PROJECT IDENTIFICATION FORM (PIF)
PROJECT TYPE: FSP
TYPE OF TRUST FUND: GEF

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PART I: PROJECT IDENTIFICATION

Project Title:	Sustainable and Climate Resilient Land Management in Western PRC		
Country(ies):	People's Republic of China (PRC)	**GEF Project ID:**	5142
GEF Agency(ies):	AsDB	**GEF Agency Project ID:**	
Other Executing Partner(s):	State Forestry Administration (SFA)	**Submission Date:**	4 September 2012; 15 December 2012, 23 January 2013
GEF Focal Area (s):	Land Degradation	**Project Duration (months):**	36 months
Name of parent program (if applicable): ● For SFM ☐	PRC-GEF Partnership on Land Degradation in Dryland Ecosystems	**Agency Fee:**	346,997

A. FOCAL AREA STRATEGY FRAMEWORK[1]:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Co-Financing ($)
LD-3	Outcome 3.1 Enhanced cross-sector enabling environment for integrated landscape management	Output 3.1: Integrated land management plans developed and implemented	GEF	400,000	4,400,000
	Outcome 3.2: Integrated landscape management practices adopted by local communities	Output 3.2: INRM tools and methodologies developed and tested	GEF	1,450,000	2,100,000
	Outcome 3.3: Increased investments in integrated landscape management	Output 3.3: Appropriate actions to diversify the financial resource base Output 3.4: Information on INRM technologies and good practice guidelines disseminated	GEF	1,619,973	5,500,000
Sub-Total				3,469,973	12,000,000
Project management cost[2]				182,630	400,000
Total project costs				3,652,603	12,400,000

B. PROJECT FRAMEWORK

Project Objective: Restoration of degraded land and improvement of livelihood through sustainable and climate resilient land management in six provinces/autonomous regions (ARs) in western PRC.

The Project will support the up-scaling of SLM investments in Inner Mongolia autonomous region and Shaanxi, Gansu, and Qinghai provinces. The Project will also start working closely with two new provinces, i.e. Guizhou and Sichuan, to expand the Partnership activities both in scope and depth in improving environment.

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[2] GEF will finance management cost that is solely linked to GEF financing of the project.

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Co-financing ($)
Component 1: Scaling up of SLM and increased vegetation cover to improve the resilience of ecosystems to climate change in Inner Mongolia AR, Shaanxi, Gansu, and Qinghai Provinces. *(supports FA Outcome 3.3: Increased investments in integrated landscape management)*	INV	1.1 Restoration of degraded forest, grassland and farmland in four provinces/ARs, leading to an increase in average land productivity of 10% in project areas (areas to be confirmed during project preparation)	1.1.1 SLM and restoration techniques suitable for different types of degraded land (forest, grassland and farmland) promoted and taken up by at least 8 investment projects under AR/ provincial IEM plans (with and indicative funding of $40 million through local, national and/or international financing) 1.1.2 Scaling up of SLM on farmland through support to establishment of 2 PPPs in SLM/INRM 1.1.3 Scaling up of SLM on farmland and grassland through support to establishment of 2 eco-compensation mechanisms for sustainable watershed management and sustainable grassland management,	GEF	1,619,973	5,500,000
		1.2 Compared to 2011, the average forest cover in the four project provinces/ARs increased by 1.0%-1.2% by 2015. Total system carbon increased by 2%-5% on 1,500 ha of land.	1.2.1 Promotion of tree planting for carbon sequestration on 1,500 ha of forest land with support of new central and provincial government investment projects on SLM			
Component 2: Improved management of degraded lands to support rural livelihoods and green development. *(supports FA Outcome 3.2: Integrated landscape management practices adopted by local communities)*	TA	2.1 Sustainable land management on 3,000 hectares of land supports sustainable livelihood systems for 1,500 people at ten demonstration sites in six provinces/ARs	2.1.1 Identification and testing of sustainable livelihoods related to innovative SLM practices, multi-functional community forestry and grassland development at ten demonstration sites in six provinces/ARs. 2.1.2 Development of ecological industries suitable for local communities (e.g. community-based eco-tourism, household business development, etc)	GEF	1,050,000	1,300,000

