



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Naoko Ishii
CEO and Chairperson

April 25, 2014

Dear Council Member,

The Asian Development bank (ADB) as the Implementing Agency for the project entitled: **China - Sustainable and Climate Resilient Land Management in Western PRC**, has submitted the attached proposed project document for CEO endorsement of a project amendment prior to final Agency approval of the project document in accordance with ADB procedures.

The Secretariat has reviewed the project document. The amendment includes:

1. Improved technical approach, which places more emphasis on integrating climate resilience with SLM;
2. The number of SLM innovation sites has been increased from 10 to 16;
3. Capacity development and training activities have been increased to further scale-up the SLM enabling environment in the innovation sites, and to accommodate the six newly added ones;
4. Augmentation of proposed global environmental benefits, including increase in average land productivity by around one million hectares, increase in numbers of people trained in SLM by 500, and increased investments in SLM and related infrastructure and ecosystem services;
5. Increased emphasis on knowledge management, particularly through support from robust and systematic monitoring and evaluation (M&E), and
6. Required inputs have been adjusted accordingly. The original approved GEF grant amount of \$3,652,603 would be increased to \$5,250,776, which is available in China's GEF-5 LD STAR allocation.

We consider these changes to be major amendments to the original project document approved by Council on April 12, 2013. In keeping with GEF procedures, the Secretariat has reviewed the proposed changes and has ascertained their appropriateness in light of the project's objectives.

We have today posted the proposed project document on the GEF website at www.TheGEF.org for your information. We would welcome any comments you may wish to provide by May 22, 2014 before I endorse the project document as amended. You may send your comments to gcoordination@TheGEF.org.

If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

A handwritten signature in black ink, appearing to read 'Naoko Ishii', with a long horizontal flourish extending to the right.

Naoko Ishii
Chief Executive Officer and Chairperson

Attachment: Project Document

cc: Alternates, GEF Agencies, STAP, Trustee



REQUEST FOR CEO ENDORSEMENT CEO

PROJECT TYPE: FSP

TYPE OF TRUST FUND:

For more information about GEF, visit TheGEF.org

PART I: PROJECT INFORMATION

Project Title: Sustainable and Climate Resilient Land Management in Western PRC			
Country(ies):	People's Republic of China (PRC)	GEF Project ID ¹	5142
GEF Agency(ies):	Asian Development Bank (ADB)	GEF Agency Project ID GEF	
Other Executing Partner(s):	State Forestry Administration(SFA)	Submission Date:	24 March 2014
GEF Focal Area (s):	Land Degradation	Project Duration(Months)	36 months
Name of Parent Program (if applicable)	PRC-GEF Land Degradation Partnership to Combat Land Degradation in Dryland Ecosystems	Project Agency Fee (\$):	498,824
➤ For SFM/REDD+ <input type="checkbox"/>			
➤ For SGP <input type="checkbox"/>			
➤ For PPP <input type="checkbox"/>			

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
LD-3	Outcome 3.1 Enhanced cross- sector enabling environment for integrated landscape management	Outcome 3.1 Enhanced cross- sector enabling environment for integrated landscape management	GEF	1,112,833.33	4,133,333.33
LD-3	Outcome 3.2: Integrated landscape management practices adopted by local communities	Output 3.2: INRM tools and methodologies developed and tested	GEF	2,150,109.33	3,673,333.33

¹ Project ID number will be assigned by GEFSEC.

² Refer to the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

LD-3	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	1,987,833.34	10,643,333.34
Total project costs				5,250,776	18,450,000

B. PROJECT FRAMEWORK

<p>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.</p> <p>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 the environment.</p>						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
<p>Component 1: SLM and vegetation cover scaled-up to improve the resilience of landscapes and ecosystems to climate change in Inner Mongolia AR, Shaanxi, Gansu, and Qinghai Provinces.</p> <p><i>(supports FA Outcome 3.3: Increased investments in integrated landscape management)</i></p>	INV	1.1 Restoration of degraded grassland and farmland in three provinces/ARs, leading to an increase in average land productivity of 10% on 1,803,321 ha of land	<p>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 11 investment projects under AR/ provincial SLM plans with a total funding of \$248.4 million through local, national and/or international financing</p> <p>1.1.2 Scaling up of investments in sustainable grassland and farmland management at 7 innovation sites in Inner Mongolia AR (2), Gansu Province (3), Shaanxi Province (1) and Qinghai Province (1).</p> <p>1.1.3 Scaling up of SLM on farmland through support to establishment of 2 PPPs in SLM in Shaanxi Province (1) and Inner Mongolia</p>	GEF	1,900,000	10,110,000

		<p>1.2 Sustainable forest management on 442,214 ha of land in Qinghai and forested area increased by 1.2% by 2017. Total system carbon stock increased by 57,600 tCO₂ equivalent by 2023 in Qinghai target area.</p>	<p>AR(1)</p> <p>1.1.4 Scaling up of SLM through support to establishment of 2 eco-compensation mechanisms (PES) for sustainable watershed management in Gansu Province (1) and Shaanxi Province (1)</p> <p>1.2.1 Promotion of tree planting for carbon sequestration on 442,214 ha of forest land in Qinghai Province, taken up by two investment projects on SFM with total funding of \$ 61.1 million.</p>			
<p>Component 2: Improved management of degraded lands to support rural livelihoods and green development. <i>(supports FA Outcome 3.2: Integrated landscape management practices adopted by local communities)</i></p>	TA	<p>2.1 Sustainable land management at 16 SLM innovation sites covering 25,149.3 ha of land supports sustainable livelihood systems for more than 2,000 people in six provinces/ARs by 2017</p> <p>2.2 Enhanced community awareness of climate change impacts leads to reduced vulnerability to climate change and lower-carbon</p>	<p>2.1.1 Identification and testing of sustainable livelihoods related to innovative SLM practices, multi-functional community forestry and grassland development at 16 SLM innovation sites in six provinces/ARs.</p> <p>2.1.2 Development of ecological industries suitable for local communities (e.g. community-based eco-tourism, household business development, etc)</p> <p>2.1.3 Improvement of ecological compensation standards of land restoration and livelihood improvement in Gansu and Shaanxi province.</p> <p>2.1.4 Training of three communities in SLM and sustainable livelihoods through Farmers' Field Schools to promote up-scaling of SLM in Guizhou and Sichuan province (2,000 people trained).</p> <p>2.2.1 Development of guidelines on climate resilient SLM measures and how to lower carbon emissions from land management</p> <p>2.2.2 Improvement of the</p>	GEF	1,952,276	1,400,000

		emissions from land management and production models in communities at 16 SLM innovation sites with 3,000 people.	understanding of local communities of adaptive measures to climate change and sustainable lower carbon-emissions from land management through training of communities at SLM innovation sites in Farmers' Field Schools for further up-scaling			
	INV	2.3 Increased productivity of agro-ecological and forest landscapes on 307,647 hectares of land through green development in Sichuan and Guizhou	2.3.1 Development of green products and marketing in three communities with 2,000 people 2.3.2 SLM innovation sites support regional green development with eco-agriculture, water-saving agriculture, ecotourism, etc.		480,000	2,140,000
Component 3: Enhanced SLM enabling environment and capacity for scaling up of SLM in new Provinces under the Partnership (Guizhou and Sichuan). <i>(supports FA Outcome 3.1 Enhanced cross-sector enabling environment for integrated landscape management)</i>	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 SLM SAPs and formulation / revision of at least 2 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 provinces)	GEF	655,000	4,400,000
Subtotal					4,987,276	18,050,000
Project Management Cost (PMC) ³				GEF	263,500	400,000
Total project costs					5,250,776	18,450,000

³ PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
GEF Agency	AsDB	Cash	400,000 ⁴
National Government	MOF, SFA	Cash	1,000,000
National Government	MOF, SFA	In-kind	500,000
Provincial Governments	Inner Mongolia, Shaanxi, Gansu, Qinghai, Sichuan and Guizhou.	Cash	2,150,000
Provincial Governments	Inner Mongolia, Shaanxi, Gansu, Qinghai, Sichuan and Guizhou.	In-kind	14,400,000
Others		Cash	0
Others		In-kind	0
Total Co-financing			18,450,000

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
ADB	GEF	Land Degradation	PRC	5,250,776	498,824	5,749,600
Total Grant Resources				5,250,776	498,824	5,749,600

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. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS

Component	Grant Amount (\$)	Cofinancing(\$)	Project Total(\$)
International Consultants	360,000		360,000
National/Local Consultants	1,457,000		1,457,000

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF⁵ (PIF)

The project technical and financial scope has been modified from the original PIF as a result of a series of design consultations at the stakeholder level, including an ADB Mission to the PRC from 12-18 February 2014. At the Project Steering Committee Meeting held in January 2014, the 12 partnership member agencies including National Development and Reform Commission and MOF all express the willingness to further strengthen the cross-sector and multi-level coordination mechanism and will continue to support the Partnership projects. The PRC GEF Operational Focal Point

⁴ 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. See Annex.

⁵ For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.

within the Ministry of Finance (MOF) formally requested the ADB to explore the possibility of drawing on additional funds from the GEF-5 allocation to supplement this Project.

The proposed changes are framed in the larger national context. The notion of an “eco-civilization” has been given top priority in the Report to the 18th National Congress of the Communist Party of China, and triggered a number of initiatives which include “Gross Ecosystem Product” or GEP, scaling up the “eco-city” experience, launching of regional and provincial “green development” programs, among others. Another driver is the next phase of the “PRC-GEF Partnership to Combat Desertification in Dryland Ecosystems” which is addressed in Section A.1 below.

Modifications to the PIF consist of an intensification and expansion of activities with commensurate increase in funding requirements from GEF, and corresponding co-financing commitments. The main changes are summarized briefly below:

1. Improved technical approach, which places more emphasis on integrating climate resilience with SLM
2. The number of SLM innovation sites have been increased from 10 to 16 (this now includes 1 in Inner Mongolia AR, 1 in Shaanxi Province, 1 in Qinghai Province, 1 in Sichuan Province, 2 in Gansu Province). The proposed sites where PPPs and PES activities will be initiated remain the same. Sites where “green development”⁶ will be undertaken have been increased from 2 to 4, with an additional four (4) new sites added where ecological restoration will contribute to enhanced land productivity
3. Capacity development and training activities have been increased, to further scale-up the SLM enabling environment in the innovation sites and to accommodate the six newly added ones

Required inputs have been adjusted accordingly. Consulting services for international and national consultants to support technical assistance has contributed to revisions in Component financial costs. This includes two more provincial technical coordinators and two capacity development specialists for the two new provinces; as well as an investment advisor for the Partnership

5. The total co-financing for the project is now USD 18,450,000, from the original USD 12,400,000, based on significantly higher cash and in-kind contributions from the respective Provincial Governments. The total proposed GEF grant is now USD 5,250,776, as opposed to the original USD 3,652,603
6. Augmentation of proposed global environmental benefits, including increase in average land productivity by around one million hectares, increase in numbers of people trained in SLM by 500, and increased investments in SLM and related infrastructure and ecosystem services by around USD 80 million, and
7. Increased emphasis on knowledge management, particularly through support from robust and systematic monitoring and evaluation (M&E). An international M&E specialist will be recruited for 6 months, along with a national Data Monitoring and Collection specialist for 15 months.

The integration and supporting rationale for these modifications into the project strategy is elaborated in various sections below, as well as the Design and Monitoring Framework.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities.

NA

A.3 The GEF Agency’s comparative advantage

NA

⁶ The context and strategy is elaborated in Kruk, Robyn; Thompson, Derek; Liu, Jiyuan; Deng, Xiangzheng and Wang, Peishen. “The Roadmap for Green Development of Western China” in Chinese Journal of Population Resources and Environment 11(3):244-252.

A.4. The baseline project and the problem that it seeks to address

The baseline project remains the same as in the PIF. However, during the detailed preparation of the Project, 16 SLM innovation sites were selected based on criteria such as agro-ecological zone, and potential to generate global environmental and socio-economic benefits (See Table 1). The GEF grant will fund project activities at project intervention sites covering 25,150 ha of land that will be scaled up to a larger target area of 2,553,182 ha through 13 investment projects with a total funding of USD 309.5 million in the targeted areas (see Table 2) in the provinces and ARs that participated in the first phase of the Partnership. In the two new provinces scaling up will be achieved, through support to extension agents, Farmer Field Schools, etc. The characteristics of the target areas and SLM innovation sites are summarized below.

