

United Nations Development Programme
Global Environment Facility
Proposal for PDF Block B Grant

Country:	Peoples Republic of China
Focal area:	Biodiversity
Operational Programme:	Coastal, marine and freshwater ecosystems
Project Title:	Wetland Biodiversity Conservation and Sustainable Use in China (WBCSUC).
PDF Funding Request:	US\$ 337,000
PDF Co-funding:	US\$ 275,000 (Wetlands International and World Wildlife Fund for Nature)
Requesting Agency:	UNDP
Executing Agency:	UNOPS
Implementing Agency	Wetlands International
Block:	PDF Block B Grant
Block A Grant:	No
Convention Ratification:	5 January, 1993
Estimated Size of Full Project:	US\$ 18 million ¹
Estimated Size of Co-Financing	US\$ 5-7 million

I. Summary Project Objective and Description

1. The objective of this proposed Block B is to develop a full project proposal to prepare and implement a wetlands management demonstration program for priority wetland complexes in China. The full project will, *inter alia*, strengthen wetland reserve management and wise use through training and capacity building; area demarcation; and development and implementation of management plans and alternative sustainable economic activities with local communities. In addition, the Block B and follow-on, full project will serve as an important demonstration program for the successful implementation of China's nearly-developed National Wetlands Action Plan.

Background

2. Wetlands in China are one of the most important natural resources of the world's most populous country. They include some of the world's most important and unique wetland sites which support an extremely wide range of biological diversity. China has 192 of 947 wetlands of international importance in Asia defined according to the criteria of the Ramsar Convention.

These wetlands cover over 16 million ha or over 20% of the area of wetlands of international importance in the region. The species in these areas (plants, fish, invertebrates, etc.) have for

¹ The PDF will determine the baseline costs, the incremental GEF funding and co-funding for this project.

These wetlands cover over 16 million ha or over 20% of the area of wetlands of international importance in the region. The species in these areas (plants, fish, invertebrates, etc.) have for thousands of years supported very large numbers of local people. However because of the large population and the current rapid pace of development in and around wetland areas, they have come under increasing pressure. In some cases the wetlands have been degraded or destroyed with over 40% of all wetlands of international importance now under moderate to severe threat.

3. It is difficult to overstate the global significance of China's wetlands. Because of the extreme range of altitudinal, latitudinal and climatic zones in the country the variety of wetland habitats is not paralleled in any other Asian country. China is one of the key countries on both the East Asian-Australasian flyway and the Central Asian-Indian flyway for migratory water fowl. These are globally significant migration routes involving several million birds each year belonging to approximately two hundred species. Thirty-one of the 57 endangered water fowl species for Asia are found in China while 10.8 % of amphibians and 15.5 % of fish are endemic to China.

4. The potential negative impact on the biological diversity of China's wetland and ultimately on the human population, has prompted the Chinese government to take rapid action to try to stop the degradation and restore a number of ecosystems. Very strong action against factories which polluted rivers, lakes and other wetlands was taken in 1996 with over 10,000 factories being closed. One of the other major problems is the unsustainable use of the resources and the conflicts between different sectors in the management of wetland areas or resources. This prompted the creation of a high level inter-ministerial task force comprising 17 of the ministries and agencies, which has worked since 1994 to develop a National Wetland Action Plan for China through a series of consultative workshops and inter-sessional working teams. One of the priorities identified through this process is the need to have on the ground demonstration of conservation and wise use of wetlands. This is the basis of the project.

5. The project was developed in close partnership with the agencies involved in the National Wetland Action Plan through workshops organised in December 1994, November 1995, May 1996 and November 1996. These workshops were funded by Wetlands International, WWF and the Ministry of Forestry which are the agencies who will support, co-finance and implement the Block B proposal. Co-financing options for the main project was investigated and strong support was expressed for financing implementation of management plans for one of the sites identified during the Block B process within the framework of the GEF project.

6. The objectives of the full project will include:

- Support the implementation (including the review and updating) of China's national wetland action plan through practical implementation/demonstration of three or four priority projects.²

² Of the six identified sites, three or four will be chosen as demonstration sites to the extent that they address all wetland management objectives.

- Strengthen key national and local institutions' capability to implement the principles of conservation and sustainable use of wetland resources in China in line with obligations of the CBD.
- Enhance capabilities and practices to conserve wetland resources, especially outside of strict protected areas through cross sectoral co-ordination and joint implementation.
- Involve local communities and administration in the development of alternative sustainable use strategies for the wetlands and their resources.
- Undertake a broad information and awareness programme to disseminate information on sustainable wetland use and project outcomes to a broad audience, particularly in parts of China with critical wetlands resources.
- Link the project with other wetland related projects and activities throughout the region and encourage replication where appropriate.

II. Local and National policies and institutions.

7. The importance of wetlands protection in China was strongly stressed in China's Biodiversity Conservation Action Plan (BAP)³ prepared with the assistance of GEF, in the China Environmental Action Plan 1990- 2000, and in the China Agenda 21. This project follows objective 2 "**Improve the national network of nature reserves and other protected areas**" and action 1 of objective 7 "**Co-ordinate biodiversity and sustainable development through the establishment of biodiversity conservation/development regions**" of the Biodiversity Action Plan.

8. China has not yet enacted specific laws and regulations for wetland management, utilisation and protection. However, China's constitution and other laws such as the Law of Wildlife Conservation, Law of Water Resources, the Forest Law, Law of Land Management, the Law of Environment Conservation, the Management Regulation on Nature Reserves and the Implementing Regulations on Protection of Aquatic Wildlife have articles related to wetland resources and provide a regulatory framework for the protection and utilisation of wetlands.