			2.1.3 Improvement of ecological compensation standards of land restoration and livelihood improvement. 2.1.4 Training of six communities in SLM and sustainable livelihoods through Farmers' Field Schools to promote up-scaling				
		2.2 Enhanced community awareness of climate change impacts leads to reduced vulnerability to climate change and low carbon-consuming lifestyles and production models in six communities with 3,000 people.	2.2.1 Development of guidelines on climate change adaptation measures related to SLM and lower-carbon consuming lifestyles 2.2.2 Improvement of the understanding of local communities of adaptive measures to climate change and sustainable lower carbon-consuming lifestyle through training of six communities in Farmers' Field Schools for further up-scaling				
	INV	2.3 Increased productivity of agro-ecological landscapes on 15,000 hectares of land through green development.	2.3.1 Development of green products and marketing in two communities 2.3.2 One pilot site for regional green development.		400,000	800,000	
Component 3: Enhanced SLM enabling environment and capacity for scaling up of SLM in new Provinces under the Partnership (Guizhou and Sichuan). *(supports FA Outcome 3.1 Enhanced cross-sector enabling environment for integrated landscape management)*	TA	3.1 Institutional and regulatory framework and SLM policies strengthened in Guizhou and Sichuan. 3.2 Enhanced technical SLM capacities in Guizhou and Sichuan.	3.1.1 Improved institutional framework and investment policies for SLM through development of 2 new Provincial IEM/SLM SAPs and formulation/revision of at least 2 laws/regulations in each province. 3.2.1 Provincial SLM monitoring and assessment indicator system aligned with national and regional frameworks. 3.2.2 Technical training on SLM approaches for extension agencies and Farmer Field Schools (2,000 people in the new	GEF	400,000	4,400,000	

			provinces)			
Sub-Total					3,469,973	12,000,000
Project management Cost					182,630	400,000
Total project costs[4]					3,652,603	12,400,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, ($)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount ($)
GEF Agency	ADB	Cash	400,000[3]
National Government	MOF, SFA	Cash	1,000,000
National Government	MOF, SFA	In-kind	1,000,000
Provincial Governments	Inner Mongolia, Shaanxi, Gansu, Qinghai, Sichuan and Guizhou.	Cash	1,250,000
Provincial Governments	Inner Mongolia, Shaanxi, Gansu, Qinghai, Sichuan and Guizhou.	In-kind	8,750,000
Others		Cash	0
Others		In-kind	0
Total Co-financing			12,400,000

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY[1]

GEF Agency	Type of Trust Funds	Focal Area	Country Name/ Global	(in $)		
				Project amount (a)	Agency Fee (b)	Total c=a+b
ADB	GEF	Land Degradation	PRC	3,652,603	346,997	3,999,600
Total Grant Resources				3,652,603	346,997	3,999,600

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1. THE GEF FOCAL AREA STRATEGIES:

The project is consistent with the goal of GEF-5 Land Degradation Strategy to contribute to arresting and reversing current global trends in land degradation, specifically desertification and deforestation, and will lead to sustained productivity of agro-ecosystems and forest landscapes in support of human livelihoods. Specifically, the Project will contribute to Objective LD-3 on integrated landscapes: reduce the pressure on natural resources caused by competing land uses in the wider landscape. The project will contribute to the following outcomes:

LD Outcome 3.1: Enhanced cross-sector enabling environment for integrated landscape management

The Project seeks to develop and implement integrated land management plans by (i) developing institutional and regulatory framework and improving SLM investment policies in the two new project provinces (Guizhou and Sichuan); and (ii) enhancing technical capacities for SLM and ecosystem service restoration in degraded lands through alignment of SLM monitoring and assessment indicator systems in the new two provinces with the national and regional M&A framework already developed by the Partnership, and training of stakeholders on SLM approaches. While suffering from significant land degradationproblems, the 2 new provinces were not previously involved in the PRC-GEF Partnership on Land Degradation in Dryland Ecosystems (the Partnership), and stand to benefit significantly from the experiences of the Partnership in mainstreaming SLM.

LD Outcome 3.2: Integrated landscape management practices adopted by local communities

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[3] US$400,000 in cash is the co-financing from ADB TA(46084): People's Republic of China: Integrated Strategy for Sustainable Land Management in Dryland Ecosystems

Integrated Natural Resources Management (INRM) tools and methodologies will be developed and tested in provincial and regional SLM programs, with the aim to (i) establish sustainable land management on 3,000 hectares of land to support sustainable livelihood systems for 1,500 people at ten demonstration sites in the project provinces/ARs engaged in the activities; (ii) enhance awareness on climate change impacts to reduce vulnerability to climate change and to promote lower carbon-consuming lifestyles and production models in six communities involving 3,000 people; and (iii) achieve increased productivity of agro-ecological landscapes on 15,000 hectares of land through green development. These approaches will serve to further develop and test new innovations under the Partnership, with to view to further up-scal SLM through farmer field schools, knowledge sharing and development of linkages with Government programs at national and provincial/AR levels.