Table 1. SLM Innovation Sites in the Six Participating Provinces /ARs

	Name of SLM innovation site	Agro-ecological zone	SLM measures to be tested	Targeted area (ha)	Project Intervention (ha)
1	Vegetation Restoration SLM Innovation site in Helinge'er County, Hohhot, Inner Mongolia	Agricultural and pastoral mixed area	Maintain closure against grazing, shelterbelt forest in degraded grasslands, fish-scale pit adverse-slope site preparation, grass grid and barriers. plantation of <i>Pinus sylvestris var. mongolica</i> at sandy land	110,749	2,629.4
2	PPP SLM innovation Site in Alatengtu Buxi Gacha (Village), Xini Countyship, Hangjin Banner, Erdos City, Inner Mongolia Inner Mongolia PPPs Company: Biomass Power Plant of Yuanfeng Investment Co., Ltd. in Erdos City	Agricultural area, pastoral area, semi-agricultural and semi-pastoral area	Plastic film mulching for afforestation, conifer-broadleaf mixed forest in semi-arid area, fish-scale pit adverse-slope site preparation, plantation of <i>Pinus sylvestris var. mongolica</i> at sandy land, maintain closure against grazing	180,900	500.0
3	SLM Innovation site of Ecological Restoration in Honghuaerji, Hulunbuir, Inner Mongolia	Semi arid agricultural and pastoral mixed area	Shelterbelt forest on pastureland/grassland, conifer-broadleaf mixed forest in semi-arid area, plastic film mulching for afforestation, solar cooker	598,372	1,568
4	Payment for ecosystem service site in Liquan County, Shaanxi Province	Dry tableland agricultural area in warm temperate zone	Sealing a mountain pass for banning grazing and drylot feeding, returning straw to field, creation of <i>theropencedrymion</i> in the semiarid area, counter-slope soil preparation of fish-scale pit, loess terraced fields, agricultural protection forest in the dry land, wind power utilization technology for rural areas and biogas digester	101,204.3	537.7
5	PPP SLM innovation site in Shenmu County, Shaanxi Province	Agricultural and pastoral mixed sandy area in temperate zone	Sealing a mountain pass for banning grazing and drylot feeding, centralized tree planting, creation of <i>theropencedrymion</i> in the semiarid area,	150,559.8	6,050.0

	Shaanxi PPPs Company: Shamowang (King of the Desert) Bio-Technology Co., Ltd. in Yulin City		counter-slope soil preparation of fish-scale pit, pinus sylvestris afforestation in sandland, wind power utilization technology for rural areas and biogas digester.		
6	SLM Innovation site of Ecological Restoration in Meixian County, Shaanxi Province	Semi-humid agro-ecological area in temperate zone	Shelterbelt forest on farmland, drip irrigation under plastic mulching, solar cooker	64,496.0	351
7	Ecological Compensation Site in Kongtong District, Gansu Province	Arid agricultural zone	Counter-slope soil preparation of fish-scale pit, water tank, biogas digester	193,600	2386
8	Afforestation to protect ecosystem services in Shimen Township Jingyuan County, Gansu Province	Rain-fed Agricultural zone	Sandy land cultivation, biogas digester, solar cooker, peddle mulching, jujube planting	74,600	1,050.0
9	SLM Innovation site of Green Development in Wudu District, Gansu Province	Arid agricultural zone	Counter-slope soil preparation of fish-scale pit, drylot feeding, enclosure of mountain against grazing.	63,920	1,500
10	SLM Innovation Site of Characteristic Economy Forest in oasis area in Dunhuang County, Gansu Province	Irrigated agrilcural zone	Drylot feeding, grass grid and barriers, high vertical sand barrier, oasis agroforestry.	16,500	1,200
11	Ecological management SLM innovation site in Yaocaogou watershed, Datong county, Qinghai Province	Arid hilly agricultural zone	Afforestation seeding in rainy season; reseedling of deteriorated grassland; agricultural protection forest in mountain land; solar cooker; biogas digester	263,774	2,700.0
12	Water conservation SLM innovation site in Anning watershed in Huangzhong County, Qinghai	Arid hilly agricultural zone	Afforestation seeding in rainy season; Deep planting of polar for afforestation in alpine arid sand land; Agricultural protection forest in mountain land; solar cooker; biogas digester	178,440	2,771.0
13	Innovation Site of Comprehensive Control in Honggou Watershed, Yurun Town, Ledu District, Qinghai Province	Arid hilly agricultural zone	Afforestation seeding in rainy season, shelterbelt forest on farmland in hilly area, solar cooker,, enclosure of mountain against grazing, counter-slope soil preparation of fish-scale pit.	248,419.51	1,404
Subtotal				2,245,534.61	22,261.1
14	SLM Innovation Site in Chunfeng Village, Junlian County, Sichuan Province	Hilly mountain agricultural area around the basin	Dimensional planting and grazing, eco-agriculture, planting and grazing under forest, eco-tourism, community development, solar energy, clean energy technology	125,635.0	572.2
15	SLM Innovation site of Green Development in Huaying City, Sichuan Province	Hilly mountain agricultural area around the basin	Construction of irrigation drainage, economic forest planting, rotation, enclosure of mountain against grazing	46,900	815.04

16	Chaxiang Village (SLM Innovation Site), Gujiao Township, Longli County, Guizhou Province	Mountainous forest and agricultural mixed ecological zone	Maintain closure against grazing, featured forest planting and management, low-productivity forest improvement, grass (herbal medicine) planting under forest, (children) grazing under forest	135,112.2	1,501.0
Total				2,553,181.81	25,149.34

Innovative and climate resilient SLM measures and approaches, some of them documented in two WOCAT volumes on SLM best practices in the PRC published in the first phase of the PRC-GEF Land Degradation Partnership, will be integrated into investment programs and projects, funded by the central government (e.g. Conversion of Farmland to Forest Programme), the provincial governments (e.g. PES scheme in Shaanxi), as well as donor funded projects, such as the German-loan funded afforestation project in Shaanxi Province. The SLM innovation sites will introduce new elements into the larger investments, including approaches to SLM which support a) establishment of PPPs that will mobilize additional funding to SLM, and b) climate resilient SLM technologies that generate environmental and socio-economic benefits that need to be embedded in an investment project to achieve economies of scale. SLM innovations that will be integrated into the larger investment projects to achieve up-scaling are summarized in Table 2 below.

Table 2. SLM innovation sites and associated investment projects and programs

	Name of the SLM innovation site	Name of investment project that will promote SLM upscaling	Project duration	Project main investment contents	SLM Innovation supported in investment project	Investment (million USD)
1	Vegetation Restoration SLM Innovation site in Helinge'er County, Hohhot, Inner Mongolia	Conversion of Farmland to Forest Programme	2014-2022	Afforestation of converted farmland	Introduction of climate resilient grassland management measures and alternative income generation activities	21.4
2	PPP SLM innovation Site, in Alatengtu Buxi Gacha (Village), Xini Countyship, Hangjin Banner, Erdos City Inner Mongolia	Second phase of Beijing and Tianjin Sand Source Management Program	2013-2020	Afforestation, closed fencing, aerial seeding, engineering, sand fixation	Introduction of the PPP model that be used to promote control of sandification through biological and engineering measures, such as sand barriers.	118.6
3	SLM Innovation Site of Ecological Restoration in Honghuaerji, Hulunbuir, Inner Mongolia	Fifth Phase of Three North Natural Forest Development Program	2014-2018	Vegetation restoration and afforestation	Sustainable Forest management, and forest tender, climate resilient forestry.	12.3
4	Payment for ecosystem service site in Shaanxi Province	Utilization of Ecological Compensation for Water and Soil Loss due to Coal, Oil and Natural Gas Exploration in Shaanxi	2013-2015	Soil and water management using ecological compensation fund, clean watershed management, economic tree planting, enclosure management, village management, village beautification, community climate resilience etc.	Development of climate smart agriculture.	57.1
5	PPP SLM innovation site in Shaanxi Province	German Loan Sand Management and Biodiversity along Greatwall Program in Yulin District of	2013-2018	Afforestation: 11,916 ha, Nature reserve construction: 25,917 ha	Introduction of SLM and PPP in afforestation activities to address climate change and to improve	19.2

		Shaanxi			land productivity.	
6	SLM Innovation site of Ecological Restoration in Meixian County, Shaanxi Province	Fifth phase of Three North Natural Forest Development Program	2014-2016	Afforestation, enclosure of mountain against grazing	Green development, ecological restoration, sustainable forest management	0.6
7	Ecological Compensation Site in Kongtong District, Gansu Province	Public forest ecological compensation project	2013-2018	Conservation of public forest in Kongtong district, it is a long term forest project	Improve the PES compensation standards to capture value of regulating and supporting ecosystem services	1.0
8	Afforestation to protect ecosystem services in Shimen Township Jingyuan County, Gansu Province	Jujube base construction project in Jingyuan County	2014-2016	Construction of jujube in Shimen and Shuanglong township	Improve sustainable farmland management and introduce climate smart agriculture.	0.3
9	SLM Innovation site of Green Development in Wudu District, Gansu Province	Consolidation of Achievements of Conversion of Farmland into Forest Followed-up Forest Product Industry Program	2008-2016	Support households for economic tree planting on the converted land from farmland (zanthoxylum)	Development of climate-smart agriculture, livelihood improvement	0.3
10	SLM Innovation Site of Characteristic Economy Forest in oasis area in Dunhuang County, Gansu Province	Forest Technical Demonstration and Promotion Project Supported by the Central Government "Technical Demonstration and Promotion for Standardized Jujube Planting in Dunhuang City"	2013-2014	Standardized jujube demonstration base. Standardized planting technology is applied on over 85% of the planting area.	Green development. Climate-smart agriculture, enhancement of capacity to adapt climate change.	0.4
11	Ecological management SLM innovation site in Yaocaogou watershed, Datong county, Qinghai Province	Ecological Conservation and Comprehensive management program in Qilian Mountain	2014-2019	Reforestation, closure of mountain against grazing, soil and water conservation, terrace construction in slopes, degraded grassland management, beef and cow fattening, continuous crop planting, technical demonstration and promotion, rural energy, ecological monitoring	Introduction of measures that sequester carbon while also providing other environmental and socio-economic benefits.	44.0
12	Water conservation SLM innovation site in Anning watershed in Huangzhong County, Qinghai	Fifth phase of Three North Natural Forest Development Program	2014-2017	Watershed management, afforestation, enclosure of mountain against grazing	Introduction of measures that sequester carbon while also providing other environmental and socio-economic benefits.	17.1
13	Innovation Site of Comprehensive Control in Honggou Watershed, Yurun Town, Ledu District, Qinghai Province	Fifth Phase of Thee North Natural Forest Planting Program	2014-2017	Watershed management, afforestation, closure of maintain against grazing	Green development, forest tending, sustainable forest management	17.1
Ttl						309.5

The two new provinces, Guizhou and Sichuan that are joining the second phase of the PRC-GEF Land Degradation Partnership are located in the southwestern PRC, with very diverse biophysical and socio-economic conditions. Guizhou extends from the east of the Yunan-Guizhou Plateau to the area between the Sichuan Basin and Guangxi Basin, with a total land area of 176,167 km². It has an annual average precipitation is 1000- 1400 mm. Most of the province belongs to the Asia tropical broad leaved evergreen forest red soil/yellow soil zone. The total population is 35 million⁷ of which 39% belong to ethnic minorities. Economic and social development is lagging behind the rest of the country, with a GDP per capita which comprised 43.7% of the national average in 2010.⁸

Sichuan province is located in the inland hinterland of Southwestern PRC, covering a portion of the first-stair Qinghai-Tibet Plateau and the second-stair Sichuan Basin and its surrounding mountains and covers a total area of 486,000 km². The climate can be divided into three climatic zones: mid-basin subtropical humid climate zone, Southwestern Sichuan mountain subtropical sub-humid climate zone and Northwestern Sichuan alpine plateau paramos climate zone. The annual precipitation ranges from 500 to 1200 mm. Sichuan can be divided into three major soil zones: eastern Sichuan basin humid forest soil zone, southwestern Sichuan mountain valley forest soil zone and western Sichuan mountain plateau sub-humid semi-arid forest and alpine meadow soil zone. Sichuan has 80.42 million people⁹, 6.1% of which belong to ethnic minorities.

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

Relevance of this proposed Project to national strategies and plans etc. remains the same as articulated in the PIF. The Project has been aligned with the Integrated Strategy for Sustainable Land Management in Drylands that is being developed with support from ADB to guide the next phase of the “PRC-GEF Partnership to Combat Desertification in Dryland Ecosystems”. While the new Strategy is still under development, it has been agreed that this Project will take steps to build on the following key elements:

- *Innovative SLM climate-resilient technologies*: These are solutions which help reduce exposure to climate-related hazards, reduce risk and help manage disasters, strengthen adaptive capacities etc
- *Scaling Up*: As an essential component of the investment programs, moving beyond pilot and demonstrations to support horizontal, vertical and functional scaling up of technologies and good practices¹⁰
- *Public-Private Partnerships (PPP) and Payment for Ecosystem Services (PES)*: while PES (especially) is already underway in the PRC, these will be developed and piloted under the Strategy as innovative funding mechanisms. The Partnership will play an instrumental role in innovative financing mechanisms for SLM and enhancing of eco-civilization.
- *Improved Monitoring and Evaluation*: There is a need to strengthen the linkage with the national monitoring programme of land degradation (under SFA), which will include, inter alia, establishment of benchmarks and indicators.
- *Gender*: The Partnership will make efforts to further mainstream gender considerations into Strategy implementation. This will include the use of gender sensitive and inclusive approaches, combined with monitoring and assessment.
- *Global Environmental Benefits*: GEBs will be clearly defined within the Partnership (including carbon sequestration, production and socio-economic benefits)
- *Participation*: ‘Hybrid knowledge’ which combines indigenous skills and the understanding of local people about their environment, with the scientific knowledge of professionals, as an important new direction.
- *Capacity development and training*: Capacity development and training remain crucial as SLM technologies and approaches are rapidly changing, and in the context of scaling up of investments, human capital requirements are more diverse, and

⁷ Sixth national population census data, 2010.