9. Wetland management in China is hindered by a fragmented institutional framework. Seventeen ministries and institutions including the National Environmental Protection Agency (NEPA), the Ministry of Forestry (MOF), the Ministry of Agriculture, and the Ministry of Power are involved in wetlands administration. As a result, NEPA, the Ministry of Forestry and the Ministry of Agriculture all independently establish and manage reserves.

10. The institutional framework at the provincial and district levels mirror the structure of the government at the national level. The limited co-ordination at the ministry level and the lack of specific laws regarding wetlands result in a relative weak wetlands management and protection system at the provincial level. This is further complicated by a double subordination relation where the provincial department have to report to both the line ministry and the provincial government.

³ CPR/91/G41 - Biodiversity Conservation in China

11. The government of China fully recognises this problem, as outlined in the background section, and it is currently preparing a National Wetland Conservation Action Plan (NWCAP) which will clarify the administrative responsibility of the various ministries and specify measures by agencies and ministries to overcome national and provincial constraints to sustainable development of wetlands in China.

12. . III PDF Block 'B' Implementation/ Modality and Process

The activities of the PDF B project will be executed by Ministry of Forests (MOF), and implemented by Wetlands International (WI) which will be responsible for day-to-day execution of this Block B, under the direction of the MOF and UNDP. WI, working with World Wildlife Fund for Nature (WWF), will assemble the necessary consultant inputs into this Block B and will have responsibility for ensuring the technical and scientific veracity and the timely completion of the Block B proposal.

13. Implementation of the Block B will begin with the assembly of a multi-disciplinary team of international and national experts for the initial field survey of biological, social and economic information. This field survey team will be led by an international formulation team leader responsible for compiling the mission findings. The survey team will hold consultations in, as well as conduct a rapid inventory and appraisal of the six candidate wetland sites (Annex 2) to enable a well founded selection of GEF project sites.

14. The team leader will then present the mission findings at the first project workshop. The GEF project wetland sites will be selected at this workshop. An Action Group for formulating the Indicative Management Plans for the GEF demonstration sites will also be established. This Group is likely to include representatives from: MOF, NEPA, the Ministry of Agriculture, the State Oceanic Administration, Chinese Academy of Sciences, the State Education Commission, WI, WWF and one or two national NGOs. The purpose of the Action Group will be to assist the formulation team in developing the indicative management plans for the selected areas as well as in formulating the GEF project brief.

15. Once the priority sites are selected, a second in-depth field survey to prepare the indicative management plans for the selected wetland areas will be undertaken. The survey team, consisting of international and national consultants, will build on information already obtained during the initial mission to the six wetland areas. This survey will additionally collect more specific information to further define the root/proximate causes of biodiversity degradation in the priority areas and identify remedial measures to promote a sustainable use of wetland resources. This will be achieved in part by a more in depth consultation with the involved stakeholders. A qualitative description and detailed maps of the wetland areas will be prepared. All of these efforts will be guided by the nearly completed NWCAP processes and outputs.

16. Stakeholder participation in the formulation process will be encouraged throughout the Block B effort. During final formulation efforts, two workshops will be held prior to the submission of the

full project proposal to present the proposal to the stakeholders. This is in addition to the stakeholder input received during the two field missions undertaken during this PDF B project (Please see elaboration of this under "Development of Stakeholder Participation Plan" at Activity 4, paragraph 22).

17. The preparation of this Block B initiative has already benefited greatly from the nearly completed National Wetland Conservation Action Plan (NWCAP) for China (see Annex 3). Indeed, the 6 wetland priority sites have been identified through this ongoing process using the following criteria:

- i. Wetland areas from the category of coastal or freshwater wetlands.
- ii. Wetland areas of international/global importance.
- iii. Wetland areas which are not or only moderately deteriorated.
- iv. Wetland areas large enough or composed of a series of smaller wetlands closely associated and which together makes up a biodiversity significant area.
- v. The individual wetland areas should have: I) high levels of biodiversity ii) high levels of regional endemic species or high levels of species endemic to China and/or be very important for migratory species and/or have some species in the category of vulnerable or threatened.

18. As a result of the above selection criteria, 5 of the 6 candidate wetland areas to be studied by the PDF Block B project, are either Ramsar sites or priority "A": wetland sites listed in China Biodiversity Action Plan. The only exception is the Zhujiang river delta wetland, which is ranked BIII nationally and is contiguous with the Mai Po Marshes in Hong Kong, a designated Ramsar site.

19. The project will take an "Area Wide Environmental Approach" which recognises that the root causes of biodiversity degradation, e.g., water pollution, inadequate policies and legislation, unsustainable harvest of flora and fauna, inappropriate land use practices, poverty, occur often times beyond the boundaries of reserves and must be addressed on a watershed basis. Accordingly, to protect biodiversity in the wetland areas, conservation measures in form of sustainable development and sustainable utilisation of wetland resources have to be introduced and implemented in a watershed context, and not just in the reserves and their immediate surroundings.

20. Root and proximate causes will be identified and addressed in close collaboration with local stakeholders and innovative methods of sustainable use, and preservation of the wetlands natural resources will be developed in a participatory manner. Even though watershed-based preservation measures are essential in maintaining a functional and biologically diverse wetland, so is the protection of key areas in order to maximise the number of species under protection and to safeguard the most fragile compounds. The incorporation of such new protected areas into the existing reserve system will be done in close consultation with all affected parties.