LD Outcome 3.3: Increased investments in integrated landscape management
This will be achieved through activities in Inner Mongolia AR, Shaanxi, Gansu, and Qinghai aiming at (i) contributing to the 12th Five year plan targets to restore 10% of the degraded forest land, 12% of the degraded grassland and 15% of the degraded farmland through scaling up of SLM investments by means of new project funding, establishment of PPPs and eco-compensation mechanisms; (ii) an increase in average forest cover by 1.0%~1.2% by 2015, compared to the 2011 baseline, and increase in total system carbon by 2%-5% based on estimates provided by the carbon sequestration study supported under the Partnership. Restoration techniques suitable for different types of degraded land (forest, grassland and farmland) will be promoted and are expected to be taken up by at least 2 investment projects under provincial IEM plans with and indicative funding of $40 million. A key focus of this work will be to facilitate broader up-scaling of past planning, demonstration and capacity building efforts under the Partnership in the 4 provinces/AR.

A.1.2. FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES:
N/A

A.2 NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPs, NBSAPs, NATIONAL COMMUNICATIONS, TNAs, NIPs, PRSPs, NPFE, ETC.:

The 12th National Five Year Plan (2011-2015): The project supports the new 12th Five Year Plan, which emphasizes the importance of reducing land degradation.

Government Land degradation Sector Strategy: The Project is closely aligned with the Western Development Strategy from 1999, which has two main objectives: (i) reduce economic disparities between the western and other regions; and (ii) ensure sustainable natural resources management. The project is also linked to a number of plans and programs to combat land degradation developed by the Government, including:

i) National Plan for Ecological Environment Construction (1998–2050). This plan coordinates water and soil conservation with national economic development. The plan also aims to improve living standards and prevent water and soil loss.

ii) Natural Forest Protection Program. Under this program, industrial logging in natural forests was banned (beginning in 1998) in most PRC areas. The program applies to all forests in western regions and is the largest nationally funded forest conservation program.

iii) National Cropland Conversion to Forest or Grass Coverage Program (2000–2008). This program aims to reverse vegetation degradation and soil erosion by converting sloping or desertified croplands to forest, shrub, or grass coverage.

iv) Small Watershed Program of the Ministry of Water Resources. This program will improve technical management of small- and mid-sized watersheds.

v) Desertification Prevention and Control Programs. These programs include Three-Norths (North of PRC, Northeast of PRC and Northwest of PRC) shelterbelt forest protection programs, Plain Farmland Shelterbelt Forest Protection Program, Taihang Mountain Afforestation Program, and National Program for Prevention and Control of Desertification.

vi) CCD-NAP. This program focuses on 265 priority counties in western PRC. Implementation is over three phases: 2001–2010, 2011–2030, and 2031–2050. A key objective of CCD-NAP in its first phase is to control 22 million hectares of degraded land.

vii) Biodiversity Conservation Action Plan. This plan was formulated in response to the Convention on Biological Diversity (CBD) and the Country Study Report on Biodiversity in PRC, which carried out

comprehensive assessments of biodiversity, indexed endangered animals and plants, and put forward policy suggestions regarding the strengthening of national capacity for biodiversity protection and the sustainable use of biological resources.

viii) PRC's National Climate Change Program (compiled by National Development and Reform Commission in 2007), PRC's Policies and Actions on Climate Change (published by State Council Information Office of PRC in 2008) and Studies on National Strategy of Climate Change Adaptation (published by Science Press in 2011). They indicate that PRC has made clear the guiding ideology, principles, objectives and key area for climate change adaptation andmitigation, and established a series of national policies and measures to adjust economic structure, develop lower carbon economy, and promote a resource-saving and environment-friendly society.

ix) The 'Planning Outline of Combating of China Karst Rocky Desertification (2006－2015)' was approved by the State Council. The Planning Outline indicates that China will restore the ecological environment of Karst areas through strengthening of forest planting and other measures in 10 years. The Planning covers 451 counties in eight provinces/ARs including Sichuan, Guizhou, Yunnan, Guangxi, Hunan, Hubei, Chongqing, and Guangdong.