⁸ http://www.gov.cn/jrzq/2012-02/13/content_2064874.htm

⁹ Sixth national population census data. 2009.

¹⁰ Refer to Hartmann, Arntraud and Linn, Johannes. “Scaling Up: A Path to Effective Development” Focus Brief 2020. International Food Policy Research Institute (IFPRI): October 2007.

- *Cost-effectiveness*: The Strategy will strongly encourage initiatives that are cost-effective. This means that economies of scale and emphasis on dissemination and management of knowledge will be important.

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

Component 1: *Scaling up of SLM and increased vegetation cover to improve the resilience of landscapes 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.

Outcome 1.1: Restore degraded, grassland and agro-ecological areas, leading to an increase in average land productivity of 10% on 1,802,231 ha of degraded land. GEF incremental support will go to:

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 11 investment projects under AR/ provincial SLM plans with a total funding of USD 248.4 million through local, national and/or international financing

1.1.2 Scaling up of investments in sustainable grassland and farmland management at 7 innovation sites in Inner Mongolia, Gansu, Shaanxi and Qinghai, which will include introduction of sustainable grassland management measures in Inner Mongolia and plantation of jujube in Gansu that will increase productivity and generate income for local communities

1.1.3 Scaling up of SLM on farmland through support to establishment of two PPPs in SLM in Shaanxi (1) and Inner Mongolia (1). PPPs will support planting of *carbon sequestration forest* and promotion of clean energy, such as solar heaters. In Inner Mongolia, the PPP model will also be used to promote control of sandification through biological and engineering measures, such as sand barriers, and

1.1.4 Scaling up of SLM through support to establishment of two eco-compensation mechanisms¹¹ for sustainable watershed management in Gansu (1) and Shaanxi (1). In Gansu, the PES scheme involves compensating farmers to establish ecological forests that will sequester carbon, and retain soil and water. GEF will support plantation of local species, such as *Pinus tabulaeformis* and *Robinia pseudoacacia*. In Shaanxi, the PES scheme will compensate farmers for conserving soil and water to protect downstream ecosystem services. GEF support will go to e.g. introducing innovative intercropping and agroforestry practices.

Outcome 1.2: Sustainable forest management on 442,214 ha of land in Qinghai and forested area increased by 1.2% by 2017, leading to total system carbon stock increased by 57,600 t CO₂ equivalent by 2023 in Qinghai target area. GEF incremental support will be used to:

1.2.1 Promotion of tree planting for carbon sequestration on 442,214 ha of forest land in Qinghai and taken up by two investment projects on SFM in Qinghai with total funding of USD 61.1 million. Qinghai spruce will be planted as the main species together with local poplars. GEF support will go to introducing best practices to improve the survival rate of the plants, such as afforestation with three-year old saplings, protection of roots with soil-ball during plantation.

¹¹ In PRC the term “eco-compensation” also includes payment for ecosystems services (PES), as well as some other mechanisms such as subsidies, or settlements for liabilities etc

The baseline for the investment activities under Component 1 is the set of provincial/AR investment projects and programs identified in Table 2, as well as other interested ongoing and/or planned national or provincial/AR programs and projects.

Component 2: *Improved management of degraded land to support rural livelihoods and green development.* This component provides technical assistance to the establishment of 16 new SLM innovation sites to improve the management of degraded forest land, grassland and farmland in the project provinces/ARs. It will promote sustainable alternative livelihoods for people living in affected areas, including support for demonstration of green development.

Outcome 2.1: Sustainable land management at 16 SLM innovation sites covering 25,149.3 ha of land supports sustainable livelihood systems for more than 2,000 people in six provinces/ARs by 2017. GEF incremental activities include:

2.1.1 Identification and testing of sustainable livelihoods related to innovative SLM practices, multi-functional community forestry and grassland development at 16 SLM innovation sites in six provinces/ARs. Technical assistance funding under Component 2 will support the establishment SLM innovation sites in all participating provinces/ARs, while the support to upscaling in four provinces/ARs will be provided under Component 1

2.1.2 Development of ecological industries suitable for local communities (e.g. community-based eco-tourism, household business development – home gardening, bee keeping, etc.) will be targeted to the new provinces joining the Partnership, i.e. Guizhou and Sichuan

2.1.3 Improvement of ecological compensation standards of land restoration and livelihood improvement will support the PES innovation sites and up-scaling in Gansu and Shaanxi

2.1.4 Training of three communities in SLM and sustainable livelihoods through Farmers' Field Schools to promote up-scaling of SLM innovation sites activities in Guizhou and Sichuan, where around 2,000 local beneficiaries will be trained.

Outcome 2.2: Enhanced community awareness of climate change impacts leads to reduced vulnerability to climate change and lower-carbon emissions from land management and production models in communities at 16 SLM innovation sites, with 3,000 people. GEF support will go to:

2.2.1 Development of guidelines on climate resilient SLM measures and how to lower carbon emissions from land management that will be disseminated to all provinces/ARs under the Partnership in order to mainstream climate resilience into SLM activities at all innovation sites as well as associated investment projects and programs

2.2.2 Improvement of the understanding of local communities of adaptive measures to climate change and sustainable lower carbon-emissions from land management through training of communities at SLM innovation sites in Farmers' Field Schools for further up-scaling.

Outcome 2.3: Increased productivity of agro-ecological and forest landscapes on 307,647 hectares of land through green development in Sichuan and Guizhou, includes the following GEF supported outputs and activities:

2.3.1 Development of green products and marketing in three communities involving around 2,000 local beneficiaries, including organic production of fruits (*Rosa roxburghii*), poultry, tea, etc.

2.3.2 SLM innovation sites support regional green development with eco-agriculture, water-saving agriculture, ecotourism, alternative and clean energy (solar and wind), etc.

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, which includes Guizhou and Sichuan

Outcome 3.1: Institutional and regulatory framework and SLM policies strengthened in Guizhou and Sichuan. GEF support will go towards:

3.1.1 Improved institutional framework and investment policies for SLM through development of 2 new Provincial SLM Strategies and Action Plans (SAPs) and formulation/revision of at least 2 regulations in each province that support the cross-sectoral mainstreaming of SLM and upscaling through integration into provincial development plans and investment programs

Outcome 3.2: Enhanced technical SLM capacities in Guizhou and Sichuan. GEF incremental activities will focus on developing capacity of the two new provinces in monitoring impacts of SLM and in scaling out through enhancing the technical capacity of SLM advisory services and will include:

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 local beneficiaries in the new provinces)

Global Environmental Benefits: The implementation of the above mentioned activities is anticipated to deliver significant and transformative, global environmental benefits. Global environmental benefits will be generated by scaling up of SLM technologies and approaches through increased investments in SLM projects in the 4 Provinces that have participated in the Partnership since its inception, and through an enhanced enabling environment for SLM in the two new provinces joining the next phase of the Partnership. Measurable global environmental benefits are related to increases in different types of land cover and soil carbon in dryland ecosystems. Key global environmental benefits indicators include:

- A total of about 2,553,182 ha of land under SLM by the end of the project through up-scaling
- Habitats protected on a total of about 45,212 ha of land
- Improved irrigation flows on about 47,384 ha of land
- Increased water availability on about 94,964 ha of rain-fed land
- Around 57,600 tCO₂ equivalent sequestered of afforested land by 2023 (see Table 3 below), and
- Around 10% increase in productivity on 1,803,321 ha of land by the end of the project.

Table 3. Carbon benefits generated through afforestation activities in Qinghai Province

SLM innovation site	Forest area (ha)		Volume increased of living stand (m3)	Index of carbon sequestration (ton CO ² e)	Carbon sequestration increased (t CO ² e)
	2013	2023			
Datong County	153,927	155,466.27	42,000	1.28	53,760
Huangzhong County	11,993	12,112.93	3,000	1.28	3,840
Total	165,920	167,579.20	450,00		57,600

The carbon benefits are calculated according to the accepted method for carbon sequestration and afforestation in the PRC. China Forestry Carbon Sequestration, Li Nuyun, China Forestry Publishing House, 2007.

The GEF LD Tracking Tool (TT) has been prepared based on best available published information. Part 1, 3 b) of the Tracking Tool is supplemented by an ANNEX which contains published data collected for each of the 16 SLM innovation sites. The data sets for each SLM innovation site correspond to the requirements of the Tracking Tool for ease of monitoring and reference.

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:

Risk factors that could constrain the successful implementation of the Project include lack of willingness of some sectors to participate in implementation of SLM policies and practices to control land degradation, and cooperate with the land related sectors. The experiences of previous capacity development projects under the Partnership indicate that effective coordination mechanisms can be established at provincial and local levels as well as at central level. Western PRC is affected by climate change and extreme weather events. Droughts and floods for example, are becoming more frequent and are also negatively affecting the productivity of agricultural land, including the proposed Project innovation demonstration areas. A detailed risk analysis and mitigation measures is presented below.

Risk	Level	Mitigation Measures
Government agencies are reluctant to contribute to implementing multi-sectoral approaches.	Low	Mechanisms for inter-sectoral collaboration and coordination have been put in place at central level and in the four provinces/AR that participated in the first phase of the PRC-GEF Partnership. The two provinces, Guizhou and Sichuan, that are joining the next phase of the Partnership and this Project will receive special support to create an enabling environment and capacity for scaling up of SLM under Component 3 of the Project that build on lessons learned from the other Provinces/ARs. As investment projects take hold, there is likely to be increased support, as benefit streams are better understood.
Inadequate human and financial resources	Low	<p>The Project has been designed to support scaling up of investments in SLM through its Component 2. Financial resources to SLM will be mobilized by mainstreaming of SLM and restoration techniques into at least 11 investment projects. Market-based mechanisms that support SLM, such as PES and PPPs, will also be promoted.</p> <p>Human capacity in SLM has to a large extent already been built in the four provinces/AR that participated in the first phase of the Partnership. Targeted capacity development will be provided under Component 3 to Guizhou and Sichuan.</p>
Local stakeholders do not comply with SLM practices	Low	<p>The Project builds on ten years of experiences in introducing more bottom-up approaches to SLM in the PRC, including such things as participatory land-use planning, farmer-to-farmer training and exchange of experiences. In particular, economic incentives for SLM, are emerging, and should catalyze increased adoption of good practices.</p> <p>The proven tools and approaches will be extended to Guizhou and Sichuan that are new to the Partnership. Technical training on SLM approaches for extension agencies and Farmer Field Schools will be provided in these two provinces.</p>
Improved livelihoods are insufficient to serve as an incentive to local stakeholders	Moderate	The project will support activities that will enhance the incentives of local communities to engage in SLM. Improvement of ecological compensation standards for land restoration and livelihood improvement will be supported under Component 2 as well as development of green products and marketing.
The rate and degree of	Moderate	SLM is inherently a climate change strategy. The risks posed by climate

climate change exceed local adaptation capacity		change will be mitigated by Component 2 that is intended to improve the resilience of ecosystem to climate change and reduce the vulnerability of affected communities. Guidelines on climate change adaptation measures will be developed that will be used to train and raise awareness of local communities.
Currency exchange rate fluctuations (i.e. depreciation of the US dollar)	Moderate	ADB maintains risk policies and procedures to measure, monitor, and control risks as part of its overall financial management. While currency fluctuations are a regular feature of project financial management, steps will be taken to address any circumstances which warrant special attention, and may hamper effective implementation.

A.7. Coordination with other relevant GEF financed initiatives

The Project will continue to act as a coordination mechanism for ongoing and planned projects under the PRC-GEF Partnership to Combat Land Degradation in Dryland Ecosystems. It will also develop synergies with other GEF projects and national programmes to combat desertification as described in the PIF.

In addition, the Project will be linked to the new FAO/GEF project on **Decision Support for Mainstreaming and Scaling up of Sustainable Land Management** that will work with 15 countries to further scale up approaches developed by the FAO/UNEP/GEF project on Land Degradation Assessment in Drylands (LADA). The PRC participated in LADA and has allocated USD150,000 to the new FAO/GEF project with the aim of finalizing its monitoring and assessment system for land degradation and SLM at the national level, and to undertake innovation studies in Guizhou and Hunan provinces. There are obvious areas of collaboration between the two projects. Joint workshops and expert meetings are planned at national level and in also in Guizhou, to further develop M&A and decision support systems for scaling up of SLM in the PRC.