III: Description of Proposal PDF Block 'B' Activities:

21. The PDF Block B grant will finance the following activities:

The activities will be conducted in three general phases: 1) Rapid Inventory and Evaluation (ecological, socio-economic, threats, etc.) through field surveys and consultations 2) Formulation and Discussion of Options/selection of sites; preparations of indicative management plans and 3) Finalization of Options/Preparation and submission of a Full Project Proposal (including determination of incremental costs and identification of project partners and co-financiers, etc.).

i: Rapid Inventory and Evaluation

22. To undertake a three-month review of the following activities:

Activity 1: Collect available data on ⁴ biodiversity and endemism in six wetland areas for biodiversity conservation;

Activity 2: Conduct targeted field surveys/studies to update and improve the biodiversity inventory, in the six priority areas;

Activity 3: Hold six consultations (one for each area) with the appropriate provincial, county and village stakeholders. These consultations will identify (i) problems encountered in the management of the wetland areas (ii) possible solutions to these problems (iii) future needs of the areas; (iv) determination of socio-economic and cultural impacts;

Activity 4: Development of a preliminary stakeholder participation plan:

- Determination of a "participation plan" by undertaking a preliminary analysis using participatory needs of the six wetland sites and contiguous local communities. The results of consultations with local communities and appropriate agencies will be absorbed into the project planning at the development stage to ensure appropriate involvement. These results will be refined and expanded throughout the duration of the project and the stakeholder participation plan will be finalized under Activity 11;
- Participation mechanisms will be developed to ensure stakeholder involvement in the preparation of the indicative management plans at the selected sites and their continued involvement throughout the implementation of the full GEF project.

⁴ Dongting Lake. Zhujiang River Delta. Sanjiang Plain. Xingkaihu Wetlands area, Yancheng Coastal Area and Nuoergai Wetland Area.

Activity 5: Through rapid, technical review, evaluation and analysis, estimate the state of conservation in priority areas.

- These consultations with national, regional and local stakeholders will be held to clarify the problem definition that will guide the project development effort, determine the specific role of institutions for the full project, and determine the priority activities and outputs and the participatory processes to be utilized. Participatory rural appraisals will be conducted to further define the social and economic situation for local villages and to further delineate the relationship between root and proximate causes and threats to the area.
- Building upon previous work conducted for the planning process, these consultations will focus on gathering the necessary information and developing initial approaches for the sustainable use of the priority areas' biological diversity.

Note: as part of the incremental cost development process, potential co-donors will be included in consultations and project development work from the beginning.

ii) Formulation and Discussion of Options

Three months will be taken to formulate, discuss and finalize the final GEF full project proposal.

Activity 6: Organize a workshop to select the three or four areas to be supported by the GEF project on the basis of the biodiversity richness, realistically addressable threats, and the level of willingness of provincial and local authorities to introduce sustainable natural resource management practices to reduce this pressure;

Activity 7: Establish an action group for the formulation of the Areas Indicative Management Plans for selected wetland sites.

Activity 8: Develop the institutional framework/mechanism for full project implementation and identify co-financiers/partners.

Activity 9: Define the system boundary for full project brief (i.e. threats to be addressed, their root/proximate causes and cost-effective interventions to them). Surveys will investigate the root/proximate causes of biodiversity degradation, investigate sustainable uses of wetland resources, conduct in depth consultation with stakeholders, yield qualitative descriptions of the wetland areas and identify gaps in the capacity of provincial and county governments as well as at village level for implementing wetland management schemes.

Activity 10: Once the system boundary has been delineated, the priority activities needed to address root/proximate causes, will be focused and refined for inclusion into a full project proposal. These activities will be concerned with: 1) capacity building; 2) institutional strengthening; 3) sustainable-use, alternative economic opportunities; 4) area demarcation and reserve zoning; 5) extraction rates; 6) enforcement mechanisms

7) monitoring and evaluation -- process, indicators; 8) protection strategies for priority habitats and species; and 9) community participatory planning mechanisms. To facilitate the development of a "package" of interventions, activities will be developed under the "baseline" or "incremental" rubric, depending upon the nature of the activity.

iii. Finalization of Options/Preparation of Full Project Proposal to GEF.

Activity 11: The mechanisms of stakeholder involvement will be finalized and built-in to the overall design of the project right from its inception. Under Activity 4, a preliminary stakeholder participation plan will be drafted, this will involve extensive consultations and participatory appraisals with various stakeholders at all levels to ensure the most efficacious participation mechanisms are put in place for project implementation. These will be continuously refined throughout the project for incorporation into a stakeholder participation plan which will be finalized at this stage.

Note: The development of stakeholder participation plan is part and parcel of this entire PDF effort. The project proposal will develop and implement, in a participatory fashion, a management and sustainable-use plan for the priority wetland areas.

Activity 12: Through a comprehensive consultative process outlined above, prepare Indicative Management plans for the project demonstration sites. (These plans will be finalized during the first year of the project implementation);

Activity 13: Conservation and the sustained production of global benefits. Within the system boundary, define sustainable development baseline (activities ongoing and additional, co-funding required) and calculate incremental costs reflecting the additional activities required for the long-term conservation and sustainable use of globally significant biodiversity

Activity 14: Circulate and revise draft project brief (including Indicative Management Plans).

Note: the project's execution and implementation modalities, including mechanisms for stakeholder participation in project design, management and decision-making, as well as a built-in monitoring and evaluation process will be defined through ongoing consultations;

Activity 15: A final workshop with project stakeholders will be conducted to reach consensus on project strategy, objectives, activities, and outputs.

Activity 16: The full project proposal will be produced.

