area is arable) has led to extensive loss of habitats to agricultural production, logging, firewood collection and livestock grazing. The Chinese Academy of Sciences (CAS) reports that about 200 plant species are believed to have become extinct and an estimated 5,000 species endangered in recent years due to human activity.

2. In recognition of these problems, the Government has significantly strengthened the policy framework for environmental protection in general and biodiversity in particular. As in many other countries, biodiversity protection in China has focused on the establishment of nature reserves. There has been a dramatic expansion of protected areas over the past four years and more than 700 nature reserves are now established, with a total area of approximately 56 million hectares covering some 5.5 percent of the country. The Ministry of Forestry (MFO) has jurisdiction over two-thirds of the reserves. Despite a strong commitment to biodiversity conservation, MFO's staff levels, management budgets, and training and performance standards have not kept pace with reserve expansion. Few areas are protected or managed effectively and if current trends continue, biological diversity in many critical reserves will diminish dramatically. The main constraints include a weak field-level guard force, excessive emphasis on capital-intensive infrastructure development, inadequate recurrent budgetary support, and an inadequately structured management system.

3. Among this growing network of gazetted protected areas and nature sanctuaries, the Lop Nur Nature Sanctuary in the Xinjiang Province/Autonomous Region bordering Mongolia is of special significance. Forty-five times since 1964 the desert of Xinjiang Province has thundered during Chinese nuclear tests. Between 1982 and 1996, when tests stopped, all devices were denoted underground. In the same area live some 120 Bactrian camels, among perhaps 800 that survive in China and Mongolia, the only wild Bactrians in the world.

4. The Bactrian camel is a unique species on a number of accounts: i) it is the provincial emblem, therefore having a great spiritual value for the people of the Xinjiang Province/Autonomous Region of China; ii) genetic studies have revealed that it is the ancestor of domestic Bactrian (i.e. two humped) camels and possibly of the one-humped Arabian dromedary as well, therefore with a high scientific value; domestic camels serve both as beasts of burden (they have been termed "the ship of the desert") and as sources of meat, milk and hides; iii) it is internationally recognized as highly endangered with no more than 880 individuals surviving in the wild in China and Mongolia, therefore requiring urgent effective protection measures to prevent them from complete extinction; iv) it has adapted to the harsh environment of the Gashun Gobi Desert by, inter alia, drinking salty water in an ecosystem where there is no fresh water, only salt springs.

5. Recognizing the importance of the Gashun Gobi desert ecosystem for the survival of this unique species, the Chinese Government agreed, in 1997, to the creation of a 107,768 square km Lop Nur Nature Sanctuary out of the former nuclear test area. The camel is fully protected on the Mongolian side in the Great Gobi Reserve. As the species wanders freely across this Mongolian-Chinese border area, its protection on the Chinese side will therefore ensure its long term survival.

6. The proposed project emanates from the National Environment Protection Agency of China (NEPA) who have drawn a management plan for the proposed Sanctuary and undertaken to fund the cost of recurrent expenditure after the injection of capital funds. Their subsidiary organization, the Xinjiang Environmental Protection Bureau (XEPPB), based in Urumqi, the capital city of the Xinjiang Province, has been involved with the development of the project and two expeditions into the area covered by the proposed Nature Sanctuary have been organized by the Bureau. All relevant local government Prefectures whose authority extends into the proposed sanctuary have been consulted and have been

forthcoming with written support for the Nature Sanctuary, as has the Xinjiang Uygur Autonomous Region Provincial Authority. The management plan highlights the need to ensure the survival of the last remaining genetically pure herd of the wild Bactrian camel through actions aimed at preserving the ecosystem that shelters this herd and removing the proximate causes of the decline in the species numbers, especially illegal hunting and illegal mining.

The main elements of this management plan are as follows:

- Construction of checkpoints to control entry in the Sanctuary;
- Establishment of administrative headquarters for the Sanctuary in Urumqi city to coordinate activities of the Sanctuary;
- Training of the Sanctuary staff for various duties required to implement the overall plan for the running of the Sanctuary;
- Preparation of management guidelines for the Sanctuary;
- Implementation of the guidelines.

7. The current proposal aims to support further the elements of the existing management plan by providing the incremental capital costs required for the effective establishment and running of the Sanctuary. The overall objectives are to ensure protection for unique endemic species, in particular the highly endangered wild Bactrian camel; to protect unique desert ecosystems and landforms in the Lop Nur area; to train personnel in desert biodiversity conservation management; to fully integrate local communities conservation efforts within the proposed Nature Sanctuary through the medium of a comprehensive public awareness-raising programme.