The Project and the PRC-GEF Land Degradation Partnership will continue its efforts to strengthen the linkages with the PRC-GEF **Biodiversity Partnership** coordinated by the Ministry of Environment Protection with support of UNDP. In particular, the UNDP/GEF funded project in Qinghai on **Strengthening the Effectiveness of the Protected Area System in Qinghai**, which is implemented in the three river source area, will be consulted about the establishment of the reforestation/afforestation innovation site in Qinghai under this Project.

The Project and the PRC-GEF Land Degradation Partnership has committed to recruit an expert (short-term consultant) to focus on providing technical advice, identifying and supporting new SLM investments, not only in the current project areas but also in other areas, as and when opportunities come up. One such SLM investment project where the Project / Partnership may have the opportunity to provide support on technical SLM interventions and practices, and effective implementation of relevant activities, is a newly proposed ADB project in dryland agro-forestry in Kelamayi in Xinjiang AR. The Project and Partnership has indicated their intention to support new investment projects, to share knowledge and help build capacity and an enabling environment for SLM.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

Stakeholder Involvement Plan

As this proposed GEF project represents a follow on phase of a prior project, most of the primary stakeholders at national and local levels have been involved in project design activities, which have been highly participatory and inclusive. The approach to stakeholder involvement and participation in project implementation will follow a number of guiding principles, which include:

- a) adding value to project activities
- b) ensuring accessibility of information to inform decision-making processes

- c) encouraging adherence to values of transparency, trust, equity, and fairness
- d) promoting responsiveness to identified needs
- e) supporting collaborative approaches to project interventions
- f) developing mechanisms to manage conflicts in the public interest
- g) being flexible to adapt to changing circumstances, and
- h) fostering well coordinated and planned implementation.

Primary stakeholders will include rural households benefitting from SLM at the project innovation sites, as well as those benefitting from scaling up of sustainable practices through investment projects. Secondary stakeholders include village committees; and government units at township level at innovation sites. At provincial/regional level Forestry Administrations have the role to coordinate different SLM interventions across different agencies, including agriculture, environment protection, water resources, etc. At central level, the State Forestry Administration has the overall responsibility of monitoring, evaluation and assessment of impacts of the Partnership. The Ministry of Finance (MOF) is responsible for pipelining SLM projects that will lead to up-scaling of SLM innovation activities and good practices. Key stakeholders and their roles and responsibilities are summarized in the table below:

Table 4. Stakeholders and Relevant Roles

Stakeholder	Relevant roles
Ministry of Finance (MoF)	Chair and coordinator of the PRC-GEF Land Degradation Partnership.
State Forestry Administration (SFA)	Government institution responsible for coordination of the State programs on forest management. In its capacity as lead implementing partner, also responsible for coordinating different SLM/INRM interventions across different sectoral agencies.
Ministry of Agriculture Ministry of Environment Protection	Government institution and implementing partners responsible for coordination of the state programs on agriculture and environment protection, respectively.
Provinces/Autonomous Regions Administration	Provincial Project Management Offices (PPMOs) and Provincial Project Coordination Offices chaired by the Vice Governor/Chairman in charge of the agricultural sector, have been set up in Inner Mongolia, Shaanxi, Gansu, and Qinghai. PPMOs are under establishment in Sichuan and Guizhou. The PPMOs are in charge of implementation oversight of SLM innovation projects and investments under the Partnership at provincial level.
Counties/villages	Participate in SLM/INRM activities at innovation sites and in scaling up of best practices through Farmer Field Schools, exchange visits, etc. through resource users' organisations, farmers cooperatives, etc. (Refer to LD TT Annex: Summary Information on SLM Innovation Sites)
NGOs	Provide funding and implement small-scale initiatives, advocate changes to policy and legislation: The Nature Conservancy (TNC) - Inner Mongolia has started cooperation to work with TNC to implement ecological restoration in Helinge'er County, to rehabilitate dryland ecosystems and explore ecological ways to

	<p>address climate change.</p> <p>Conservation International – Qinghai Province has started cooperation to work with Conservation International to promote sustainable land management and biodiversity conservation in Qinghai Three River Source (Yellow River, Yangtze River, Mekong River).</p> <p>Green Camel Bell – Gansu Province has started cooperation with local NGO Green Camel Bell on poverty alleviation interventions in Southern Gansu, primarily through training and technology support for land management and rehabilitation of degraded pastureland and grassland.</p>
Scientific/Academic institutions	Support research on applied SLM. Some institutions include: China Academy of Forestry, Beijing Forestry University, China Agricultural University, Chinese Academy of Sciences, Chinese Academy of Social Sciences.
Multi-lateral organizations	Provide funding, technical assistance, facilitate reforms (e.g. ADB, World Bank, IFAD, UNDP)
Bilateral organizations	Provide funding, technical assistance and facilitate reforms related to SLM. AusAID is working on carbon sequestration thematic study and SLM knowledge sharing in Qinghai; Government of Germany is supporting SLM activities, conservation and management of biodiversity in Northern, Shaanxi.

The project will provide opportunities for long-term participation of all stakeholders, with a special emphasis on the active participation of local communities and institutions, and enhancement of coordination of SLM and related investments in the Project target areas:

Decision-making – through the CPMO – the CPMO has established protocols and procedures that promote participation and transparency among stakeholders, managing key stakeholder relationships, conducting consultations at provincial (through the 6 PPMOs), national, and regional levels and providing oversight and assessment of the project outcomes. Proceedings in the context of the CPMO should logically flow to the provincial/local counterparts and other stakeholders.

Capacity development – at institutional and individual levels – it is one of the key strategic interventions of the project, targeting stakeholders that have the potential to be involved in implementing and/or monitoring management agreements related to activities in the six provinces/ARs. The project targets individuals, community groups, and government and non-government organizations operating on-the-ground at the local level to enable them to actively participate in developing and implementing SLM, and relevant livelihood development activities during the Project, and for sustaining management of dryland ecosystems beyond the Project life.

Knowledge management - includes the participatory development and implementation of an integrated knowledge management strategy, which will emphasize outreach services, dissemination of information on good practices and lessons learned from local to national scale, if possible. The Project will create an enabling platform for multi-level stakeholder participation at the provincial level and national level, and make efforts to add value to existing knowledge portals and learning networks.

B.2 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/NPIF) or adaptation benefits (LDCF/SCCF):

The implementation areas of this Project are affected by desertification, including mountain and forest areas. They belong to the poorest parts of PRC, with annual average household incomes much lower than the national average. The Project will promote adoption of both “bottom-up” and “top-down” approaches to SLM 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 .

Restoration of degraded forest, grassland and farmland in Inner Mongolia, Shaanxi, Gansu and Qinghai through up-scaling of good practices that were already documented and tested in the first phase of the Partnership, are expected to lead to an increase in average land productivity of 10% on 1,803,321 ha of land. This will benefit 4.1 million people that reside in the project target area. Special measures will be taken to involve about half million people that are classified as poor in the target area. In addition, innovation demonstration activities of SLM that will be implemented in all six participating provinces, including Guizhou and Sichuan, will cover a total area of 25,149.3 ha and will directly support improvement of rural livelihoods of 2,000 local beneficiaries in terms of income diversification, increase in land productivity, improved eco-compensation standards, etc.

Finally, the Project will also establish one innovation site for regional green development, which will explore opportunities for production and marketing of organic products as well as ecotourism, which will lead to lower carbon emissions from land management as well as rural income diversification.

As indicated in the stakeholder involvement plan, the project will encourage inclusive and participatory approaches in SLM. Project implementation will be guided by the ADB Policy on Gender and Development.¹² The policy encourages mainstreaming of gender, promotion of economic empowerment for women, direct participation in decision making at all levels, among others. It will also be guided by the Country Gender Assessment of the PRC, which highlights the following:

- Rural women are often marginalized and in need of ways to adjust to changing dynamics
- Rural women work longer hours on farm than men, the latter more likely to seek off-farm labor
- Decision-making roles of rural women in agricultural production (e.g. cropping patterns) are increasing, although there may be gaps between the amount of labor shared with men and their comparative levels of decision-making
- With the PRC's accession to the World Trade Organization (WTO), job opportunities for women in less internationally competitive agriculture will decline, but will increase in those agricultural sectors that are more internationally competitive – although not enough to offset short to medium term job losses
- Deterioration of water resources will affect rural women more seriously given their combined household and farming responsibilities
- Women play an important role in afforestation and community-based forestry management
- Female entrepreneurs face more barriers to success in rural areas, working in domestic markets
- There is a low percentage of women represented in village committees, and where there is women's participation, this is likely to be in "soft" areas which limit opportunities to expand their political horizons.¹³

The PRC assessment offers a number of recommendations for mainstreaming of gender into poverty reduction strategy. The Project will use this guidance during implementation, as well as in the refinement of the next iteration of the Partnership Strategy. The main actions will involve: a) collection of sex-disaggregated data, and b) conduct of localized, site-specific gender assessments¹⁴ to identify gaps and going forward plans. The Project Team will also consult the ADB Toolkit on Gender Equality Results and Indicators, and make efforts to incorporate those relevant to rural development, agriculture and food security¹⁵ into the M&E system that will be strengthened by the Partnership – for example, at program and project level:

¹² Asian Development Bank (ADB). "Gender Equality: Bridging the Gap". UNESCAP, Bangkok, 2007.

¹³ Asian Development Bank (ADB). "Country Gender Assessment: People's Republic of China". ADB: Manila, 2006, pp 18-22, 54.

¹⁴ There are some examples of ADB-supported gender assessments undertaken in the context of land management, for example, in the Philippines. The ADB-GEF "Ningxia Integrated Ecosystem and Agricultural Development Project" will also provide lessons based on their experience developing gender indicators.

¹⁵ Asian Development Bank. Tool kit on gender equality results and indicators. Mandaluyong City, Philippines: Asian Development Bank, 2013 pp 67-77.

- Number and percentage of women and men trained in sustainable production technologies, soil and water conservation, pest and disease management, animal diseases, and basic veterinary services
- Number and percentage of poor women and men who adopt new production and postharvest technologies, or
- Number and percentage of women and men provided with information on marketing, pricing and value adding

B.3. Explain how cost-effectiveness is reflected in the project design:

In the absence of the proposed Project, opportunities for continued sustainable and climate resilient land management in the six provinces/autonomous regions (ARs) in western PRC geared towards enhancing resilience of dryland landscapes against climate change would be limited. In Inner Mongolia, Shaanxi, Gansu and Qinghai that were part of the first phase of the Partnership, mechanisms and approaches for scaling up of SLM best practices across sectors and access to investments in SLM is still limited. Furthermore, climate change considerations need to be better integrated into existing approaches. Guizhou and Sichuan that are joining the second phase of the Partnership are suffering from awareness and capacity barriers related to SLM, and have had more limited access to knowledge about new and innovative SLM practices and technologies.

Without the Project, investments made by communities at innovation sites would be small and piecemeal, and fail to capture efficiencies and up-scaling opportunities from coordination of policy implementation across sectors, as well as donor coordination. Without the Project there would also be limited opportunities for harnessing of socio-economic benefits from out-scaling/horizontal spread of SLM through exchange of experiences from community level to Provincial/AR, regional and national levels.

The proposed project approach is considered to be the most cost-effective and most likely to lead to sustainable results, as the funds from the GEF will provide substantial additionality to committed investments at the PRC provincial/AR and national level, and from ADB. The Project is expected to upscale climate resilient SLM in investment projects worth a total of USD 309.5 million. The anticipated flow of global environmental and socio-economic benefits of the GEF investment will be significant, and hold promise to leverage additional, future investments in SLM, through demonstrations of innovations at the various sites, including Payments for Ecosystem Services (PES) and establishment of Private-Public Partnerships (PPPs).

C. DESCRIBE THE BUDGETED M & E PLAN:

In addition to regular monitoring, project performance will be reviewed annually and jointly by ADB, SFA and selected provincial/regional and local partners. Reviews will assess implementation performance and achievement of project outcomes and outputs, assess financial progress, identify issues and constraints affecting implementation, and work out a time-bound action plan for their resolution. ADB and SFA will undertake a midterm review (MTR) to assess implementation status and take appropriate measures - including modification of scope and implementation arrangements, and reallocation of GEF grant and co-financing proceeds, as appropriate - to achieve the project objectives.

Project performance monitoring. To monitor project progress in achieving the planned outcome and outputs, the Central Project Management Office (CPMO) will establish and maintain a project performance management system (PPMS), which will be designed to permit adequate flexibility to adopt remedial action regarding project design, schedules, activities, and development impacts. The PPMS will adopt agreed indicators relating to the following aspects of the project: (i) project physical and financial progress; (ii) results of capacity development of the CPMO through consulting services and training; (iii) implementation of innovation site activities; and (vi) upscaling of SLM and INRM through investments. At the beginning of project implementation, the CPMO will develop comprehensive PPMS procedures to systematically generate data in the above areas in consultation with the implementing agency, the Provincial Project Management Offices (PPMOs), and with the assistance of consultants. The CPMO will refine the PPMS framework, confirm achievable targets and monitoring and recording arrangements, and establish relevant systems and procedures not later than 6 months after the start of the project. The CPMO and PPMOs will assign staff, or contract consultants, to collect baseline and progress data at the requisite time intervals, including annual reporting. The CPMO will be responsible for analyzing and consolidating reported data through its M&A system, and reporting outcomes to ADB through quarterly progress reports.