B. PROJECT OVERVIEW:

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

Land Degradation (LD) in PRC: there are large areas of drylands in PRC, especially in the western Provinces/Autonomous Regions, which account for 40% of the total area of western PRC. The broad western areas are composed of forest land, which takes up to 31% of the total forest land area of PRC and grasslands account for 90% of all grasslands. About 27% of the total area of PRC (about 2.6 million KM^2) has been degraded. The causes include a lack of sustainability of agricultural production, overgrazing, deforestation, improper management of water resources, and lack of understanding of the limits of ecosystem resilience in the face of climate change. The desertified areas in Inner Mongolia, Qinghai and Gansu are 617,700 km^2, 192,100 km^2 and 191,400 km^2, respectively, accounting for 38.2% of the total desertified area in PRC; the sandified areas are 414,700 km^2, 125,000 km^2, and 119,200 km^2, respectively, taking up to 38.1% of the total sandified area of PRC. In recent years, the areas suffering from desertification and sandification in PRC have been reduced. However, another 311,000 km^2 are vulnerable to land degradation.

LD in the Project areas: most of the areas of the Project Provinces/Autonomous Regions belong to arid/semi-arid, and highly arid areas and are affected by desertification. The expansion of degraded land is threatening biodiversity, forest and other vegetation in the dryland ecosystems causing increase of greenhouse gas emission and climate change. Human activities have caused various types of LD in the dryland areas, including severe wind and water erosion, deterioration of land fertility, water logging, salinization, and increase of sediment loads in rivers, grassland degradation and biodiversity loss. This affects the livelihoods of 400 million people (including minorities) and the sandstorms caused by this also affect the central and eastern areas of PRC and water quality and quantity of rivers, especially the middle and downstream reaches of the Yellow River.

Establishment of the LD Partnership: the PRC government proposed to establish the PRC-GEF Partnership on Land Degradation in Dryland Ecosystems (the Partnership) under the framework of the GEF Operational Programme 12 on Integrated Ecosystem Management (OP12 on IEM) in 2002. Under the Partnership framework, a 10-year (2003-2012) Country Program Framework (CPF) was established to combat LD through capacity building and investments to alleviate poverty, conserve biodiversity and establish a feasible project model consistent with GEF OP12. It was the first partnership in the field of LD in the world, which involved multiple agencies (i.e. ADB, World Bank and IFAD) investing in IEM. The Partnership, aimed at introducing new approaches in LD control in the western areas, with support of the National People's Congress, the Commission of Legislative Affairs of the National People's Congress and the 11 central ministries (the National Development and Reform Commission, the Ministry of Finance, the Ministry of Agriculture, the Ministry of Water Resources, the Ministry of Labor and Social Security, the Ministry of Environmental Protection, the Chinese Academy of Sciences, the State Council Leading Group Office of Poverty Alleviation, China Meteorological Administration and Development and the State Forestry Administration). The six provinces/autonomous regions suffering from the most severe LD (Inner Mongolia, Gansu, Ningxia, Shaanxi and Xinjiang) were invited to participate in the Partnership.

The progress of the Partnership and current baseline situation: in the past several years, eight projects under the Partnership have been or are being implemented in western PRC, with a total funding of more than

US$700 million. IEM strategies and approaches and their application have been promoted through implementation of the "Capacity Building to Combat LD Project" (the Capacity Building project) and "Management and Policy Support to Combat LD Project". Through these projects, the ability to combat LD at central and provincial levels has been improved; a multi-level and inter-sectoral coordination mechanism has been established; cooperation among resource management sectors from central level to county level has been realized; and fund utilization at central and provincial levels has been optimized. National and provincial LD monitoring and assessment indicator systems and information sharing mechanisms have been established to integrate and share LD information at all levels; LD pilot sites have been established and demonstration activities conducted to improve the participation of local communities in SLM, and experiences of project implementation have been promoted. The Partnership has also cooperated and communicated with the governments of Central Asian and African countries, the international organizations including UNDP, UNEP, ADB, WB, WWF, TNC, IUCN, and CI and the projects under TerrAfrica Partnership, CACILM, and LADA in order to share experiences and lessons.

Laws and regulations in the 6 focal provinces/ARs have been revised incorporating frameworks on SLM/IEM. The SLM/IEM has been mainstreamed into the Provincial 12th Five Year Plans, Provincial Strategy and Action Plans to Combat LD and participatory community development plans. A total of 39 laws and regulations have been formulated and 13 revised at provincial level using IEM. At central level, the Law of the People's Republic of China on Water and soil Conservation was revised in 2011 to incorporate the IEM approach, making it a total of 53 laws and regulations that were formulated or revised nationally based on IEM principles. The laws and regulations formulated or revised at provincial level cut across several sectors and cover management of grasslands, forests, agricultural land, water resources, climate change, disaster risk, and rural energy. In addition, laws and regulations on environmental protection, environmental impact assessment and land contract regulations have also been adopted or revised based on IEM.