CURRENT SITUATION:

8. Prior to 1986, 21 nature reserves were established in Xinjiang Uygur Autonomous Region. Since that date, no new reserves have been established. The establishment of the Xinjiang Lop Nur Nature Sanctuary is considered essential to protect the last genetically pure wild Bactrian camel species, *Camelus bactrianus ferus*, a unique representative of the world's fauna and the only member of the order Typolda existing in a wild state in Asia; the Asiatic wild sheep, *Ovis mammon*, a separate subspecies of the nominal form that is widespread in the desert mountain massifs of Central Asia; and the goitred gazelle, *Gazelle subgutturosa*. There are also several species of flora endemic to the area under consideration, including desert bush that serve as diet to the wild Bactrian camel. In addition, the Sanctuary would preserve the unique wind erosion landforms and fragile desert ecosystems in the area. These ecosystems have retained their 'virgin' state thus providing a model of numerous natural processes which have blended together over a long period of time to produce the various components of the unique desert biogeocenoses.

9. The urgency of the situation is due to the rapid decline in wild camel numbers and the dramatic increase in illegal human activities mainly illegal hunting and illegal mining. Lop Nur region is located in the south-east of Xinjiang Province, east of the Tarim river basin. The dried-up lake bed of Lop Nur is in the centre of the region and it is surrounded by the Gashun Gobi desert to the north, east and west and by the Aqike valley and the Kum Tagh sand dunes to the south.

The Kuruk Tagh mountains, an extension of the Tien Shan mountain range, dissect the area north of Lop Nur. The valleys of these mountains provide shelter for the wild camel. To the east runs a corridor of sand dunes stretching 80 km. from north to south. This forms a natural barrier to the east for the camel.

10. The total area proposed for the Sanctuary is 107,768 sq. km. between longitudes 89.00 - 93.00E and latitudes 39.30 - 42.30N. The area is totally uninhabited except for 300 miners working in six official gold mines, north east of the Aqike valley. The southern boundary of the proposed Sanctuary would coincide with the northern boundary of the Annanba Nature Reserve. This Reserve, established by Gansu Province in 1982 covers 3,900 sq. km. and offers limited protection for the wild camel in the area. It is contiguous with the 15,125 sq. km. Arjin Reserve to the west established in 1986.

11. According to the most recent estimates (1997), between 730 and 880 wild Bactrian camels survive in the world; they are distributed between the China - Mongolian border region (approx. 350-400) and the Gashun Gobi (80-100), Taklimakan (50-80) and Lop (250-300) deserts in China. There are only seven in zoos and eleven with domestic herds in Mongolia. The overall outlook is therefore bleak. The wild Bactrian camel distribution area in the Lop Nur region is the only remaining area in the world where the wild camel can be considered to be genetically pure as it is isolated from domestic stock. The camel numbers in this area are estimated to be not more than 120. They have declined significantly from a 1980 assessment of over 800 (Gu & Gau 1985). The prime cause for this decline is a dramatic increase in illegal hunting and mining, especially since 1990.¹ The illegal mining activity in the area to the west of the oasis of Dun Huang has increased considerably since the 1995 survey. Evidence was found of four new gold mines. At one iron-ore mine further north, illegal miners had been constructing home-made land mines to obtain camel meat by blowing-up camels that approached water points. The recorded six official gold mines pose no serious threat to the survival of the camel; two of these have already closed down due to lack of productivity. The remaining four are small scale operations and the local authority in whose area they operate has agreed to cooperate in their closure once the Sanctuary becomes operational.

12. There are only five entry points into the Gashun Gobi. The desert environment is so harsh that it is unlikely that entry would be made from other points. It is proposed that five, 200 sq. metre check-points constructed of brick and cement be erected at appropriate sites at the entry points at Tuopexun, Tikar, Nanhu, Yamansu, and Houkeng villages. All the relevant local authorities have agreed to their construction. Each check-point will be manned by two staff and two drivers and their remuneration paid from NEPA funding. Each check-point will be responsible for their own sub-division of the Sanctuary. They will prevent the entry of illegal hunters and if necessary conduct searches of vehicles. They will also ensure that illegal miners do not enter the Sanctuary and that miners from legally established mines on the fringe of the Sanctuary also do not enter their division. They will report on camel sightings within their division and provide much needed information on wild camel breeding patterns. They will demarcate tracks to be followed within their respective divisions and ensure that vehicles do not make unauthorized journeys off these tracks and thereby disturb the highly sensitive and easily frightened camel. They will report on the state of vegetation and water-points within their division and generally provide full supervision of their division under the overall direction of the Sanctuary Director based at the Nature Sanctuary headquarters in Urumqi. They will also be responsible for advising the Director on the construction of additional water-points for the camel. Many water-points have dried up due to climatic changes and the draining of Lop Nur lake as a result of dams built on the Tarim River which used to bring meltwater from the Pamirs and other mountain ranges. However, as the Bactrian camel has adapted to drinking salt water from springs, its survival is not as such threatened by dams on the Tarim River. The protection of the goitred gazelle, *Gazelle subgutturosa*, and the Asiatic wild sheep, *Ovis mammon*, (protection status grade 2) which are also illegally hunted, will fall under their overall supervision.

