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Degraded Natural Forest Use Land Restoration and Management in Typical Water and Solid Erosion of China

Part I: Project Information

GEF ID
10533

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
☐ CBIT
☐ NGI

Project Title
Degraded Natural Forest Use Land Restoration and Management in Typical Water and Solid Erosion of China

Countries
China

Agency(ies)
UNDP

Other Executing Partner(s)	Executing Partner Type
National Forestry and Grassland Administration (NFGA)	Government

GEF Focal Area

Land Degradation

Taxonomy

Influencing models, Transform policy and regulatory environments, Demonstrate innovative approache, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Focal Areas, Land Degradation, Land Degradation Neutrality, Land Cover and Land cover change, Carbon stocks above or below ground, Sustainable Land Management, Restoration and Rehabilitation of Degraded Lands, Income Generating Activities, Improved Soil and Water Management Techniques, Stakeholders, Indigenous Peoples, Local Communities, Beneficiaries, Type of Engagement, Partnership, Participation, Consultation, Information Dissemination, Communications, Awareness Raising, Public Campaigns, Private Sector, Individuals/Entrepreneurs, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Women groups, Gender-sensitive indicators, Gender results areas, Capacity Development, Access to benefits and services, Knowledge Generation and Exchange, Capacity, Knowledge and Research, Learning, Indicators to measure change, Adaptive management, Theory of change

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Duration

60 In Months

Agency Fee($)

283,742

Submission Date

3/20/2020

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount($)	Co-Fin Amount($)
LD-1-3	GET	1,986,758	22,330,000
LD-2-5	GET	1,000,000	5,000,000
Total Project Cost ($)		**2,986,758**	**27,330,000**

B. Indicative Project description summary

Project Objective

To mainstream Sustainable Forest Landscape Restoration (FLR) and Land Degradation Neutrality (LDN) for improving flows of ecosystems services of Degraded Natural Forest Use Land (NFUL) in soil erosion-prone regions of China, based on a multi-level governance and landscape approach.

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
Component 1: National, Provincial and Local Policies Update.	Technical Assistance	**Outcome 1**: National, Provincial and local NFUL statutes amended or emplaced to promote multi-level governance and landscape approaches for FLR and LDN in degraded NFUL regions. *Indicated by:* 1*) At least two regulations i) the Natural Forest Protection Program (NFPP) regulation and ii) the Public Benefits Forest regulation are amended by NFGA and transcribed into the provincial statutes in the five project provinces (i.e. Gansu, Chongqing, Yunnan, Guizhou and Fujian).* *2) A 10-year NFUL, FLR and conservation roadmap/ plan approved by National Forestry and Grassland Administration (NFGA) and 9 county level strategies,*	Output 1.1: National, provincial and local (demonstration sites) NFUL conservation statutes reviewed and amended, or new statutes introduced, to promote FLR in NFUL. Output 1.2: Ten-year national-level NFUL FLR and conservation roadmap/plan adopted by NFGA, and transcribed into provincial and local NFUL strategies, all with secured resources and mechanisms for implementation. Output 1.3: National, provincial and local level standards, indicators and monitoring system[1], for assessing the FLR results in NFUL areas in of China, designed and adopted. _____ [1] The National, provincial and local level standards, indicators, and a monitoring system will include indexes such as the Normalized Difference Vegetation Index and Soil Health index and	GET	750,000	5,000,000

and associated standards, for NFUL implementation adopted

3) At least 5 counties use a comprehensive indicator/monitoring system consisting of a mix of on-the ground and imaging techniques, including the use of Normalized Difference Vegetation Index and Soil Health index and other relevant LDN tools.

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Targets and indicators to be confirmed during PPG phase.

other relevant national and internationally readily available LDN indexes.

Component 2: Degraded NFUL Restoration, Ecosystems Services Protection, and Local Livelihood Improvement.	Investment	**Outcome 2**: Innovative, technically and financially viable models of good multi-level governance for FLR demonstrated in typical NFUL areas in China. *Indicated by:* *1) 424,000 hectares under improved practices through FLR models (i.e. 114,000 ha corridors between natural forest areas; 140,000 ha "no disturbance" enclosure management; 140,000 ha monoculture upgrade to mixed forest; 30,000 ha mixed forest planting on bare land).*	Output 2.1: New technical models of FLR demonstrated in NFUL areas in the five project provinces/ municipalities (i.e. Gansu, Chongqing, Yunnan, Guizhou and Fujian). Output 2.2: Improved sustainable livelihood models demonstrated[1] in five project provinces/municipality and model principles incorporated into the NFUL planning and programming. [1] The models will be related to different under-the-forest-canopy products (crop and livestock including bees) and will have aspects of technical training,	GET	1,200,000	12,800,000

2) At least 2,500 governmental officials trained (women/men).