Compliance monitoring. During project implementation, ADB and the CPMO will closely monitor the compliance of all the covenants under the project and will take necessary remedy actions for any noncompliance. The compliance status will be reported in the quarterly progress report by the CPMO and will be reviewed during project review missions.

Gender and social dimensions monitoring. Project activities will create income opportunities and have other impacts on social issues. Gender-specific results indicators will be established as mentioned above. The consolidated annual monitoring reports will include a section that describes (i) activities, advancements and impacts on women and other gender issues; and (ii) income opportunities created for poor and other vulnerable groups. Independent experts will be engaged by the CPMO to assist with identifying appropriate indicators for monitoring and for training of PPMOs and stakeholders in the field in participatory monitoring. The external monitoring experts will investigate progress and submit reports to ADB and CPMO semi-annually.

Global environmental benefits monitoring. Results to be monitored include: changes in land cover, soil carbon and soil productivity. The project will implement SLM demonstration activities on an area of 25,149.3 ha of land that will lead to upscaling on an estimated area of 2,553,182 ha of land with an average increase of productivity of 10%; increase forest cover by 1-1.2% on 442,214 ha and increase of total system carbon with 2-5% on 1,500 ha. Carbon will be monitored using the GEF Carbon Benefit tool and also be based on the carbon sequestration data and biomass estimation methods developed by the International Panel on Climate Change (IPCC), including biomass expansion factor (BEF).¹⁶ GEB monitoring will also draw on insights from the GEF Learning Mission conducted in May 2013.¹⁷

An **Inception Workshop** will be held at project start-up (tentatively in December 2014 / January 2015). It will involve local partners with assigned roles in the project organization structure, ADB and other stakeholders. The Inception Workshop is crucial for creating ownership for the project results and to plan the first year’s AWP. The Inception Workshop report will be a key reference document and will be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

As the project progresses, the CPMO will also update the Land Degradation tracking tool (as required), confirm achievable targets, and firm up monitoring and recording arrangements. Baseline and progress data will be reported at the requisite time intervals by the PPMOs to the CPMO. The CPMO will be responsible for analyzing and consolidating reported data through its management information system, and for reporting outcomes to ADB through quarterly progress reports.

A **Project completion evaluation** will be undertaken at least one month before the end of the project to assess the achievement of project outcomes and outputs and lessons learned. In accordance with GEF procedures, project evaluations will be publicly accessible and project documentation will be made available to the GEF Evaluation Office.

A summary of the M&E activities relevant to GEF is provided below. Further information regarding the performance and impact indicators for project implementation, along with their corresponding means of verification are provided within the Project Design and Monitoring Framework (Annex A). The total funding allocated to project monitoring and evaluation amounts to US\$ 182,000 from the GEF.

Type of M&E activity	Responsible Parties	Project Budget USD (Excluding project team staff time)	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ CPMO/PPMOs ▪ ADB 	US\$ 22,000	Within first two months of project start up
Measurement of project results	<ul style="list-style-type: none"> ▪ CPMO in consultation with ADB will oversee the identification and measurement of key results 	US\$ 30,000	Start, mid and end of project (during

¹⁶ http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/4_Volume4/V4_04_Ch4_Forest_Land.pdf

¹⁷ <http://www.stagef.org/knowledge-from-the-field-lessons-learned-from-the-gef-learning-missions/>

Type of M&E activity	Responsible Parties	Project Budget USD (Excluding project team staff time)	Time frame
	indicators related to socio-economic benefits and global environmental benefits (GEBs). Results to be monitored include: changes in land cover, carbon stocks and soil productivity, socio-economic benefits, and establishment of an enabling environment for SLM (in new provinces).		evaluation cycle) and annually when required.
Measurement of Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> ▪ The PPMOs will adopt the following agreed indicators: (i) progress of uptake in investment projects of SLM techniques and practices (implementation on the ground), (ii) establishment of PPPs and PES schemes for SLM upscaling; (iii) progress with tree planting for carbon sequestration; (iv) reduction of poverty in the project area; and (v) provision of technical services in the project area. 	US\$ 40,000	Annually prior to PIR and to the definition of annual work plans
PIR	<ul style="list-style-type: none"> ▪ CPMO/PPMOs ▪ ADB 	None	Annually
Periodic status/ progress reports	CPMO	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> ▪ ADB ▪ External Consultants (i.e. evaluation team) 	US\$ 30,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> ▪ ADB ▪ External Consultants (i.e. evaluation team) 	US\$ 60,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> ▪ CPMO/PPMOs ▪ ADB 	None	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ ADB ▪ SFA 	None	Yearly
Visits to field sites	<ul style="list-style-type: none"> ▪ ADB ▪ Representatives from CPMO and PPMOS 	Paid from GEF Agency Fee and operational budget as well as counterpart funding	Yearly
TOTAL indicative COST to the GEF Excluding ADB staff and travel expenses		US\$ 182,000	

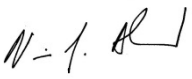
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):
 (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ziqian Liang	GEF Political Focal Point for China	INTERNATIONAL DEPARTMENT, MINISTRY OF FINANCE, PRC	02/14/2014

B. GEF AGENCY(IES) CERTIFICATION
GEF

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Nessim J. Ahmad Director, Environment and Safeguards concurrently Practice Leader (Environment) Asian Development Bank		March 24, 2014	Frank Radstake	+632 632 5636	fradstake@adb.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Reduced land degradation (LD) in dryland ecosystems, improved land productivity and poverty alleviation in the western region of the People’s Republic of China (PRC)</p>	<p>Positive changes in land productivity from 2014 to 2017</p> <p>Improved livelihoods in Project target areas from 2014 to 2017</p> <p>Increased investments in Sustainable Land Management (SLM) in 2017 compared to baseline</p>	<p>Provincial annual reports</p> <p>SFA (State Forestry Administration) annual reports</p> <p>United Nations Convention to Combat Desertification (UNCCD) Reports</p>	<p>Assumptions</p> <ul style="list-style-type: none"> Provincial governments committed to implementing the provincial SLM Strategies and Action Plans for LD Control The national government is providing adequate support. <p>Risks</p> <ul style="list-style-type: none"> Human and financial resources cannot be sufficiently mobilized. Government agencies are reluctant to contribute to implementing multi-sectoral approaches.
<p>Outcome Restoration of degraded land and improvement of livelihood through sustainable and climate resilient land management in six provinces/autonomous regions (ARs) in western PRC.</p>	<p>Goals and targets of six provincial sustainable land management (SLM) strategies and action plans (SAPs) for SLM are met (Gansu, Inner-Mongolia, Qinghai and Shaanxi). An enabling environment for SLM is created in Guizhou and Sichuan and two new SLM SAPs approved.</p>	<p>Project technical and progress reports</p> <p>Annual reports from the Ministry of Finance (MOF), SFA, and provincial governments</p> <p>Project documents from other donors under the Partnership</p>	<p>Assumptions</p> <ul style="list-style-type: none"> Sufficient human and financial resources can be mobilized by the national and provincial governments. <p>Risks</p> <ul style="list-style-type: none"> Government agencies are reluctant to contribute to implementing multi-sectoral approaches.
<p>Output 1: SLM and vegetation cover scaled-up to improve the resilience of landscapes ecosystems to climate change.</p> <p>(This component will promote and support mobilization of local, national, and international investments in Inner Mongolia AR, Shaanxi, Gansu, and Qinghai provinces.)</p>	<ul style="list-style-type: none"> Restoration of degraded, grassland and agro-ecological areas, leading to an increase in average land productivity of 10% on 1,803,321 ha of degraded land Sustainable forest management on 442,214 ha of land in Qinghai and forested area increased by 1.2% by 2017, leading to total system carbon stock increased by 57,600 tCO₂ equivalent by 2023 in Qinghai target area. SLM and SFM taken up by at least 13 investment projects 	<p>Project technical and progress reports</p> <p>Annual reports from MOF, SFA, and provincial governments</p> <p>Project documents from other donors under the Partnership</p>	<p>Assumptions</p> <ul style="list-style-type: none"> Counterpart funding is made available in time. Ongoing interest from national programs, the private sector and development partners such as the GEF supports SLM up-scaling Local stakeholders understand and support SLM practices Improved livelihoods serve as an incentive for local stakeholders Climate change impacts are predictable and adaptation is feasible

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Output 2: Improved management of degraded land to support rural livelihoods and green development.</p>	<ul style="list-style-type: none"> • Sustainable land management at 16 SLM innovation sites covering 25,149.3ha of land supports sustainable livelihood systems for around 2,000 local beneficiaries in six provinces/ARs by 2017. • Enhanced community awareness of climate change impacts leads to reduced vulnerability to climate change and lower-carbon emissions from land management and production models in communities at 16 SLM innovation sites with 3,000 people. • Increased productivity of agro- ecological and forest landscapes on 307,647 hectares of land through green development in Sichuan and Guizhou, 	<p>Project technical and progress reports</p> <p>Annual reports from MOF, SFA, and provincial governments</p> <p>Project documents from other donors under the Partnership</p> <p>Knowledge products available on the Partnership and ADB websites</p>	<p>Risks</p> <ul style="list-style-type: none"> • National and provincial agencies are reluctant to seek partnerships with ongoing programs and the private sector. • Change in priority of provincial management office/central project management office.
<p>Output 3: Enhanced SLM enabling environment and capacity for scaling up of SLM.</p>	<ul style="list-style-type: none"> • Institutional and regulatory framework and SLM policies strengthened in Guizhou and Sichuan. • Enhanced technical SLM capacities in Guizhou and Sichuan. 	<p>LD monitoring system</p> <p>Project technical and progress reports</p> <p>Annual reports from MOF, SFA, and provincial governments</p> <p>Project documents from other donors under the Partnership</p>	

<p>Activities with Milestones</p> <p>Component 1</p> <p>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 11 investment projects under AR/ provincial SLM plans with a total funding of \$248.4 million through local, national and/or international financing (July 2016)</p> <p>1.1.2 Scaling up of investments in sustainable grassland and farmland management at seven innovation sites in Inner Mongolia, Gansu, Shaanxi and Qinghai including introduction of climate resilient measures and alternative income generation activities (July 2015).</p> <p>1.1.3 Scaling up of SLM on farmland through support to establishment of two PPPs in SLM/INRM in Shaanxi and Inner Mongolia (July 2015)</p> <p>1.1.4 Scaling up of SLM on farmland and grassland through support to establishment of two eco-compensation mechanisms for sustainable watershed management and sustainable grassland management in Gansu and Shaanxi (July 2015)</p> <p>1.2.1 Promotion of tree planting for carbon sequestration on 442,214 ha of forest land in Qinghai and taken up by two investment projects on SFM in Qinghai with total funding of USD 61.1 million (July 2016)</p> <p>Component 2</p> <p>2.1.1 Identification and testing of sustainable livelihoods related to innovative SLM practices, multi-functional community forestry and grassland development at 16 SLM innovation sites in six provinces/ARs. (January 2015)</p> <p>2.1.2 Development of ecological industries suitable for local communities (e.g. community-based eco-tourism, household business development) in Guizhou and Sichuan. (July 2015)</p>	<p>Inputs</p> <p>GEF (\$ 5,250,776):</p> <ul style="list-style-type: none"> • Consultants \$2,080,500 • Equipment \$990,000 • Training, seminars, and conferences \$540,276 • Miscellaneous administration and support costs \$70,000 • Field inputs
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<p>2.1.3 Improvement of ecological compensation standards of land restoration and livelihood improvement supports the PES innovation sites and upscaling in Gansu and Shaanxi. (July 2015)</p> <p>2.1.4 Training of two communities (around 2,000 local beneficiaries) in SLM and sustainable livelihoods through Farmers' Field Schools to promote up-scaling of SLM innovation sites activities in Guizhou and Sichuan. (January 2015)</p> <p>2.2.1 Development of guidelines on climate resilient SLM measures and how to lower carbon emissions from land management. (March 2015)</p> <p>2.2.2 Improvement of the understanding of local communities of adaptive measures to climate change and sustainable lower carbon-emissions from land management through training of communities at 16 SLM innovation sites in Farmers' Field Schools for further up-scaling. (Sept 2015)</p> <p>2.3.1 Development of green products and marketing in three communities with around 2,000 local beneficiaries in Guizhou and Sichuan (Jul 2017)</p> <p>2.3.2 SLM innovation sites support regional green development with eco-agriculture, water-saving agriculture and ecotourism in Guizhou and Sichuan (Nov 2017)</p>	<p>\$1,570,000</p> <p>Government Cash contribution: \$</p> <ul style="list-style-type: none"> • 3,150,000
<p>Component 3</p> <p>3.1.1 Improved institutional framework and investment policies for SLM in Guizhou and Sichuan through development of 2 new Provincial SLM Strategies and Action Plans (SAPs) and formulation/revision of at least 2 regulations in each province that support the cross-sectoral mainstreaming of SLM and upscaling through integration into provincial development plans and investment programs. (Dec 2016)</p> <p>3.2.1 Provincial SLM monitoring and assessment indicator systems in Guizhou and Sichuan aligned with national and regional frameworks. (Jul 2015)</p> <p>3.2.2 Technical training on SLM approaches for extension agencies and Farmer Field Schools in Guizhou and Sichuan (2,000 people in the new provinces) (Jul 2015)</p>	<p>In-kind contribution: \$</p> <ul style="list-style-type: none"> • 14,900,000 • 3,150,000 • 14,900,000