13. Each check-point will have a truck and a jeep of Chinese construction in order that the division can be effectively patrolled. In view of the great distances involved a truck is needed for carrying petrol, foodstuffs and equipment. One jeep will be based at headquarters for headquarters staff to visit the five check-points. These vehicles will have to cope with some of the toughest terrain in the world and maintenance costs will be high.

14. Urumqi is the capital of the Xinjiang Uygur Autonomous Region, and the XEPB, whose members have participated in the two preliminary wild camel surveys undertaken in 1995 and 1996, is situated in the city. It is appropriate that the Nature Sanctuary headquarters be established in Urumqi. Office space is needed for the Director and his staff. Headquarters will be in radio contact with all the five check-points. The Director will be responsible for coordinating all their activities, maintaining trucks, jeeps and equipment. Educational materials such as leaflets, booklets, posters, radio/TV scripts and audio-visual materials will also be prepared at headquarters. Four staff will be based at headquarters and their remuneration paid by NEPA funding.

¹ In March/April/May 1995 and in March/April/May 1996 and 1997, three surveys were made by a team from the XEPB to the three remaining distribution areas of the wild Bactrian camel. In August 1993, a survey was made by an additional thirteen-man scientific team from the joint Russian/Mongolia. As a result of these three surveys it is estimated that the total number of wild Bactrian camels remaining in both China and Mongolia is a maximum of 880 animals and a minimum of 730.

15. The vast distances encompassed by the proposed Sanctuary make radio communication between the check-points and headquarters essential. Many people have disappeared in the desert over the years through lack of outside communication. Other equipment for the construction of additional water-points for the camel such as picks, shovels etc. will also be needed. Basic office equipment will be needed for the check-points and Nature Sanctuary headquarters at Urumqi.

16. Until recently, comparatively little was known about the habits and habitat of the wild camel in China. The surveys of 1995 and 1996, together with surveys in 1981 and 1983 have increased overall knowledge, but this knowledge is still imperfect and in certain respects a matter of speculation. Much remains to be done especially in the Kum Tagh sand dune area, the Arjin Shan mountain area and the Aqike valley. It is considered of great importance that further comprehensive surveys are made. Further surveys will be needed in other areas of difficult access over the next two or three years so that an accurate picture of the wild camels habits, both in the Chinese and Mongolian Gobi, and their numbers together with those of other endangered species can be ascertained. Cooperation in both countries between the relevant wildlife authorities especially in the international border area will be important for the success of the surveys operations.. Wildlife authorities and scientists from both countries are proposing that the 15 km. wide buffer zone in the border area be declared a Protection Area for the camel and other highly endangered species such as *Ursus gobiensis*, the Gobi bear. The camel wanders freely across this international border and although it is fully protected on the Mongolian side in the Great Gobi Reserve A, it had hitherto no protection on the Chinese side of the border where there is extensive mining activity. Liaison and information exchange does not exist at the moment and urgently needs to be established and coordinated. This will be initiated at an international symposium on the Wild Camel that will be held on

21-22 September, 1998, to be hosted by the Bayan Goyaling Mongolian Autonomous Prefecture in Korla (Xinjiang Uighur Autonomous Region) which will bring together scientists/experts from, inter alia Mongolia, China and Russia to discuss cross-border coordination and other pertinent aspects of the long term survival of the wild bactrian camel.