V. Outputs:

23. The primary output of the PDF funding will be (i) a Project Brief for submission to GEF. Other important outputs are (ii) identification of root/proximate causes to wetland degradation; (iii) improved biodiversity inventory; (iv) established strategy for selection of wetland reserves; (v) indicative management plans for the areas (vi) identified sources of co-funding for wetlands conservation in China and (vi) identified institutional partners and operational modality.

VI. Eligibility/Global Benefits:

24. China is signatory to the Biological Diversity Convention, the Ramsar convention and is eligible for activities under article 9a in the Instrument of the GEF. China has also finalised the Environmental Action Plan of China 1990-2000, the Agenda 21 and the Biodiversity Conservation Action Plan.

25. The project falls under the GEF Biodiversity Operational Programme #2 Coastal, Marine and Freshwater Ecosystems. In the above mentioned Environmental Action Plans and Agenda 21 priority is given to wetland conservation and management and the GEF project falls under the Biodiversity Conservation Action (Plan objective 2 and objective 7 action 1) and the emerging National Wetlands Conservation Action Plan for China

26. UNDP China's fourth country program (1996-2000) gives priority assistance to sustainable development, environment protection and land management.

27. The six areas to be studied during the PDF B phase all, except Zhujiang river delta⁵, contain wetland sites of international importance, that being either Ramsar sites or priority "A"⁶ sites listed in China Biodiversity Action Plan (BAP). Although species inventories of the six wetland areas is limited and generally have been focused on the larger wetland species, i.e., higher plants, mammals and birds they do highlight the importance of these wetlands in a regional and global context.

28. The six candidate wetland areas, which are the basis for this PDF B project, all contain species endemic to China and in most cases species endemic to the specific region. In the candidate six wetland areas, more than 64 mammals, 315 birds, 313 fish and 436 known plants species are to be found including; *Acipenser sinensis*, *Aquila chrysaetos*, *Carex muleinsis*, *Grus monacha*, *Grus vipio*, *Haliaeetus albicillai*, *Lipotes vexillifer*, *Marcrura reevesii*, *Neofelis nembulosa*, *Otis tarda*, *Pinus takahasii*, *Primula tibetia* and *Selenarctos thibetanus*. Because of the incomplete species inventories in these wetlands areas there is reason to believe that more endemic species will be described as work in the area progresses. This might especially be true for lower plants, fish, amphibian, insects etc. which range are limited. A short overview of the six wetland regions is found in Annex II.

29. The importance of the six wetland regions is clearly stressed by the numbers of migratory species, especially birds, using the areas. The wetlands are wintering, breeding or staging area for more than 150 migratory bird, many of which are regional or global endangered such as *Anser fabalsi*, *Ciconia nigra*, *Grus nigricollis*, *Grus Leucogeranus* and *Falco peregrinus*. In addition some of the

⁵ Futian Nature Reserve in the Zhujiang river delta is a wetland ecosystem of national importance (BAP). However it is contiguous with the Mai Po Marshes in Hong Kong which is a Ramsar site.

⁶ Reserves or areas of very high biodiversity value have been assigned a priority rating of "A" signifying a site of global significance. (People's Republic of China Nature Reserve Management Project. Project Document. The World Bank. GEF May 1995). See also China Biodiversity Action Plan. Beijing China 1994.5

wetlands are important spawning areas for migratory fish species such as *Huso dauricus*, *Oncorhynchus keta* and *Acipenser schrenskii*.

30. This full GEF project will demonstrate and implement sustainable development⁷ and wetland utilization that will halt the degradation of wetland areas and improve their condition. A halting of wetland degradation will secure the continued utilisation, and possible survival, of the species dependent on prime wetlands. An additional tangible outcome would be improved conditions for migratory birds. The project will also preserve and protect the more obscure species. The proposed reserve network aims to maximise the protection of the overall biodiversity including endemic species which today have not been described. In addition, the three or four selected wetland areas in the final project will be those that together **maximise the global biodiversity benefits**.

VII. National Level Support/ Processes:

31. **China Biodiversity Action Plan** and other policy publications put great emphasis on wetland preservation. This commitment has led to the preparation of the ongoing National Wetland Conservation Action Plan and the initiation of this GEF project. The original concept of this project, under preparation and review for 2 years, was presented and finalized during a national workshop held on May 18th 1996, attended by the major Government agencies and NGOs involved in wetland biodiversity conservation in China⁸. (Please see paragraphs 5 & 6 in Background for further details).

VIII. Justification for PDF Grant:

32. **The PDF grant is necessary** for a thorough selection of the demonstration sites, a comprehensive preparation of the Indicative Management Plans and the identification of possible co-financing arrangements. The quality of the information to be gathered through the PDF Grant will be critical in ensuring a successful implementation of the GEF project.

33. The World Bank is currently implementing the GEF project "People's Republic of China Nature Reserve Management Project" under the Operational Programme #3 in the Biodiversity Focal area.

34. The objective of the World Bank project is to enhance biodiversity conservation through innovative approaches to organization, planning, skill development, information management and the integration of local communities into reserve management. The main focus will be on developing skills, human resources, and systems for improving protection and management at the field level.

⁷ to be funded from non-GEF resources

⁸ Chinese Academy of Science, Ministry of Agriculture, Ministry of Finance, Ministry of Forestry, National Environment Protection Agency, State Education Commission, State Oceanic Administration, Pacific Environment and Resource Center, UNDP, Wetlands International and World Wide Fund for Nature.