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

GEF Secretariat Review – comments to be addressed at CEO endorsement:

Questions	Secretariat Comment at PIF/ Work Program inclusion	ADB response
Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievements of incremental benefits?	More information will be required at CEO endorsement stage.	More details have been provided under Components 1 and 2 on how introduction and up-scaling of climate resilient SLM will generate mutual environmental and socio-economic benefits.
Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly	More information will be required at CEO endorsement stage.	A detailed stakeholder involvement plan has been developed with explanation of roles and responsibilities of main stakeholder groups.
Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e. climate resilience)	More information will be required at CEO endorsement stage.	A detailed risk mitigation analysis has been conducted that is summarized in the Request for CEO Endorsement.
Items to be considered at CEO endorsement approval	At CEO Endorsement stage, the project should be designed in a way that up-scaling is facilitated by linkages to provincial development plans and investment programmes	Thirteen (13) investment projects with a total funding of USD 309.5 million to the targeted areas will be used as vehicles for up-scaling of SLM and are detailed in Table 2 in the Request for CEO Endorsement. The Project will further, develop a more refined strategy for ‘scaling up’ to consider the different modalities and “scale limits”.

Comments from STAP

STAP Comment	ADB Response
1. It would be useful to detail further the outcome indicators. In this regard, STAP suggests focusing on what is going to be measured, for example, percentage of sustainable land management practices adopted by local communities at ten demonstration sites (2.1.1).	<p>The outcome indicators have been defined more clearly and are also included in the GEF LD Tracking Tool.</p> <p>Results to be monitored include: changes in land cover, soil carbon and soil productivity. The project will implement SLM demonstration activities on an area of 25,149.3 ha of land that will lead to up-scaling on an estimated area of 1,803,321 ha of land with an average increase of productivity of 10%; increase forest cover by 1-1.2% on 442,214 ha of land in Qinghai Total system carbon stock increased by 57.6 t CO₂ by 2023 in Qinghai target area Carbon benefits have been assessed based on the carbon sequestration data and accounting guidelines already developed by the PRC-GEF as well as the PRC-GEF Land Degradation Partnership.</p>

<p>2. STAP is pleased to see the global environmental benefits defined explicitly. During the preparation of the proposal, STAP encourages for ADB to define indicators that are measurable, as indicated in the proposal. STAP also wishes to highlight that the carbon tools raised in the global environmental benefits section are not being developed by GEF/STAP. The carbon tools were developed by a consortium of scientists based in Africa, Europe, and the United States under the leadership of UNEP-GEF. The project is titled the "Carbon Benefits Project". STAP's role has been to review the scientific rigor of the tools. ADB may wish to contact the GEF Secretariat, or UNEP, to learn more about the state of the tools.</p>	<p>Carbon benefits of Outcome 1.2 – increase in forest cover in Qinghai have been assessed using tools and guideline developed by the Partnership (see above).</p> <p>The Project Team will further review the various inventory-based estimation methods for forest biomass carbon stocks, including the “continuous biomass expansion factor”. The PRC has some documented experience in this regard.¹⁸</p>
<p>3. STAP encourages references to peer-reviewed scientific papers, or rigorous published resources, to substantiate the baseline definition, and the proposed activities. These resources also can include lessons from previous GEF and non-GEF initiatives in the targeted region. In this regard, it would be useful for the project proponents to detail best practices arising from the first phase of the program, or lessons learned, for the development of the proposed interventions.</p>	<p>Among the peer-reviewed scientific papers referenced in preparation of this Project are:</p> <p>Tengberg, A; Radstake, Frank; Kebin, Zhang and Dunn, Bruce. “<i>Scaling Up of Sustainable Land Management in the Western People’s Republic of China: Evaluation of a 10 Year Partnership</i>” in <u>Land & Land Degradation</u>. ADB: 2014 (in press).</p> <p>Du Qun and Ian Hannam (Eds.) (2011). <i>Law, Policy and Dryland Ecosystems in the People’s Republic of China</i>. Gland, Switzerland: IUCN. xvi + 140 pp.</p> <p>Moreover, a number of technical papers, research reports, case studies and other publications generated by the Partnership, are available at www.gefop12.cn. Some of these were papers presented at the International Conference on Sustainable Land Management Policies and Practices in Beijing in May 2013.</p>
<p>4. STAP recommends detailing comprehensively the components. At the moment, the components are described briefly only; thereby, it is difficult to assess whether the interventions are scientifically and technically valid.</p>	<p>The Components have been further developed and measurable indicators and targets have been added at both Outcome and Output level.</p>
<p>5. Under component 1, the project developers could detail the proposed land restoration techniques by ecosystem, and how they will contribute to global environmental benefits. Likewise, the tree species need to be defined in component 1. If the species are not native, STAP recommends pursuing a risk assessment analysis of invasive species. For the PES initiative, STAP recommends referring to its publication - http://www.stapgef.org/payments-for-environmental-services-and-gef</p>	<p>The project development team has consulted the advisory document on PES. More detailed information on land restoration techniques by agro-ecosystem is provided in Table 1 of the Request for CEO Endorsement.</p> <p>Only native tree species will be used in reforestation and planting activities, as listed under relevant outputs.</p>

¹⁸ Zhaodi Guo, Jingyu GFang, Yude Pan and Birdsae, Richard. “Inventory-based estimates of forest biomass carbon stocks in China: A comparison of three methods” in *Forest Ecology and Management*. 259:7 pp. 1225-1231, 2010. Xu Bing, Guo Zhao Di, Piao Shi Long, Fang Jing Yun. “Biomass carbon stocks in China’s forests between 2000 and 2050: A Prediction based on forest biomass-age relationship”, in *Science China*. 53”7, pp. 776-783, 2010.

<p>6. Component 1 will target the recovery of degraded areas through several techniques suitable for different ecosystems. In this regard, improving soil health and fertility will be a critical outcome of the suggested interventions. The project proponents may wish, therefore, to consider the results of a study conducted in Shaanxi province on the changes in soil properties and quality through vegetation restoration by Wang, B. et al. "Changes in soil nutrient and enzyme activities under different vegetations in the Loess Plateau area, Northwest China. <i>Catena</i> 92 (2012).</p>	<p>The PRC-GEF LD Partnership has taken stock of a large number of studies and best practices on land restoration that are summarized in two WOCAT publications as well as in a number of international publications supported by the Partnership.</p>
<p>7. Under component 2, STAP suggests rephrasing activity (i) as follows: "Identify and test the applicability of income earning opportunities (or "rural income diversification" as used in the program document) that contribute to innovative SLM practices... This text may be clearer than "Identify and test sustainable livelihoods related to innovative SLM practices..."</p>	<p>The recommendation has been followed in the explanatory text on socio-economic benefits (Section A.6) where the meaning of sustainable livelihood related to innovative SLM practices is explained.</p>
<p>8. Under component 2, STAP recommends defining the concept "lower-carbon consuming lifestyles" as it relates to the targeted population. Given the scope of the project, this intervention possibly could be described better as low-carbon emissions from land management practices. If estimates on carbon emissions are available for the targeted region, it also would be useful to add it to the proposal. STAP also would appreciate an explanation of "regional green development". This concept may not be understood by all.</p>	<p>"Lower-carbon consuming lifestyles" has been changed to "lower-carbon emissions from land management", as recommended.</p> <p>The regional green development concept has been explained in the relevant component and encompasses production and marketing of organic products as well as ecotourism, which will in turn lead to lower carbon emissions from land management as well as rural income diversification.</p>
<p>9. Similarly in Component 2, perhaps the project developers could rely on climate adaptation guidelines developed by ADB for similar contexts, or by other GEF Agencies with at least equal expertise in this area. One example are joint initiatives between UNDP, UNEP, and others on climate change resilience frameworks, and tools</p>	<p>The guidelines that will be developed on climate change adaptation will draw on existing work on adaptation in the PRC as well as work undertaken by the ADB. For instance, the ADB publication, has <u>Addressing Climate Change for Asia and the Pacific: Priorities for Action</u> developed strategic priorities to promote communities that are more resilient to the adverse impacts of climate change and will contribute to the global reduction of GHG emissions by helping the region follow a low-carbon path for economic growth and poverty reduction. There are a number of sub-regional, country-specific and localized climate change adaptation initiatives which have generated considerable knowledge, and will be referenced in the context of this Project.</p>
<p>10. For green products (component 2), STAP recommends relying on the STAP publication on "Environmental Certification and the Global Environment Facility". The publication includes four main threats on the effectiveness of eco-certification projects that could be addressed in the proposal design, as well as other relevant information - http://www.stapgef.org/biodiveristy-and-biosafety</p>	<p>ADB GEF team has reviewed the referenced: <u>Environmental Certification and the Global Environment Facility: A STAP Advisory Document</u> and notes the relevance to this Project. The methodology and lessons learned which are outlined in the advisory will be very useful guidance.</p> <p>Environmental certification could be among the key market-based incentives (MBIs) included in the Project's activities related to implementation of the regional and provincial green development activities. It</p>

	<p>is anticipated that levels of awareness of these MBIs are relatively low in Western China, and as such, efforts could be made to reach out to the China Green Council, Environmental Certification Center of the Ministry for Environmental Protection, and other government bodies and industry associations, to find ways to reduce threats to environmental certification programs (e.g. weak standards; (ii) noncompliance; (iii) limited participation; and (iv) adverse self selection).</p>
<p>11. Under component 3, STAP suggests describing further the biophysical, socio-economic and policy conditions for sustainable land management in the two provinces to be added to the partnership: Guizhou and Sichuan. This information will help strengthen the validity of the incremental reasoning.</p>	<p>Additional information on the baseline conditions in Guizhou and Sichuan are summarized in the LD Tracking Tool Annex, which contains site-specific data.</p>
<p>12. The socioeconomic benefits are described well (B.3.). One segment that needs further development is on the "new international approaches and methods: that is, sustainable financing of SLM and climate change adaptation and reduction of community vulnerability. Alternatively, these two options could be imbedded more prominently throughout the components. For example, climate change data (the PRC's vulnerability to climate change and readiness for resilience) could be included in the problem statement and project baseline.</p> <p>Climate change resilient technologies and their contributions to reducing livelihood vulnerabilities while contributing towards global environmental benefits also could feature prominently in component 2 and 3. This includes mainstreaming adaptation in land management and in the appropriate policy frameworks related to land use and climate change.</p>	<p>The project is designed in such a way that all guidelines and approaches that will be pilot tested in Component 2 will be mainstreamed into the investment component in which four of the provinces participate. For the new provinces, Guizhou and Sichuan, relevant guidelines will be mainstreamed into institutional and policy frameworks that will be strengthened in support of SLM.</p> <p>Further, the Draft Integrated Strategy for SLM in Western PRC (Annexed to the Request for CEO Endorsement) recognizes that the Partnership needs to define and strengthen methods of measurement of benefit streams which accrue from SLM. Among others, these would include: a) reduced greenhouse gas emissions from agriculture, deforestation and forest destruction and increased carbon sequestration; and b) reduced vulnerability of agro-ecosystem and forest ecosystems to climate change and other human-induced impacts. This is identified as an area where PRC and GEF can work together.</p>

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁹

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

N/A, PPG funding was not requested.

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Total	0	0	0

¹⁹ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

N/A



Technical Assistance Report

Project Number: 46084
Policy and Advisory Technical Assistance (PATA)
September 2012

People's Republic of China: Integrated Strategy for Sustainable Land Management in Dryland Ecosystems

CURRENCY EQUIVALENTS

(as of 10 September 2012)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1576
\$1.00	=	CNY6.3438

ABBREVIATIONS

ADB	–	Asian Development Bank
CPMO	–	central project management office
GEF	–	Global Environment Facility
IEM	–	integrated ecosystem management
MOF	–	Ministry of Finance
PDS	–	partnership development strategy
PRC	–	People's Republic of China
SAP	–	strategic action plan
SFA	–	State Forestry Administration
SLM	–	sustainable land management
TA	–	technical assistance
UNCCD	–	United Nations Convention to Combat Desertification

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Policy and advisory technical assistance (PATA)
Targeting classification	–	General intervention
Sector (subsector)	–	Agriculture and natural resources (land-based natural resources management)
Themes (subthemes)	–	Environmental sustainability (natural resources conservation, environmental policy and legislation); and capacity development (institutional development)
Location (impact)	–	Rural (high), urban (low), national (high)

NOTE

In this report, "\$" refers to US dollars.