EXPECTED PROJECT OUTCOMES:

17. The main objective in establishing the Sanctuary is to conserve globally significant biodiversity in one of the world's last true wilderness areas, with a particular emphasis on the preservation of the unique desert ecosystem which provides shelter for the highly endangered wild Bactrian camel and other listed species which inhabit the proposed Sanctuary e.g. the goitred gazelle, the Asian wild sheep and various species of flora endemic to the area.. The project would generate the following benefits: a wide variety of environmental benefits including protection of rare biodiversity; improved water-points for threatened species; the preservation of unique wind erosion land forms; the establishment of a model for the education of rural communities on the needs for conservation which could be adapted for use in other parts of Central Asia where there are similar desert ecosystems, conditions and problems; a model for nature reserve management in desert areas of China faced with similar threats to biodiversity conservation.

18. The project activities will be carried out over a period of three years to allow sufficient time for community education in biodiversity conservation issues and consensus building. At the end of the project the following outputs are expected:

- Established nature sanctuary for the protection of 107,768 sq.km. of an arid ecosystem that provides the habitat of several endangered species;
- scientific assessment of the status and trends of biodiversity in the Lop Nur Nature Sanctuary, in particular, of its most endangered flagship species, the wild Bactrian camel;
- replicable models of organized community based awareness-raising programmes on species and habitat protection;
- replicable capacity strengthening programmes (e.g. periodic training of staff, cross-site visits, information exchange with Mongolia etc.).

ACTIVITIES AND FINANCIAL OUTPUTS:

19. In order to achieve these objectives, the following activities will be implemented:

- i) Sanctuary-HQ establishment. Cost: \$100,000/\$200,000
- ii) Construction of check-points to ensure that entry is regulated and hunting eliminated. Cost: \$150,000/\$172,000
- iii) Acquisition of vehicles for control of area. Cost: \$100,000/\$30,000
- iv) Acquisition of radio communication equipment. Cost: \$50,000/\$100,000
- v) Establishment of a scientific research programme for assessment and monitoring of status and trends of biodiversity in the Sanctuary with a special emphasis on the wild Bactrian camel. There are three areas of urgent scientific research which are of great interest to scientists:
 - to develop embryo transplant facilities to ensure that wild camels can be reared in captivity;
 - to monitor/research on the effects of the former nuclear testing on the survival of the camel;
 - to monitor the habits of the wild camel including the understanding of its adaptation to the harsh environment such as the ability to survive on salty water.

The Bayan Goyaling Mongolian Autonomous Prefecture has earmarked 100,000 yuan for a scientific research centre and has offered to donate 20 hectares of land to this effect.
Cost: \$150,000/\$105,000
- vi) Preparation of public awareness programmes: The production of leaflets, booklets, posters, radio and TV spots, scripts and audio-visual materials is considered essential to the success of the Sanctuary. Disaffected hunters and miners have to be informed as to the underlying reasons why the Sanctuary has been established.

The local communities cooperation and goodwill is considered essential to the long-term survival of the wild Bactrian camel and other threatened species such as the goitred gazelle. Even though illegal hunting is a serious threat to the survival of the camel, it should be borne in mind that the hunters are not poor peasants hunting camel meat to supplement their diet. The hunting is done as "sport" after the harvest has been gathered in and the project should not be perceived as depriving the local communities of a basic means of livelihood by way of loss of protein or income for these groups. It should also be stressed that there are no people domiciled within the boundaries of the proposed Sanctuary because there is no fresh water.

Local people who live on the fringe of the Gashun Gobi will therefore be targeted in a comprehensive education program and agreement to undertake to do this and to provide suitable back-up support has been forthcoming from the relevant local authorities and the Provincial Authority of Xinjiang Province. The programme will be produced in appropriate languages (Kazak, Uygur, Chinese etc.). A suitable consultant will be hired to assist with the development of the appropriate educational materials and media-related activities in consultation with relevant stakeholders. The project will include travel to the local communities to explain the necessity for the Sanctuary and generally encourage the people to protect the threatened unique desert ecosystems, land forms and biodiversity in the Gashun Gobi. The targeted population represents approximately 2 million people. It is intended that this program will become a replicable model for similar awareness-raising situations in China.
Cost:\$100,000/\$0

20. The National Environment Protection Agency of China will be involved through the awareness-raising component at national level as will all local authorities whose jurisdiction extends into the Lop Nur area . The Xinjiang Provincial Authority's support for this and for the establishment of the Sanctuary has been sought and agreed.

SUSTAINABILITY ANALYSIS AND RISK ASSESSMENT:

21. Sustainability is addressed by placing strong emphasis on the capacity building and educational component in order to involve the communities who live near the proposed Sanctuary in management. Financial sustainability is

addressed through the commitment by NEPA to cover recurrent/running costs and the establishment of a charitable Trust, The Wild Camel Protection Foundation, which is an on going initiative associated to this project whose objective is to generate revenue to cover the long-term management costs of the Sanctuary.