Implementation of priority IEM projects identified in the IEM SAPs in the 6 focal provinces/ARs have contributed substantially to mobilization of resources to IEM and,which include government funded projects, such as converting farmland to forest, forest protection projects, Three North Shelterbelt Project (Phase Ⅴ), land degradation and sand storm control projects, etc., as well as donor funded projects, such as GEF projects on adaptation to climate change through water-saving agriculture in Ningxia and sustainable management of pastoral areas in Xinjiang.

The first phase of the Partnership is now at its final stages. Although IEM has been brought into LD practices in PRC, new challenges to up-scale and expand the activities under the Partnership exist. The PRC government hopes to expand the areas of LD control activities/SLM under the Partnership framework in order to further improve the understanding of IEM, promote SLM experiences, conduct policy and institutional reforms and cooperate with other projects at home and abroad. Particularly, Inner Mongolia AR, Shaanxi, Gansu, and Qinghai provinces have expressed their interest to further upscale the project activities and investments, and have requested support from ADB and the GEF. In addition, 2 new provinces (Guizhou and Sichuan) have expressed their interest to join the Partnership, to benefit from lessons, experiences and innovative IEM/SLM approaches already developed by the Partnership. The proposed GEF grant will apply the outputs of previous projects on carbon sequestration, ecological compensation, cost-benefit analysis, PPPs and LD monitoring and assessment. The Project will also ensure that innovative and climate resilient SLM and INRM practices are scaled up through investment projects under the Partnership.

B. 2. INCREMENTAL / ADDITIONAL COST REASONING: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) OR ADDITIONAL (LDCF/SCCF) ACTIVITIES REQUESTED FOR GEF/LDCF/SCCF FINANCING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS (GEF TRUST FUND) OR ASSOCIATED ADAPTATION BENEFITS (LDCF/SCCF) TO BE DELIVERED BY THE PROJECT:

The proposed GEF grant will provide the incremental support needed for the implementation of a new partnership development strategy (PDS) for land degradation in the PRC, which is being developed by the State Forest Administration (SFA) and the Ministry of Finance (MOF), with support from ADB. In September 2012, the ADB approved a $400,000 technical assistance (TA) for the Integrated Strategy for Sustainable Land Management in Dryland Ecosystems, which will be the Agencies contribution to the proposed GEF grant. The outcome of the TA will be a 10-year development strategy for SLM for dryland ecosystems endorsed by the government. The Government's intention is to expand the regional scope of the Partnership, and to mobilize increased local investments to support new projects under the Partnership. To attain the expected outcome, four outputs have been identified: (i) scope of PDS identified, (ii) resource mobilization strategies

for implementation of national and provincial programs under the PDS, (iii) institutional arrangements enhanced for implementation of the PDS, and (iv) PDS prepared for the PRC—GEF partnership on land degradation in dryland ecosystems for 2013-2022. The Implementation of the TA will take 15 months from 1 October 2012 to 31 December 2013.

The proposed Project is composed of three interlinked components that will provide the necessary support to the LD Partnership in terms of scaling up of SLM investments using different approaches and mechanisms, support to rural livelihoods and green development, and strengthening of the enabling environment for SLM in two new Provinces that are joining the Partnership:

Component 1: *Scaling up of SLM and increased vegetation cover to improve the resilience of ecosystems to climate change*. This component will promote and support mobilization of local, national, and international investments in Inner Mongolia AR, Shaanxi, Gansu, and Qinghai provinces to (i) restore degraded forest, grassland and agro-ecological areas, leading to an increase in average land productivity of 10% on 4,400 ha of degraded land; and (ii) increase vegetation cover by 1-1.2% and total system carbonby 2-5% by 2015. The baseline for these activities will be a set of provincial/AR programs and projects that will be idenitified through the IEM SAPs prepared under the earlier GEF supported Capacity Building to Combat LD Project, as well as other ongoing and/or planned national or provincial/AR programs and projects.

GEF incremental support will be used to implement (i) SLM and land restoration techniques suitable for different types of degraded land (forest, grassland and farmland) in investment projects under Provincial IEM plans, and scaling up of SLM through innovative mechanisms, such as Public-Private Partnerships (PPPs), and Payment for Environmental/ecological services (PES) schemes; and (ii) scaling up of of forest and grassland management financing that can increase vegetation cover and enhance carbon sinks in plants and soils; and promotion of tree planting for carbon sequestration on forest land.