Vice-President	S. Groff, Operations 2
Director General	R. Wihtol, East Asia Department (EARD)
Director	Y. L. Feng, Environment, Natural Resources, and Agriculture Division, EARD
Team leader	F. Radstake, Senior Environment Specialist, EARD
Team members	B. Dunn, Environment Specialist, Regional and Sustainable Development Department A. Sebastian, Operations Assistant, EARD C. Yeager, Climate Change Specialist, EARD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

I. INTRODUCTION

1. The Government of the People's Republic of China (PRC) requested the Asian Development Bank (ADB) to provide technical assistance (TA)¹ for the Integrated Strategy for Sustainable Land Management in Dryland Ecosystems.² In February 2012, an ADB mission visited the PRC and reached an understanding with the government on the TA impact, outcome, outputs, cost estimates, financing plan, implementation arrangements, and consultants' terms of reference. The design and monitoring framework is in Appendix 1.

2. The development of a long-term cooperation framework for the PRC–Global Environment Facility (GEF) Partnership on Land Degradation in Dryland Ecosystems (2003–2012) was initiated in 2002 by the PRC government, with support from ADB, GEF, the International Fund for Agricultural Development, and the World Bank. The partnership promotes the adoption of an integrated ecosystem management approach to combating land degradation in the northwestern region of the PRC. The future development of the partnership beyond 2012 was discussed during various consultation meetings in Beijing, PRC with national and provincial government agencies and international stakeholders. The TA report is prepared based on the results of the consultation meetings to develop a renewed partnership strategy for the following 10 years.

II. ISSUES

3. The PRC suffers from some large-scale land degradation problems, such as severe wind and water erosion, soil nutrient losses, waterlogging, salinization, river system sedimentation, deforestation, grassland degradation, and biodiversity loss. The dryland areas of the western PRC, which cover about 40% of the country's land area, contain some of the most severely degraded land in the world. With only about 7% of the world's farmland and 6% of the world's annual water runoff, the PRC must feed 22% of the world's population. Land degradation, therefore, significantly threatens the lives of local residents, in particular, and the future economic welfare of the nation, in general.

4. The long-term framework for the partnership, updated in 2008, supports the national and local governments' pursuit of a sustainable environment and development in drylands. Sustainable land management (SLM) practices applied in the pilots and investment programs included reforestation, soil erosion control measures, greenhouses for vegetable production, mulching, grazing management, and irrigation control. These practices were implemented alongside rural infrastructure, rural energy, biogas, solar energy, and other development activities that contributed to income generation and improved livelihoods in the pilot sites. These activities were supported by policy actions, legislation, thematic studies, capacity development, and knowledge management. The approach was institutionalized at the provincial level through mainstreaming strategies and an action plan to ensure investment and financial flows for SLM and livelihood activities.

5. Many technical and institutional aspects of the implementation and management of the partnership require further updating to meet the increasing demand for support and investments at the local levels to combat land degradation. The government and international partners have identified the following development issues that need to be addressed for the partnership to

¹ The TA is included in the 2012 non-lending pipeline in the People's Republic of China country operations business plan 2012–2014.

² The TA first appeared in the business opportunities section of ADB's website on 10 July 2012.

successfully continue: (i) the need to focus on replication and up-scaling of the achievements of the partnership, with a strong emphasis on investments at the provincial level; (ii) the need to target capacity development and its linkage to demonstration and investment activities; (iii) the need for a broader financial resource mobilization strategy, taking into consideration government, private sector, and development partner resources, as well as innovative mechanisms such as eco-compensation programs; and (iv) the need for the program to have a stronger link with the PRC National Action Plan for the United Nations Convention to Combat Desertification (UNCCD) and close alignment with the secretariat of the PRC National Committee for implementation of the UNCCD in the State Forestry Administration (SFA).

6. Building on the progress made by the partnership since 2002, the government requested TA support to prepare a new framework that will guide the implementation of future activities under the partnership. ADB has served as the lead GEF agency for the partnership since 2002 and has provided support for capacity development efforts and the establishment of coordination mechanisms. ADB's comparative advantage as the lead GEF agency for the partnership includes considerable experience with the identification, design, and implementation of TA and investment projects with the PRC as well as the ability to incorporate capacity development and TA into its projects. The government has also committed to allocating \$4 million from the land degradation focal area of its GEF-5³ resources and commensurate domestic funds to support the management and implementation of the renewed framework for SLM for dryland ecosystems.

7. The TA aims to promote inclusive growth and environmental sustainability, and supports ADB's strategic priorities in its country partnership strategy, 2011–2015 for the PRC.⁴ The TA also supports the PRC's sustainable development agenda for a harmonious society, as outlined in the country's Twelfth Five-Year Plan (2011–2015). In line with ADB's Strategy 2020, climate change and environmental sustainability are also key considerations of the TA design, including greater preparedness for extreme weather events and conservation of water and natural resources.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact will be improved productivity and inclusive growth in dryland regions. The outcome will be a 10-year development strategy for SLM for dryland ecosystems endorsed by 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.

B. Methodology and Key Activities

9. **Output 1: Scope of partnership development strategy identified.** This output involves carrying out an updated assessment of the current status of SLM in the PRC and future needs. The TA will support (i) the preparation of a review report on (a) the status and scope of land degradation; (b) likely climate change impacts; and (c) biodiversity, poverty, gender, and

³ GEF-5 refers to the replenishment period covering 2010–2014.

⁴ ADB. 2012. *Country Partnership Strategy: People's Republic of China, 2011–2015*. Manila.

livelihood issues in dryland areas in the PRC; and (ii) based on the review outcome, a consultative process to identify and confirm the additional target provinces and priority areas for the PDS for endorsement by central and provincial authorities.

10. Major activities for output 1 include the following: (i) review the results of phase 1 of the partnership, including establishment of baseline indicators for impact statement; (ii) conduct consultation and participatory meetings and workshops with national and provincial agencies and development partners; (iii) survey the knowledge, attitudes, and practices of local stakeholders to prepare a behavior-change communication strategy and combine with the design of the PDS; (iv) identify priority provinces and project areas for the strategy and program; and (v) prepare a review report on scope of land degradation, biodiversity, poverty, gender, and livelihood issues in dryland ecosystems in the PRC and proposed strategy and program scope.

11. **Output 2: Resource mobilization strategies endorsed for implementation of national and provincial programs under the partnership development strategy.** SLM, at a scale required in the PRC, will require significant financial resources beyond what national, provincial, and local governments can provide. The TA will support the preparation of (i) resource mobilization strategies for accessing multiple funding sources prepared and endorsed at national and provincial levels, (ii) a strategy for public–private partnerships and payment for environmental services prepared and endorsed to support implementation of the PDS, and (iii) prefeasibility studies completed for at least two priority projects under two of the provincial Twelfth Five-Year Plans (still to be determined).

12. Major activities for output 2 include the following: (i) work with the provinces to undertake a process of criteria setting and prioritization for demonstration and investment projects and capacity support activities; (ii) support the evaluation of the costing of provincial IEM SAPs and priority projects under the Twelfth Five-Year Plan, and undertake consultations with central and provincial governments and development partners on financial resource mobilization; (iii) assess opportunities for payment for environmental services and eco-compensation approaches to be used and scaled up under the program; (iv) identify opportunities for public–private partnerships and prepare a private sector engagement strategy; (v) develop an overall financial resource mobilization strategy for the PDS and program, and design project and fund management models for the overall program and for priority projects; and (vi) identify a shortlist of high-priority investment projects and support prefeasibility assessments for at least two projects.

13. **Output 3: Institutional arrangements enhanced for implementation of the partnership development strategy.** Effective coordination mechanisms have been promoted and established within the partnership, but there is a need to further institutionalize coordination and cooperation, especially at the national and interprovincial levels. Similarly, the large number of international organizations and national agencies involved in the partnership activities may pose some challenges in the coordination and effective management of the program. The TA will provide support to (i) strengthen the multisector and multilevel coordination framework for endorsement of the development strategy at the national and provincial levels, and (ii) integrate the development strategy and program with the national implementation and reporting requirements of the UNCCD.

14. Major activities for output 3 include the following: (i) assess current institutional and coordination arrangements under phase 1 of the partnership, the UNCCD and other relevant international conventions; (ii) discuss and agree upon enhanced institutional arrangements and

coordination mechanisms under the PDS; and (iii) prepare final recommendations on the enhanced multisector and multilevel coordination arrangements for the PDS.

15. **Output 4: Partnership development strategy prepared for the People's Republic of China–Global Environment Facility partnership on land degradation in dryland ecosystems for 2014–2023.** The findings and recommendations gathered during the TA will be summarized to form new strategic planning documents for the partnership including (i) the development strategy and program framework, with detailed results indicators agreed at the central and provincial levels; (ii) a draft GEF program framework document; and (iii) a knowledge product that summarizes the strategic approach and policy recommendations in the PDS for public dissemination.

16. Major activities for output 4 include the following: (i) design a results framework, indicators, and monitoring and evaluation arrangements for the PDS and program; (ii) undertake participatory capacity needs assessment at central and provincial levels and prepare a targeted capacity strengthening program to be integrated within the PDS; (iii) prepare a GEF program framework document based on consultation with the MOF, SFA, target provinces, GEF agencies and secretariat, and other stakeholders; and (iv) prepare for public dissemination a knowledge product that summarizes the strategic approach and policy recommendations in the PDS.

17. No major risks related to implementation of the TA have been identified. The strong leadership, vision, and ownership by the MOF and SFA, as demonstrated over the last 10 years of the partnership, will ensure that a relevant and pragmatic development strategy is prepared. One minor risk is that some sector agencies may lack incentives to actively participate in the discussions to develop a new multisector long-term strategy for the partnership. This risk will be overcome through the conduct of extensive consultations and planning meetings with the involved stakeholders at the national, provincial, and local levels to ensure that all sectors are covered.

C. Cost and Financing

18. The TA is estimated to cost \$600,000, of which \$400,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The proceeds of the TA will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). The government will provide support in the form of counterpart staff and their travel and per diem, office facilities, meeting venues for workshop, and other in-kind contributions. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

19. Implementation of the TA will take 15 months from 1 October 2012 to 31 December 2013. The MOF will be the executing agency for the TA and the SFA will be the implementing agency. The TA will make use of the comprehensive coordination structure established for the partnership since 2002 at both central and provincial levels.⁵ At the central level, a steering

⁵ Institutional and organizational arrangements for the partnership were assessed during the preparation of TA completion report in 2010 for the TA 4358-PRC: Capacity Building to Combat Land Degradation. The assessment acknowledged the significant project management capacity of the executing and implementing agencies. Unlike previous GEF-supported grants, the recruitment of consultants for the proposed TA will be done by ADB, as requested by the SFA.

committee has been established comprising representatives from the national legislative and concerned ministries and agencies. A central project coordination office is established at the MOF, headed by the director general of the Department of International Cooperation, while the central project management office (CPMO) established in the SFA is headed by the deputy director general of the Department of Science and Technology. Through the CPMO, the SFA will implement the TA and be responsible for day-to-day operational matters and implementation activities. The SFA will administer the training, seminars, and conferences, for which an advance payment facility will be established. The SFA has the capacity to manage the funds, as it has also implemented GEF grants.

20. The SFA will provide ADB with biannual progress reports during the implementation period, and a TA completion report within 3 months of the TA completion date. Provincial project coordination offices and provincial project management offices have already been set up in Gansu, Qinghai, and Shaanxi provinces, and in the Inner Mongolia, Ningxia Hui, and Xinjiang Uygur autonomous regions, each headed by the vice-governor or chair in charge of the agriculture sector. In addition, specialized task forces on legal and policy, institutions and planning land degradation monitoring, and IEM have been established by the provinces to undertake project activities under the partnership.

21. The SFA will be supported by four individual consultants: a dryland management specialist and team leader (international, 5 person-months), a sustainable land management specialist (national, 8 person-months), a financial specialist (national, 8 person-months), and a natural resources management and institutional expert (national, 6 person-months). The consultants will be financed and engaged by ADB in accordance with its Guidelines on the Use of Consultants (2010, as amended from time to time) using the individual selection method. This method is considered appropriate and cost-effective given (i) the organizational structure has already been established for the partnership, and (ii) the size of the TA. The terms and conditions of the technical assistance framework agreement executed between the government and ADB dated 23 December 1996 apply to the ADB-financed consultants. The outline terms of reference for the consultants are provided in Appendix 3.

22. The TA will follow the standard monitoring and supervision procedures for ADB-administered TA. Best practices and lessons learned will be disseminated through national and international workshops and through various technical reports, knowledge products, and other publications posted on the websites of the partnership (<http://www.gefop12.cn>) and of ADB.