22. Inadequate supervision of protected areas wardens will be addressed by the overall head of the Sanctuary who will be trained in this aspect of staff supervision as appropriate. This will be strengthened further by the involvement of a consultant who, among other duties, will monitor progress in the establishment of the Sanctuary and the overall development of the project. The lack of cooperation from local authorities has been addressed by obtaining their prior agreement to the establishment of the Sanctuary. The lack of understanding on the part of local communities has been addressed by placing great emphasis on a comprehensive educational component. Inadequate provision of local counterpart funding during implementation has been addressed through an understanding by NEPA that failure to provide local funds on a timely basis to cover recurrent costs would compromise the initial benefits brought about by the GEF contribution which will help overcome the initial capital cost barriers. The project will ensure that constant liaison is maintained with local, provincial and national participating institutions and organizations.

STAKEHOLDER INVOLVEMENT AND SOCIAL ASSESSMENT:

23. Prior agreement to the establishment of the Sanctuary was obtained from all relevant stakeholders in the decision/policy making category (local, provincial and national governments) who participated in the design of this project and will be fully involved in its implementation. A comprehensive educational programme for raising the awareness of local communities is a vital component of this proposal as the involvement of this group of stakeholders is essential to the success of the project. The Uygur tribesmen living on the fringe of the Gashun Gobi hunt the wild camel for sport. A carefully targeted educational programme will bring about changes in this cultural habit by making the communities understand the importance of preventing complete extinction of the wild camel. The threat caused by illegal miners and hunters who kill the camel for meat will be removed by the construction of the check points which will make unauthorized entry into the Sanctuary virtually impossible. There is no evidence so far that the miners working in the officially supervised gold and iron-ore mines represent a significant threat to the survival of the camel.

INCREMENTAL COST ASSESSMENT:

24. The general objective of the GEF alternative is to conserve the unique biodiversity of the Lop Nur Nature Sanctuary, in particular the highly endangered wild Bactrian camel, by removing the capital cost barrier that hinders the effective establishment and management of the Sanctuary. The project will develop and implement a sustainable management and biodiversity conservation system for the Lop Nur Sanctuary on the basis of rational plans and the participation of all key stakeholders.

25. The Government of China has already undertaken a number of initiatives to remove some of the major threats to the unique biodiversity of the Lop Nur Sanctuary, in particular to its most endangered flagship species, the wild Bactrian camel. In this respect, the government has mobilized resources through various fund-raising activities to complement the grant being requested from the GEF. In addition, NEPA has committed to cover recurrent/running costs estimated at US\$ 35,700 per year and to give its full support to the 3 year community awareness-raising programme indicated as one of the components of this project.

26. Under GEF support, the Government of China will be able to, in addition to implement the baseline activities, consolidate and strengthen the management of the Lop Nur Nature Sanctuary through the construction of check points to ensure that entry into the Sanctuary is regulated and hunting eliminated; the purchase of vehicles for control of the area; the establishment of headquarters for the Sanctuary management; the provision of radio communication equipment to link up the check-points; and, the establishment of a scientific research programme for continuous monitoring and assessment of the status and trends of the biodiversity of the Lop Nur Sanctuary, with particular emphasis on its most endangered flagship species, the wild Bactrian camel.

27. The baseline is the gazettelement of the Lop Nur Sanctuary and the commitment by the Chinese government to cover the running costs of the Sanctuary once it is effectively established. The alternative is to help the government of

China overcome the barrier of the initial capital costs to establish the Sanctuary as proposed under this project. Under the alternative, specific initiatives (described in paragraph 19) will be undertaken which will remove the barriers to help the country to move the baseline upwards. This removal of barriers through capital cost financing will provide the finances and set out a path of action through specially designed activities which will further secure the conservation of endangered unique biodiversity. The cost of this alternative to achieve conservation of biodiversity of global significance is US\$1,507,000 and the incremental cost requested from the GEF is US\$725,000 (in addition to a PDF A grant of US\$25,000). Cash and in-kind contributions estimated at US\$757,000 from various sponsors concerned about the survival of the wild Bactrian camel will complement the GEF grant to bring about the objectives of this project.