Component 2: *Improved management of degraded land to support rural livelihoods and green development.* This component focuses on improved management of degraded forest land, grassland and farmland in the project provinces/ARs to improve land productivity and improve the provision of ecosystem services from the land. It will promote susainable alternative livelihoods for people living in affected areas, including support for demonstration of green development and product marketing and conservation and sustainable management of biodiversity, to reduce vulnerability of local communities to climate change in all project provinces and autonomous regions. It will establish 10 pilot demonstrations on ecosystem restoration in agricultural, forest, grassland and animal husbandry ecosystems on 3,000 ha of land.

GEF incremental funding will (i) identify and test sustainable livelihoods related to innovative SLM practices, and multi-functional community forestry and grassland development at ten demonstration sites; (ii) develop ecological industries suitable for local communities (e.g. community-based eco-tourism, household business development, etc); (iii) improve ecological compensation standards of land restoration and livelihood improvement; (iv) train six communities in SLM and sustainable livelihoods through Farmers' Field Schools to promote up-scaling; (v) develop guidelines on climate change adaptation measures related to SLM and lower-carbon consuming lifestyles; and (vi) improve the understanding of local communities of adaptive measures to climate change and sustainable lower carbon-consuming lifestyle through training of six communities in Farmers' Field Schools for further up-scaling. This component will also support green development through (i) development of green products and markting with two communities; and (ii) demonstration of regional green developmen at one pilot site covering 15,000 ha of land.

Component 3: *Enhanced SLM enabling environment and capacity for scaling up of SLM.* This component will, building on previous SLM/IEM experiences, put in place technical regulations and SLM policies for the new provinces joining the Partnership. These will include at least Guizhou and Sichuan provinces.

GEF Incremental funding will be used to: (i) improve the institutional regulatory framework and investment policies for SLM in the new provinces that are joining the next phase of the LD Partnership; (ii) the SLM monitoring and assessment indicator system aligned with the national and regional SLM/LD M&A framework already developed by the Partnership; and (iii) technical training on SLM appraoches in order to enhance the capacity of the new provinces to scale up SLM.

Global Environmental Benefits: The implementation of the above mentioned activities is anticipated to deliver significant global environmental benefits. Global environmental benefits will be generated by scaling

up of SLM technologies and approaches through increased investments in SLM and IEM projects in the 4 Provinces that have participated in the Partenrship since its inception and through an enhanced enabling environment for SLM in new provinces joining the next phase of the Partnerhsip. Measurable global environmental benefits are related to increases in different types of land cover and soil carbon in dryland ecosystems. Soil carbon will be measured using standard tools and methods under development by GEF/STAP and the project baseline will be assessed during project preparation. In particular, the Project will support the 12th National Five Year Plan targets (restore 10% of the degraded forest, 12% of the degraded grassland and 15% of the degraded farmland) by restoring 1,200 ha of degraded forests, 2,000 ha of degradated grasslands, and 1,200 ha of degraded farmlands, leading to an increase in average land productivity of 10% on 4,400 ha of degraded land. The Project will also increase the average forest cover in the six project provinces/ARs by 1.0%-1.2% on 1,500 ha of land by 2015 compared to 2011, which will increase total system carbon by 2%-5% on forest land.

B.3.   DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS(GEF TRUST FUND) OR ADAPTATION BENEFITS (LDCF/SCCF). AS A BACKGROUND INFORMATION, READ "MAINSTREAMING GENDER AT THE GEF.":

In 2002, the direct economic losses due to land degradation were estimated at $21.2 million per day in the PRC, equivalent to more than CNY50 billion annually. Of this, water erosion contributed about 64%, wind erosion 6%, and organic matter loss and salinization 30%. Similar estimates in 2004 are provided by the participating provinces and autonomous regions in their IEM strategies and action plans. Indirect economic losses are reported to be 6–40 times the direct losses. The Ministry of Agriculture estimates that the loss of agricultural production due to land degradation is approximately 30% of agricultural gross domestic product (GDP), excluding the downstream costs of damage to infrastructure and water quality. While Gansu, Qinghai, and Shaanxi provinces and Inner Mongolia, Ningxia Hui, and Xinjiang Uygur autonomous regions are home to 17% of the PRC's population, their combined GDP is only 7.2% of the national GDP. The economic losses due to land degradation in these six provinces and autonomous regions have been estimated at approximately 24% of their combined GDP.