35. The three main components of the project areas i) a Nature Reserve Component target to develop a more effective management and protection system in five pilot reserve areas of international significance ii) an Enterprise Restructuring Component target to introduce a pilot programme for resolving biodiversity land-use conflicts adjacent to the Qinling Reserve Group and iii) a Capacity building Component targeted to strengthen technical and management skills in biodiversity through development of a national training team.

36. The proposed wetlands conservation project falls under the Operational Programme #2 and will complement the on-going GEF biodiversity conservation activities implemented by World Bank in forest ecosystem in China. An operational link (through the Ministry of Forests) could be established to ensure mutual leverage and complementarity.

IX. Cost-effectiveness:

37. The proposed approach which dovetails with the National Wetland Conservation Action Plan processes currently undertaken in China, enhances cost effectiveness of the project. The PDF Block B (and the full project) will build on the main outputs of the Action Plan (NWCAP), which are: (i) to clarify institutional responsibilities among the 17 concerned Government agencies; (ii) to specify the activities that individual ministries and Government agencies should undertake individually and together to overcome national and provincial constraints to a sustainable development of wetlands in China. The proposed PDF block B process would also use the existing NWCAP participatory process and partners. In the absence of the NWCAP, these activities would have been carried out by the GEF project.

38. On the other hand, the scientific, technical and socio-economic field information collected during the selection of the GEF demonstration sites will be made available and should assist the NWCAP in further refining its recommendations and guidelines for wetlands conservation in China. Figure 1 given in Annex III visualizes the synergistic relationships between the two exercises.

X. Work Plan⁹:

ACTIVITY	Month 1		Phase I		Phase II		Phase III				
			2	3	4	5	6	7	8	9	10
Activities 1:	x										
Activity 2:											
Activity 3, 5:		x	x	x							
Activity 4:				x	x	x					
Activity 6:				x							
Activity 7:					x						
Activity 8:							x				
Activity 9, 10:							x	x			
Activity 11:								x			
Activity 12:									x		
Activity 13:										x	
Activity 14:											x
Activity 15:											
Activity 16:											

⁹ Expected date of completion: October 1997

* Community participation will be integrated into the project from its inception. Appraisals and consultations will be conducted during months 4, 5 (Activity 4) to begin a stakeholder participation plan which will be finalized during month 7 under Activity 11.

XI. Budget

<u>Items to be financed.</u>	<u>PDF Grant.</u>	<u>Co-financed.</u>
Discussion of the project concept with all concerned agencies		\$25.000 (WWF & WI) PRC in kind
Data collection and field studies in six priority wetlands (Biodiversity inventory, community, county and provincial government consultation, participation plan) (Activity 1, 2, 3, 4 and 5)	\$100,000	PRC in kind
National consultation and institutional arrangements (Through the preparation of the National Wetland Conservation Conservation Action Plan (NWCAP))		\$250.000 (WWF & WI) PRC in kind
Selection of the three or four GEF Demonstration Areas (Workshop with stakeholders and establishment of action group) (Activity 6, 7)	\$18.000	PRC in kind
In depth survey for the preparation of the Indicative Management Plans for the three or four project areas. (Investigation of the root/proximate causes to biodiversity degradation in the GEF project areas, capacity development needs etc.) (Activity 9 and 12)	\$102.000	PRC in kind
Draft of the IMP (priority activities needed, define sustainable development baseline, demarcation of project area, reserve zoning, mapping) (Activity 10, 11 and 13)	\$21.000	PRC in kind
Workshop with all involved stakeholders (discuss the IMP findings) (Activity 10, 11 and 13)	\$18.000	PRC in kind
Formulation and submission of a full GEF project proposal (incorporation of		

comments from STAP and other parties followed by workshop by involved stakeholders) (Activity 14, 15, 16)

\$36,000

PRC in kind

Communication Costs

\$ 5,000

Reproduction/Translation

\$ 6,000

Monitoring and Evaluation

\$ 6,000

Subtotal

\$312,000

Project Execution Costs

\$25,000

Total PDF Block B Grand Request

\$337,000

WWF and WI co-funding

\$275,000

Overall Total

\$612,000

LIST OF ANNEXES:

Annex 1. - Letter of Endorsement

Annex 2. - Description and Biological Significance of the Six Wetland Regions

Annex 3. - Relationship Between PDF Block B Project and the China National Wetland Conservation Action Plan.

ANNEX I

Annex 1: Letter of Endorsement from GEF Focal Point

WORLD BANK DEPARTMENT
MINISTRY OF FINANCE
Saxilhe, Nizheng District
BEIJING 100820 People's Republic of China

MOF

中华人民共和国财政部
世界银行司
中国北京三里河南三巷3号100820

Aug. 13, 1996

Mr. Arthur Holcombe
Resident Representative
United Nations Development Programme,
Fax: 6852-2361

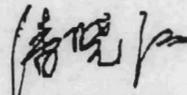
Re: Endorsement of the PDF Proposal

The government of China considers the wetland biodiversity protection to be a high priority area of China's biodiversity protection work. Therefore, we are planning to prepare a project of "Wetland Biodiversity Conservation and Sustainable Use in China" with GEF fund support. In order to facilitate the preparation for this project, I request to apply \$286,000 PDF Block B through UNDP.

I appreciate your consistent support in dealing with the environmental issues of China.

With best regards.

Yours sincerely



Pan Xiaojiang
Deputy Director
World Bank Department
Ministry of Finance, P.R. China

UNDP, BEIJING	
DATE: 3 AUG 1996	
FILE: PRO/300/GEF/wetland	
<input type="checkbox"/> ACTION	<input type="checkbox"/> INFO
TO: <i>WASH</i>	
CAS	
<input type="checkbox"/> ACTION COMPLETED	<input type="checkbox"/> ACTION PENDING
<input type="checkbox"/> NO ACTION REQUIRED	INITIAL

ANNEX 2
SHORT DESCRIPTION OF THE SIX WETLAND REGIONS.