28. BUDGET:

| Component | Total Cost | GEF | Co-Financing | |
|--|------------------|----------------|----------------|----------------|
| | | | In-cash | In-kind |
| Project Preparation | 107,000 | 25,000 (PDF A) | 57,000 | 25,000 |
| Personnel/Consultants | 120,000 | 15,000 | 105,000 | 0 |
| Sub-contracts | 560,000 | 350,000 | 210,000 | 0 |
| Travel/Meetings/Workshops Equipment | 45,000 | 35,000 | 0 | 10,000 |
| Reports/Publications/Awareness materials | 385,000 | 150,000 | 235,000 | 0 |
| Monitoring/Evaluation | | | | |
| Project Support Services | 115,000 | 100,000 | 0 | 15,000 |
| | 55,000 | 30,000 | 0 | 25,000 |
| | 120,000 | 45,000 | 50,000 | 25,000 |
| TOTAL | 1,507,000 | 750,000 | 657,000 | 100,000 |

PROJECT IMPLEMENTATION PLAN:

29. The Implementing Agency for the project is UNEP which will be responsible for the overall project supervision. The Executing Agency is NEPA which, through its subsidiary organization, the Xinjiang Environmental Protection Bureau (XEPB) based in Urumqi, the capital city of the Xinjiang Province/Autonomous Region, will be responsible for coordination and day to day management of the project. NEPA/XEPB will work closely with national, provincial and local authorities and other stakeholders to ensure consensus at all levels in the implementation of this project, and will be responsible for issuing appropriate consultancies and sub-contracts to other institutions and/or individuals which will contribute different expertise to the execution of activities described in the project. The project is expected to be completed within 36 months (3 years) after its approval by the GEF, as shown in the following schedule:

| Duration of Project (in months: 36) | |
|--|--------------------------------------|
| Activities | Project months |
| | 0 6 12 18 24 30 36 |
| Completion of project activities | |
| 1. Establishment of Sanctuary HQ | -----x |
| 2. Construction of check-points | -----x |
| 3. Purchase of vehicles | -----x |
| 4. Purchase of radio equipment | -----x |
| 5. Establishment of scientific research programme for assessment and monitoring of endangered biodiversity | -----x |
| 6. Preparation of Public awareness programmes | -----x |

MONITORING AND EVALUATION:

30. Project monitoring will be coordinated by UNEP and NEPA following UNEP procedures. Contracts issued by NEPA will contain explicit reporting and accounting requirements controlling stage payments and renewals. Quarterly reports for UNEP monitoring will also be prepared by NEPA.

31. The evaluation of the project will be done at the end of the project by an independent consultant appointed by UNEP who can assess the scientific progress and management of the project. A full evaluation and assessment report of the project will be submitted to the GEF by UNEP within 6 months after completion of the project.

WORLD BANK DEPARTMENT
MINISTRY OF FINANCE
Beijing, Peking District
BEIJING 100020 People's Republic of China

MOF

中华人民共和国财政部
世界银行司
中国北京三里河五号3号100020

Jan. 24, 1998

To: John Tychsen
Deputy Program Coordinator,
UNEP/GEF Coordination Office
Fax: (2542) 623-140

98/0357

Re: Endorsement Letter

Dear Mr. John Tychsen,

This is to inform you that the Government of the People's Republic of China has endorsed the Medium-sized project proposal of "China Lop Nur Nature Sanctuary" which is to be submitted by UNEP for GEF consideration.

This project will be executed by National Environmental Protection Agency (NEPA) through its locally-based representative, the Xinjiang Environmental Protection Bureau and Xinjiang Environmental Institute, etc. the contact person for GEF projects in China National Environmental Protection Agency (NEPA) is Mr. Gaolai Huo (Division chief, Foreign Economic Cooperation Office, Fax No.:86-10-66151776).

Please note that this proposed project document, as well as all other China's GEF project documents, must be signed by the Ministry of Finance, the China's GEF Operation Focal Point, representing Chinese Government. In addition, Ministry of Finance will guide and monitor the implementation of all GEF projects in China according to the recently-issued administrative regulations on GEF Project Management in China.

Best regards.

Yours sincerely,

陈欢

Chen Huan
GEF Operational Focal Point
Deputy Division Chief
World Bank Department
Ministry of Finance, P.R. China

| | |
|---------------------------------------|--|
| U N E P | |
| GEF COORD. OFFICE | |
| RECEIVED | |
| ACTION NO <input type="checkbox"/> | REQUIRED YES <input type="checkbox"/> |
| 26 JAN 1998 | |
| WHAT | |
| WHO: RD, LS | |
| WHEN COMPLETED | |
| CIRCULATE | NO <input type="checkbox"/> YES <input type="checkbox"/> |
| FILE IN | |