IV. THE PRESIDENT'S DECISION

23. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$400,000 on a grant basis to the Government of the People's Republic of China for the Integrated Strategy for Sustainable Land Management in Dryland Ecosystems, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Improved productivity and inclusive growth in dryland regions</p>	<p>By 2022: Improved land productivity (net primary productivity and water use efficiency improved from 2014 to 2023) (2012 baseline: to be determined at early implementation stage)</p> <p>Improved livelihoods in poverty counties in target provinces from 2014 to 2023 (2012 baseline: to be determined at early implementation stage)</p> <p>Increased investment in sustainable land management (SLM) and biodiversity conservation compared from 2014 to 2023 (2012 baseline: to be determined at early implementation stage)</p>	<p>Provincial annual reports</p> <p>State Forestry Administration (SFA) annual reports</p> <p>United Nations Convention to Combat Desertification (UNCCD) reports</p>	<p>Assumptions Provincial governments remain committed to implementing the integrated ecosystem management (IEM) strategic action plans (SAPs).</p> <p>The national government provides adequate support.</p> <p>Local stakeholders understand and support SLM practices.</p> <p>Improved livelihoods serve as an incentive for local stakeholders.</p> <p>Climate change impacts are predictable and adaptation is feasible.</p> <p>Risk Human and financial resources are inadequate.</p>
<p>Outcome A 10-year development strategy for SLM for dryland ecosystems endorsed by government</p>	<p>By 2014: Development strategy and program framework for 2014–2023 prepared and endorsed (2012 baseline: none)</p> <p>Financial mechanisms established to support implementation of the development strategy (2012 baseline: none)</p> <p>Enhanced multisector and multilevel coordination and institutional arrangements established and endorsed (2012 baseline: none)</p>	<p>Project technical and progress reports</p> <p>Annual reports from the Ministry of Finance (MOF), SFA, and provincial governments</p>	<p>Assumptions Sufficient human and financial resources can be mobilized on time by the national and provincial governments.</p> <p>Ongoing interest from development partners, such as the Global Environment Facility (GEF), to support the objectives of the program.</p> <p>Risk Government agencies are reluctant to contribute to implementing multisector approaches.</p>
<p>Outputs 1. Scope of partnership development strategy (PDS) identified</p>	<p>By 2014: Review report on scope of PDS completed. (2012 baseline: none)</p> <p>Target provinces and priority areas for the development strategy identified and agreed by central and provincial</p>	<p>Project technical and progress reports</p> <p>Annual plans and reports from MOF, SFA, and provincial governments</p>	<p>Assumptions Literature and data are available and will be shared with the project.</p> <p>National and provincial authorities agree to collaborate to complete the review.</p> <p>Risk Prioritization process is ineffective</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	authorities (2012 baseline: 6)		due to competing demands at national and provincial levels.
2. Resource mobilization strategies endorsed for implementation of national and provincial programs under the PDS	Resource mobilization strategies prepared and endorsed at national and provincial levels (2012 baseline: none) Strategy for public–private partnerships prepared and endorsed to support implementation of the development strategy (2012 baseline: none) Prefeasibility studies completed for at least two priority projects under two of the provincial Twelfth Five-Year Plans (2012 baseline: none)	Project technical and progress reports Annual plans and reports from MOF, SFA, and provincial governments	Assumption Ongoing commitment by provincial governments to implement and finance IEM SAPs linked to Five-Year Plan Risk Proposed programs and projects under IEM SAPs and Twelfth Five-Year Plan are not technically viable or cost-effective.
3. Institutional arrangements enhanced for implementation of the PDS	Enhanced multisector and multilevel coordination arrangements for the development strategy endorsed at national and provincial levels (2012 baseline: none) Development strategy and program integrated with national implementation and reporting for the UNCCD (2012 baseline: none)	Project technical and progress reports Annual plans and reports from MOF, SFA, and provincial governments	Assumption National and provincial governments commit financial resources to support the program and priority projects. Risk Domestic counterpart funds are not sufficient to leverage additional technical assistance and investment resources from development partners such as the GEF.
4. PDS prepared for the People's Republic of China (PRC)–GEF partnership on land degradation in dryland ecosystems for 2014–2023	Development strategy and program framework agreed at central and provincial levels (2012 baseline: none) Draft GEF program framework document prepared (2012 baseline: none) Knowledge product prepared that disseminates the strategic approach and policy recommendations in the PDS (2012 baseline: none)	Project technical and progress reports Annual plans and reports from MOF, SFA, and provincial governments Agreements or memoranda of understanding between central and provincial agencies on arrangements for the program	Assumption Central and provincial governments' commitment to develop the next phase of the program and to actively participate in development Risk Failure to reach agreement on appropriate institutional and coordination arrangements for program implementation
Activities with Milestones			Inputs
1. Scope of PDS identified			ADB: \$400,000
1.1 Review the results of phase 1 of the PRC–GEF partnership, including establishment of baseline indicators for impact statement by month 1.			Item Amount (\$)
			Consultants 250,000

Activities with Milestones	Inputs										
<p>1.2 Hold consultation and participatory meetings and workshops with national and provincial agencies and development partners by month 2.</p> <p>1.3 Survey knowledge, attitudes, and practices of local stakeholders to inform behavior-change communication strategy and inform design of the PDS by month 3.</p> <p>1.4 Identify priority provinces and project areas for the strategy and program by month 4.</p> <p>1.5 Prepare a review report on scope of land degradation, biodiversity, poverty, gender aspects, and livelihood issues in dryland ecosystems in the PRC, and proposed strategy and program scope by month 4.</p>	<table> <tr> <td>International and domestic travel</td> <td>50,000</td> </tr> <tr> <td>Reports and communications</td> <td>15,000</td> </tr> <tr> <td>Trainings, seminars, and conferences</td> <td>60,000</td> </tr> <tr> <td>Miscellaneous administration and support costs</td> <td>5,000</td> </tr> <tr> <td>Contingencies</td> <td>20,000</td> </tr> </table>	International and domestic travel	50,000	Reports and communications	15,000	Trainings, seminars, and conferences	60,000	Miscellaneous administration and support costs	5,000	Contingencies	20,000
International and domestic travel	50,000										
Reports and communications	15,000										
Trainings, seminars, and conferences	60,000										
Miscellaneous administration and support costs	5,000										
Contingencies	20,000										
<p>2. Resource mobilization strategies endorsed for implementation of national and provincial programs under the PDS</p>	<p>Government In-kind contribution (counterpart staff and their travel and per diem, office facilities, and meeting venues for workshop.</p>										
<p>2.1 Work with the provinces to undertake a process of criteria setting and prioritization for demonstration and investment projects and capacity support activities by month 2.</p> <p>2.2 Support the evaluation of the costing of provincial IEM SAPs and priority projects under the Twelfth Five-Year Plan, and undertake consultations with central and provincial governments and development partners on financial resource mobilization by month 5.</p> <p>2.3 Assess opportunities for payment for environmental services and eco-compensation approaches to be used and scaled up under the program by month 5.</p> <p>2.4 Identify opportunities for public-private partnerships and prepare private sector engagement strategy by month 5.</p> <p>2.5 Develop overall financial resource mobilization strategy for the PDS and program, and design project and fund management models for overall program and for priority projects by month 9.</p> <p>2.6 Identify a shortlist of high-priority investment projects and support prefeasibility assessments for at least two projects by month 12.</p>											
<p>3. Institutional arrangements enhanced for implementation of the PDS</p>											
<p>3.1 Assess current institutional and coordination arrangements under phase 1 of the partnership, the UNCCD, and other relevant international conventions by month 2.</p> <p>3.2 Discuss and agree upon enhanced institutional arrangements and coordination mechanisms under the PDS by month 5.</p> <p>3.3 Prepare final recommendations on the enhanced multisector and multilevel coordination arrangements for the PDS by month 6.</p>											
<p>4. PDS prepared for the PRC-GEF partnership on land degradation in dryland ecosystems for 2014-2023</p>											
<p>4.1 Design results framework, indicators, and monitoring and evaluation arrangements for the PDS and program by month 6.</p> <p>4.2 Undertake participatory capacity needs assessment at central and provincial levels and prepare targeted capacity strengthening program to be integrated within the PDS by month 9.</p> <p>4.3 Prepare GEF program framework document based on consultation with MOF, SFA, target provinces, GEF agencies and secretariat, and other stakeholders by month 12.</p> <p>4.4 Prepare a knowledge product that summarizes the strategic approach and policy recommendations in the PDS for public dissemination by month 12.</p>											

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	135.00
ii. National consultants	115.00
b. International and local travel	50.00
c. Reports and communications	15.00
2. Training, seminars, and conferences	60.00
3. Miscellaneous administration and support costs	5.00
4. Contingencies	20.00
Total	400.00

Note: The technical assistance is estimated to cost \$600,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff and their travel and per diem, office facilities, meeting venues for workshop, and other in-kind contributions. The value of government contribution is estimated to account for 33.33% of the total TA cost.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-other sources).

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Introduction

1. The Ministry of Finance (MOF), State Forestry Administration (SFA), and participating provinces will be supported by one international (5 person-months) and three national (22 person-months) individual consultants.

B. Terms of Reference

1. **Dryland Management Specialist and Team Leader** (international, 5 person-months)

2. The specialist will be responsible for the overall coordination and technical outputs of the technical assistance (TA). The specialist will review the contribution by the national experts and integrate the findings into the final outputs of the TA as defined in output 4. The specialist should have (i) a university degree in forestry, natural resources management, or agricultural science; and (ii) at least 10 years of relevant international experience in sustainable land management (SLM) in dryland areas, preferably including in the People's Republic of China (PRC). Specific tasks will include the following:

- (i) coordinate and review the technical work of the national consultants;
- (ii) design results framework, indicators and monitoring, and evaluation arrangements for the partnership development strategy (PDS) and program;
- (iii) undertake participatory capacity needs assessment at central and provincial levels and prepare a targeted capacity strengthening program to be integrated within the PDS;
- (iv) identify specific and targeted research needs to stimulate further innovations under the PDS and program;
- (v) prepare the Global Environment Facility (GEF) program framework document based on consultation with the MOF, SFA, target provinces, GEF agencies and secretariat, and other stakeholders;
- (vi) prepare for public dissemination a knowledge product that summarizes the strategic approach and policy recommendations in the PDS; and
- (vii) participate in and present findings at national and regional workshops.

2. **Sustainable Land Management Specialist** (national, 8 person-months)

3. The specialist will be responsible for output 1, and will closely work with the international team leader in preparing the final outputs of the TA. The specialist should have (i) a university degree in forestry, natural resources management, or agricultural science; and (ii) at least 8 years of relevant experience in SLM in dryland areas. Specific tasks will include the following:

- (i) review on the results of phase 1 of the PRC–GEF partnership, including establishment of baseline indicators for impact statement;
- (ii) conduct consultation and participatory meetings and workshops with national and provincial agencies and development partners;
- (iii) conduct a knowledge, attitudes, and practices survey of local stakeholders to inform about the behavior-change communication strategy and the design of the PDS;
- (iv) identify priority provinces and project areas for the strategy and program;

- (v) prepare a review report on scope of land degradation, biodiversity, poverty, gender, and livelihood issues in dryland ecosystems in the PRC and propose a strategy and program scope;
- (vi) participate in and present findings at national and regional workshops; and
- (vii) conduct any task that is reasonably requested by the team leader.

3. Financial Specialist (national, 8 person-months)

4. The specialist will be responsible for output 2, and will closely work with the international team leader in the delivery of the final outputs of the TA. The specialist should have (i) a university degree in public administration or any related field, and (ii) at least 8 years of relevant experience in project management and design. Specific tasks will include the following:

- (i) work with the participating provinces to undertake the process of criteria setting and prioritization for demonstration and investment projects, financial implications and requirements, and capacity support activities;
- (ii) identify a shortlist of high-priority investment projects and support financial prefeasibility assessments for at least two projects;
- (iii) participate in and present findings at national and regional workshops; and
- (iv) conduct any task that is reasonably requested by the team leader.

4. Natural Resources Management and Institutional Expert (national, 6 person-months)

5. The expert will be responsible for the activities under output 3, and will closely work with the international team leader in the delivery of the final outputs of the TA. The expert should have (i) a university degree in forestry, natural resources management, or agricultural science; and (ii) at least 8 years of relevant experience in institutional aspects of SLM in dryland areas. Specific tasks will include the following:

- (i) assess current institutional and coordination arrangements under phase 1 of the partnership, the United Nations Convention to Combat Desertification, and other relevant international conventions,
- (ii) discuss and agree upon enhanced institutional arrangements and coordination mechanisms under the PDS,
- (iii) prepare a report on the enhanced multisector and multilevel coordination arrangements for the PDS,
- (iv) participate in and present findings at national and regional workshops, and
- (v) conduct any task that is reasonably requested by the team leader.

6. The consultants will submit their draft and final reports in English and Chinese language to the government and ADB, including one electronic copy on a CD-ROM. The reports will be published in Chinese and English language and made available online.