Xingkaihu Area

Location: Heilongjiang Province **Area:** 12.000 km²
Climatic zone: Continental monsoon
Protected areas within region: Xingkai Lake National Nature Reserve (Priority A Reserve)

Numbers of species found in Xingkaihu area.

Mammals	Birds	Fish	Plants
30	180	57	436

Status of the some of the species found in Xingkaihu area.

Mammals	Birds	Fish	Plants
<i>Cervus elaphus hanglu^m</i>	<i>Aquila chrysaetes^g</i>	<i>Culter compressocorpus^{gr}</i>	<i>Pinus takahasi^{i^{gr}}</i>
<i>Lepus timidusⁿ</i>	<i>Ciconia boyciana^{gm}</i>	<i>Erythroculter dobyishinkainensis^{gr}</i>	
<i>Lutra lutraⁿ</i>	<i>Falco peregrinus^{gm}</i>	<i>Erythroculter rilishaeformis^{gr}</i>	
<i>Selenarctos thibetanus^g</i>	<i>Grus vipio^{gm}</i>	<i>Himeculter bleekerilucidus^{gr}</i>	
	<i>Platalea leucorodia^{mn}</i>		

c endemic to China, g international conservation importance, m migratory species, n national conservation importance, r endemic to this local region

Importance of Xingkaihu area for migratory Species:

Xingkaihu is one of the most important staging areas in the Asian-pacific flyway with hundreds of thousands of birds from approximately 150 species utilising the area. Further more many of these species also utilise the area as breeding grounds.

Special features:

Xingkaihu area is one of the largest unspoiled ecosystems in China and shares a border with Russia. The area is mainly composed by grassy marshlands open water and forest. The governments of China and Russia have signed a cooperative agreement on protecting the wildlife in this area.

Threats:

Wetland areas in the region is gradually being reclaimed or converted to other land-uses because of increased population pressures and the continued pressure for increased production.

Dongting Lake Area

Location: Hunan Province **Area:** 12.000 km²
Climatic zone: Middle and northern sub-tropical
Protected areas within region: Dongting Nature Reserve (Ramsar site)

Numbers of species found in Dongting lake area.

Mammals	Birds	Fish	Plants
38	158	114	351

Status of the some of the species found in Dongting lake area.

Mammals	Birds	Fish	Plants
<i>Lipotes vexillifer</i> ^{g,r}	<i>Anser fabalis</i> ^{g,m}	<i>Acipenser sinensis</i> ^{g,r}	
<i>Neofelis nebulosa</i> ^g	<i>Grus monacha</i> ^{g,m}	<i>Psephurus gladius</i> ^{g,c}	
<i>Neophocaena phocaenoides</i> ^g	<i>Grus vipio</i> ^{g,m}	<i>Macrura reevesii</i> ^g	
	<i>Otis tarda</i> ^{g,m}	<i>Siniperca chuatsi</i> ⁿ	
	<i>Platalea leucorodia</i> ^g	<i>Anabarilius alburnops</i> ⁿ	

c endemic to China, g international conservation importance, m migratory species, n national conservation importance, r endemic to this local region

Importance of Dongting lake area for migratory Species:

Dongting lake area is part of the Asian-Pacific flyway and 22 species found here are listed in the China-Japan Agreement on Migratory birds. The region constitutes the main wintering habitat and staging area for hundreds of thousand of migratory waterbirds.

Special features:

The Dongting lake is the second largest freshwater lake in China. On account of receding water level in the winter periods the lake transforms into four types of wetland habitat; freshwater lake, reed marsh, sedge swamp and grass swamp. Dongting lake area is also a important water storage area and the lake area plays a vital role in controlling the water flow in the middle and lower reaches of the Yangtze River.

Threats:

There is a dense human population in the Dongting Lake region. Uncontrolled reed cutting, which is the major supporting industry for the local economy, results in shrinking of the wintering habitat of migratory birds. Directly discharge of industrial and domestic waste water into the lake also seriously effect the ecosystem. The wetland area is additionally damaged by the local construction of artificial water storage facilities such as dams.

After the construction of the Sanxi Dam the importance of Dongting lake area, as a controlling agent for water flow, is likely to be reduced. This could lead to reclamation of the wetland and increased exploitation and utilisation of the region.

Zhujiang Wetland Area

Location: Guangdong Province **Area:** 30.000 km²
Climatic zone: Subtropical monsoon and maritime
Protected areas within region: Futian Nature Reserve (Reserve of national importance) and Mai Po Marshes Reserve (Ramsar site)

Numbers of species found in Zhujiang wetland area.

Mammals	Birds	Fish	Plants
NA	200	313	NA

Status of the some of the species found in Zhujiang wetland area.