The social and economic consequences of dryland degradation are profound, especially for women who are often left alone to take care of the households during a major part of the year while the husbands work in other provinces. The consequences include lower household incomes and increased poverty in many rural communities, higher unemployment rates, and higher migration rates. Not enough jobs have been created to lift people out of poverty and absorb surplus rural labor. These problems are exacerbated by a progressive reduction in the productivity of the region's agricultural and pastoral lands, increased damage to roads and other infrastructure (from water and wind erosion), and a loss of ecosystem environmental services (including watershed protection, maintenance of soil fertility, carbon sequestration, and microclimate regulation).

The implementation areas of this Project are areas affected by desertification, including mountain and forest areas. They belong to the poorest parts of PRC and the income of the local people is much lower than the national average income. The implementation of this project will promote adoption of both "bottom-up" and "top-down" approaches to SLM/INRM that will ensure the participation of the local communities, especially women that are often playing a key role in agriculture in PRC. New international approaches and methods dealing with issues such as sustainable financing of SLM, climate change adaptation and reduction of community vulnerability, as well as carbon sink monitoring are brought to, and applied in PRC by this Project. Through up-scaling of best practices, utilization of counterpart resources at different levels, a new and cross-sectoral investment in SLM that combine sustainable environmental management with improvement of local livelihoods, the Project will contribute to green development, poverty reduction and to meeting the MDGs in the participating Provinces/ARs .

B.4   INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS TO BE FURTHER DEVELOPED DURING THE PROJECT DESIGN:

Risk factors that could prevent the successful implementation of the Project include lack of willingness of some sectors to participate in implementation of SLM/INRM policies and practices to control LD, and cooperate with the land related sectors. The experiences of the capacity building projects indicate that effective

coordination mechanisms can be established at provincial and local levels. A coordination mechanism and effective supervision with clear task division at central level will therefore be established building off mechanisms established in the first phase of the Partnership. This will include arrangements for organizing regular coordination meetings, newsletters and the sharing human of resources among projects.

Western PRC is affected by climate change and extreme weather events, such as droughts and floods, are becoming more frequent and are also negatively affecting the productivity of agricultural land, including the proposed Project pilot demonstration areas. The risks posed by climate change will be mitigated by Project Component 2 that is intended to improve the resilience of ecosystem to climate change and reduce the vulnerability of affected communities.

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

The Partnership maintains a Central Project Steering Committee composed of 12 ministries and administrations, a Central Project Coordination Office set up in the MOF and a Central Project Management Office in the SFA. The multi-sector leading group, project coordination and management offices, with the vice president in charge of agriculture acting as leader were also be established at provincial level. Resources from all sectors are channelled into SLM by coordinated governments' efforts, i.e. cooperation among sectors, regional coordination, technical support, and grass-roots' participation. The cross-sectoral approach and multi-level project coordination and management mechanism enhance the fund utilization rate and project impacts. This mechanism has become a long-term working mechanism in the project provinces/ARs.

As the project coordination agency, MOF will increase its efforts to enhance the coordination among the project sectors at the central and provincial levels; SFA will be responsible for the implementation and overall supervision and monitoring assessment of the Project. The provinces/ARs are responsible for the coordination of the SLM activities at provincial/regional level, identify and mobilize more local funding for up-scaling of SLM and INRM activities and approaches, and support livelihood demonstration activities.

The provincial IEM Information Centers have: (i) signed data-sharing agreements among the six project provinces/ARs; (ii) established metadata standards for land degradation-related IEM data, metadata base management, and an internet publishing system; (iii) established IEM information systems in each province/AR; (iv) developed a set of guidelines and training materials for establishing IEM Information Centers and capacity building; (v) prepared an evaluation handbook for pilot site monitoring; and (vi) introduced participatory monitoring. The IEM Information Centers are currently being utilized for data management and documentation of other projects outside of the Partnership.

Other project stakeholders include private enterprises, NGOs and local communities that all have clear responsibilities at local level. The Project will develop supporting policies, improve relevant laws and regulations, enhance the community's participation, and strengthen the supervision of the NGOs to attract more individuals, enterprises and other social forces into the project implementation to strengthen resource mobilization for scaling up of SLM.

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

There are eight projects under the Partnership that have been completed or are ongoing and an effective coordination mechanism among the projects has been established. Among them, the *Management and Policy Support to Combat Land Degradation Project* is responsible for the overall evaluation of the eight projects. This coordination mechanism will be used by the Project for experience sharing to increase the overall project benefits and strengthen the sustainable development of the Partnership.

The Project will continue to develop close links with the FAO/UNEP/GEF project on Land Degradation Assessment in Drylands (LADA), its partner program World Overview of Conservation Approaches and Technologies (WOCAT) in SLM/INRM, and all government activities promoted under the UNCCD.