Mammals	Birds	Fish	Plants
<i>Sousa chinensis</i> ⁿ	<i>Pelecanus philippensis</i> ^{cg}		<i>Bruguiera gymnorrhiza</i> ^g
<i>Neophocaena phocaenoides</i> ^g	<i>Cygnus columbianus</i> ^{mn}		<i>Kandelia candel</i> ^m
<i>Tursiops truncatus</i> ⁿ	<i>Anser albifrons</i> ^{mn}		<i>Avicennia marina</i> ⁿ
<i>Delphinus roseiventris</i> ⁿ	<i>Aix galericulata</i> ^{rn}		<i>Aegiceras corniculatum</i> ⁿ
	<i>Porzana exilis</i> ^{mn}		

c endemic to China, g international conservation importance, m migratory species, n national conservation importance, r endemic to this local region

Importance of Zhujiang wetland area for migratory Species:

The Zhujiang delta is a very important wintering and resting area for tens of thousand ducks, geese, plover, snipes woodducks and sandpipers

Special features:

Of the 313 species of freshwater fish known from the delta 103 species are endemic to the Zhujiang river. The delta area is a large tropical/subtropical transitional coastal area with a large variety of habitats including mudflats, sandy beaches, mangrove forest, rocky sea coast, small island ecosystems, coral reefs, seagrass areas as well as brackish water areas, shallow highly saline areas, paddy fields and fish and shrimp ponds.

Threats:

The delta area is one of the most important agricultural areas in china and has a rapid increasing population, growing industries, aquatic transport, marine fisheries and coastal engineering projects resulting in an increasing environmental pollution of the delta.

Yancheng Area

Location: Jiangsu Province **Area:** 4.500 km²
Climatic zone: Transitional warm-temperate/subtropical
Protected areas within region: Yancheng Nature Reserve (Priority A and Man and Biosphere Reserve)

Numbers of species found in Yancheng area.

Mammals	Birds	Fish	Plants
15	315	150	199

Status of the some of the species found in Yancheng area.

Mammals	Birds	Fish	Plants
<i>Hydropotes inermis</i> ⁿ	<i>Ciconia ciconia</i> ^{gm}	<i>Bullacta exarata</i> ⁿ	
	<i>Ciconia nigra</i> ^{gm}	<i>Cyclina sinensis</i> ⁿ	
	<i>Grus japonensis</i> ^{gm}	<i>Hemigrapsus sinensis</i> ⁿ	
	<i>Grus monacha</i> ^{gm}	<i>Macra veneriformis</i> ⁿ	
	<i>Larus relictus</i> ^{gm}	<i>Meretrix meretric</i> ⁿ	

c endemic to China, g international conservation importance, m migratory species, n national conservation importance, r endemic to this local region

Importance of Yancheng area for migratory Species:

Yancheng is an important staging area for many migratory birds and more than 92 species over-winter in the area, while 41 species are over-summering.

Special features:

The beaches in the Yancheng area show the full range of succession stages of a flat coastal plain. The coastline is still moving to the east with an annual accretion of 50 to 200 meters. 60% of the existing wild population of *G. japonensis* spend the winter in the Yancheng area, while 1200 *L. relictus* use the area as their breeding grounds.

Threats:

Increasing population pressure are at present leading to the reclamation of land. Also the increased population pressure have led to increased and unsustainable utilisation of the wetland resources.

Nuoergai Wetland Region

Location: Sichuan Province **Area:** 21.000 km²
Climatic zone: N/A
Protected areas within region: Norgai Nature Reserve (Priority A Reserve)

Numbers of species found in Nuoergai wetland area.

Mammals	Birds	Fish	Plants
N/A	N/A	N/A	121

Status of the some of the species found in Nuoergai wetland area.

Mammals	Birds	Fish	Plants
<i>Cervus elaphus macenilli</i> ^f	<i>Aquila chrysaetos</i> ^g	<i>Gymnocypris eckloni</i> ^{g,r}	<i>Carex muleinsis</i> ^{g,r}
<i>Lutra lutra</i> ⁿ	<i>Aquila rapax</i> ^g	<i>Gymnodiptychus pachycheilus</i> ^{g,r}	<i>Kobersia humilis</i> ^c
	<i>Cygnus olor</i> ^m	<i>Schizopygopsis pylcovi</i> ^{g,r}	<i>Kobersia setchwanensis</i> ^c
	<i>Grus nigricollis</i> ^{g,m}		<i>Kobersia tibetica</i> ^c
	<i>Haliaeetus leucoryphus</i> ^g		<i>Primula tibetica</i> ^{g,r}

c endemic to China, g international conservation importance, m migratory species, n national conservation importance, r endemic to this local region

Importance of Nuoergai wetland area for migratory species:

Many migratory birds utilise this region as their breeding ground and the wetland is especially important for *G. nigricollis* as Nuoergai is one of the three breeding sites for the species.

Special features:

The Nuoergai wetland area, situated on the stable Nuoergai mass, is one of China's major peat swamp areas and is influenced by the swell of the Himalayas that surrounds the wetland. The region is the watershed for two of the tributaries to the Huanghe river. The tributaries' branches merge into the wide valley without any riverbeds which has resulted in the occurrence of extensive swamp and major peat deposits which is one of the characteristics of this marshland. As a high altitude wetland the Nuoergai region is unique.

Threats:

The Nuoergai wetland region can provide a great variety of socio-economically important biological resources, including food plants, medicinal plants, and domestic animal resources. An extensive utilisation of the wetland resources including peat harvesting can severely threaten this unique habitat.

Sanjiang Plain

Location: Heilongjiang Province Area: 42,000 km²
Climatic zone: Temperate humid and semi-humid monsoon
Protected areas within region: Honghe River Nature Reserve (Priority A Reserve)

Numbers of species found on the Sanjiang plain.

Mammals	Birds	Fish	Plants
64	211	86	209

Status of the some of the species found on the Sanjiang plain.