In addition, synergies will be developed with the government funded Shelterbelt Development Program and the Three North Shelterbelt Project (Phase Ⅴ), The Desertification Combating Program around Beijing and Tianjin (phase- II), and the Planning Outline of Combating of China Karst Rocky desertification (2006-2015).

Close cooperation will also be explored with the FAO project on "Conservation of biodiversity and sustainable land management in the soda saline-alkaline wetlands agro pastoral landscapes in the western area of the Jilin Province" This new GEF-5 project proposes to develop SLWM models for the restoration and conservation of ecosystem services in saline-alkaline wetlands and grasslands; and integrated approaches for agro-pastoral land management plans incorporating biodiversity and ecosystem services valuations. While the project will be in Jilin Province and does not have any geographical overlap, there may be potential synergies between approaches and methodologies being tested and applied. During project preparation, information sharing and cooperation between the two projects will be explored.

C. DESCRIBE YOUR AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

ADB took the leading role in developing the PRC-GEF Partnership on Land Degradation in Dryland Ecosystems, and has served as the lead GEF agency for the Partnership and as the GEF agency responsible for supporting capacity building efforts and establishment of coordination mechanisms for IEM. Notably, ADB has taken the lead in preparing and supervising the implementation of the *Capacity Building to Combat Land Degradation Project* and the *Management and Policy Support for Combating Land Degradation Project.* As the lead GEF agency, ADB's comparative advantage for the proposed Project includes considerable experience with the identification, design and implementation of investment projects with the PRC as well as the ability to incorporate capacity building and technical assistance into its projects. ADB has developed two new larger investment projects being implemented through the Partnership, namely *Ningxia Integrated Ecosystem and Agricultural Development Project*, commenced in 2009 (US$211.0 million total, including a US$100.0 million ADB loan and US$4.55 million GEF grant); and the *Forestry and Ecological Restoration Project in Three Northwest Provinces* (US$181.76 million total, including a US$100.0 million ADB loan and US$5.76 million GEF grant). In addition, ADB has officially confirmed to support the TA(46084):People's Republic of China: Integrated Strategy for Sustainable Land Management in Dryland Ecosystems.

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

ADB is providing US$400,000 in cash co-financing for TA (46084): People's Republic of China: Integrated Strategy for Sustainable Land Management in Dryland Ecosystems. The technical assistance project will be implemented over a period from October 2012 to December 2013. The outcome of the TA will be a 10-year development strategy for SLM for dryland ecosystems endorsed by the government. To attain the expected outcome, four outputs have been identified: (i) scope of partnership development strategy (PDS) identified, (ii) resource mobilization strategies for implementation of national and provincial programs under the PDS, (iii) institutional arrangements enhanced for implementation of the PDS, and (iv) PDS prepared for the PRC-GEF Partnership on Land Degradation in Dryland Ecosystems for 2014-2023.

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

The grant will promote inclusive growth and environmental sustainability, in line with ADB's strategic priorities in its country partnership strategy, 2011–2015 for the PRC.[4] The grant also supports the PRC's sustainable development agenda for a harmonious society, as outlined in the country's Twelfth Five-Year Plan (2011–2015). Climate change and environmental sustainability are key considerations, including greater preparedness for extreme weather events and conservation of water and natural resources.

The proposed project fits into ADB's results framework by providing infrastructure and improvement of environmental conditions. During the implementation of the PRC-GEF Partnership on Land Degradation in Dryland Ecosystems, significant institutional capacity has been built in the central government, and participating provinces and autonomous regions. Provincial legal and policy frameworks have been developed, provincial integrated ecosystem management strategies have been prepared, and an integrated ecosystem approach has been applied to combat land degradation. There will be adequate knowledge and officials in the ADB to follow up the implementation of the proposed GEF Project.

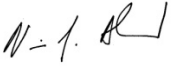## PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

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[4] ADB. 2011. *Country Partnership Strategy: People's Republic of China, 2011–2015.* Manila.

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the country endorsement letter(s) or regional endorsement letter(s) with this template).

NAME	POSITION	MINISTRY	DATE *(Month, day, year)*
Jiandi Ye	Director	MINISTRY OF FINANCE	SEPTEMBER 13, 2012

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	**Signature**	**Date *(Month, day, year)***	**Project Contact Person**	**Telephone**	**Email Address**
Nessim Ahmad Director, Environment and Safeguards concurrently Practice Leader (Environment) Asian Development Bank	*N-1. A*	January 23, 2013	Frank Radstake	+632 632 5636	fradstake@adb.org