Mammals	Birds	Fish	Plants
<i>Cervus elaphus xanthopygus</i> ^r	<i>Cygnus cygnus</i> ^{gm}	<i>Acipenser schrenskii</i> ^{gm}	<i>Panax ginseng</i> ^r
<i>Lutra lutra</i> ⁿ	<i>Ciconia nigra</i> ^{gm}	<i>Huso dauricus</i> ^{gm}	<i>Pedicularis grandiflora</i> ^{gr}
<i>Martes zibellina</i> ^g	<i>Grus japonensis</i> ^{gm}	<i>Lota lota</i> ⁿ	<i>Phellodendron amurense</i> ^{gr}
<i>Selenarctos thibetanus</i> ^g	<i>Grus leucogeranus</i> ^{gm}	<i>Mesocottus haitej</i> ⁿ	<i>Pinus takahasii</i> ^{gr}
	<i>Haliaeetus albicilla</i> ^g	<i>Oncorhynchus keta</i> ^{gm}	<i>Spiranthes amoena</i> ^{gr}

c endemic to China, g international conservation importance, m migratory species, n national conservation importance, r endemic to this local region

Importance of Sanjiang plain for migratory Species:

The Sanjiang plain is an important staging and breeding area on the Asia-Pacific flyway and 53 species protected under the China-Japan Migratory Bird Protection Agreement are found on the plain. The plain also supports the largest reproductive population of *G. japonensis* and *C. cygnus* in China. In addition, the plain is an important spawning area for migratory fish species such as *H. dauricus*, *O. keta* and *A. schrenskii*.

Special features:

The Sanjiang plain wetland is trans-boundary with Russia and is very important in controlling water flow in the cross-boundary rivers Heilongjiang and Wusulijiang. The plain constitutes the most extensive freshwater marsh wetland in China and the plain also contains about 190 smaller rivers and streams, innumerable small lakes and ponds, and extensive tracts of reed-beds as well as wet meadows and stretches of forest.

Threats:

Unsustainable harvest of wetland resources especially in the fishery sector, increased industry and domestic pollution and increased reclamation of land for agricultural cultivation has led to severe reduction and degradation of the plains. The total area reclaimed for farmland has reached a total of 3.7 million hectares and the forest cover has been reduced by 23 % since 1960.

**SPECIES LIST INDEX
LATIN AND ENGLISH**

Acipenser schrenskii	Amur Sturgeon
Acipenser sinensis	
Aegiceras corniculatum	
Aix galericulata	Mandarin Duck
Anabanius alburnops	
Anser albifrons	White-fronted Goose
Anser fabalis	Bean Goose
Aquila chrysaetos	Golden Eagle
Aquila rapax	Steppe Eagle
Avicennia marina	
Bruguiera gymnorhiza	
Bullacta exarata	
Carex muleinsis	
Cygnus olor	Mute Swan
Ceratophyllum oryzetorum	
Cervus elaphus hanglu	Red Deer
Cervus elaphus macenilli	Red Deer
Cervus elaphus xanthopygus	Red Deer
Ciconia ciconia	White Stork
Ciconia ciconia boyciana	White Stork
Ciconia nigra	Black Stork
Culter compressocorpus	
Cyclina sinensis	
Cygnus columbianus	Whistling Swan
Cygnus cygnus	Whooper Swan
Delphinus roseiventris	Red-bellied dolphin
Elaphrus davidianus	David Deer
Erythroculter dobryishinkainensis	
Erythroculter rilishaeformis	
Euryale ferox	
Falco peregrinus	Peregrine Falcon
Grus japonensis	Red-crowned Crane
Grus leucogeranus	Siberian White Crane
Grus monacha	Hooded Crane
Grus nigricollis	Black-necked Crane
Grus vipio	White-napped Crane
Gymnodiptychus pachycheilus	
Gymnocypris eckloni	
Haliaeetus albicillai	White-tailed Sea Eagle
Haliaeetus leucoryphus	Palla's Fishing Eagle
Hemigrapsus sinensis	
Himeculter bleekerilucidus	
Huso dauricus	Siberian Huso Sturgeon
Hydrilla verticillata	
Hydropotes inemis	Chinese River Deer

SPECIES LIST INDEX
LATIN AND ENGLISH
(CONTINUED)

Kandelia candel	
Kobersia humilis	
Kobersia setchwanensis	
Kobersia tibetica	
Larus relictus	
Lepus timidus	Arctic Hare
Lipotes vexillifer	Baiji Dolphin
Lota lota	Burton
Lutra lutra	Chinese Common Otter
Macrura reevesii	
Macra veneriformis	
Martes zibellian	Sable
Meretrix meretric	
Mesocottus haitej	Amur Sculpin
Neofelis nebulosa	Clouded Leopard
Neophocaena phocaenoides	Finless Porpoise
Oncorhynchus keta	Chum Salmon
Otis tarda	Great Bustard
Panax ginseng	Ginseng
Pedicularis grandiflora	Bigflower Woodbethony
Pelecanus philippensis	Spot-billed Pelican
Phellodendron amurense	Amur Corktree
Pinus takahasii	Xingkai Pine
Pinus takahasii	Xingkai Pine
Platalea leucorodia	White Spoonbill
Porzana exgisita	Swinhoe's Yellow Rail
Potamogeton distinctus	
Primula tibetia	
Psephurus gladius	
Schizopygopsis pylcovi	
Selenarctos thibetanus	Asiatic Black Bear
Siniperca chuatsi	
Sousa chinensis	Chinese White Dolphin
Spiranthes amoena	Ladiestresses
Trapa bisinosa	
Tursiops turncatus	Bottlenosed Dolphin

ANNEX III

FIGURE 1

THE RELATIONSHIP BETWEEN THE PDF BLOCK B PROJECT AND THE CHINA NATIONAL WETLAND CONSERVATION ACTION PLAN