3) At least 21,500 forest workers and ecological forest rangers trained (women/men).

4) At least 6,000 people benefitted from project supported alternative or improved sustainable livelihoods (disaggregated by women and men).

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Targets and indicators to be confirmed during PPG phase.

promotion of local small-scale businesses, cooperative establishment and market development. Detailed descriptions of the sustainable livelihood models will be developed during the PPG phase.

Output 2.3: Results and lessons learned of the FLR models' effectiveness in restoring and maintaining functional landscapes, including their technical and financial aspects, analysed and included in the NFPP.

Output 2.4: Program for capacity building on standards, policy and program development, necessary to achieve multi-level governance forest landscape restoration of NFUL lands, developed and used by national, provincial, and local level officials

| Component 3: Innovative Financing Mechanisms Development and Emplacement. | Technical Assistance | Outcome 3:

Financing mechanisms and funding channels for increased investment in SFM, FLR and LDN of NFUL areas promoting good governance at the landscape level.

Indicated by:

1*) At least five ecological compensation mechanisms (PES) implemented in the demonstration sites of the five selected provinces (i.e. Xiaolongshan; Xishuang-bann; and Wuxi, Libo and Chang ting counties.)*

2) At least five community based FLR supporting livelihoods projects implemented.

3) At least five public-private partnerships (PPP) established.

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Targets and indicators to be confirmed during PPG phase. | Output 3.1: Increased investments for NFUL restoration and management, by establishing two ecological compensation mechanisms (PES) programmes, using Targeted Scenario Analysis (TSA), in each project province/ municipality.

Output 3.2: Increased private capital financing and investment in PPPs to support protect and restore NFUL areas in each project province/municipality, such as connecting natural forest areas (NFA) in rubber and tea plantations using a mixed of local tree species[1].

Output 3.3: Capacity of local stakeholders and companies build for developing bankable FLR supporting livelihood projects and initiatives.

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[1] Other examples could be company engagement in close-to-nature agroforestry and husbandry. | GET | 430,000 | 5,000,000 |

| Component 4: Raise Awareness, Knowledge Management, and M&E. | Technical Assistance | Outcome 4: Capacity and awareness of stakeholders raised on NFUL restoration by effective knowledge management, M&E and project coordination. *Indicated by:* *1) At least 20% increase in awareness, knowledge, and capacity of project stakeholders (measured through changes in Knowledge, Attitudes and Practices (KAP) survey scores) Number of government official trained (Disaggregated by women and men).* *2) Project designated website is actively used as measured by 1,000 platform visits per year.* *3) At least 150,000 persons reached through project-developed information and interactions.* *--* Targets and indicators to be confirmed during PPG phase. | Output 4.1: Knowledge and communication products developed and disseminated to stakeholders including local communities, local government officials and globally through communication and KM platforms and South-South cooperation settings Output 4.2: Project designated website/knowledge hub and communication platform is established and media outreach ensured. Output 4.3: Gender Action Plan, Indigenous People's Plan, Stakeholder Engagement Plan, KAP surveys and project activities effectively implemented and monitored. | GET | 464,533 | 3,960,000 |
| | | | **Sub Total ($)** | **2,844,533** | **26,760,000** |

Project Management Cost (PMC)

	GET	142,225	570,000
	Sub Total($)	142,225	570,000
	Total Project Cost($)	2,986,758	27,330,000

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Government	National Forestry and Grassland Administration (NFGA), China	Public Investment	Investment mobilized	18,180,000
Government	National Forestry and Grassland Administration (NFGA), China	In-kind	Recurrent expenditures	300,000
Government	Gansu Provincial Forestry Bureau (GPFB)	Public Investment	Investment mobilized	1,200,000
Government	Gansu Provincial Forestry Bureau (GPFB)	In-kind	Recurrent expenditures	500,000
Government	Chongqing Municipal Forestry Bureau (CMFB)	Public Investment	Investment mobilized	1,200,000
Government	Chongqing Municipal Forestry Bureau (CMFB)	In-kind	Recurrent expenditures	500,000
Government	Yunnan Provincial Forestry Bureau (YPFB)	Public Investment	Investment mobilized	1,200,000
Government	Yunnan Provincial Forestry Bureau (YPFB)	In-kind	Recurrent expenditures	500,000
Government	Guizhou Provincial Forestry Bureau (GPFB)	Public Investment	Investment mobilized	1,200,000
Government	Guizhou Provincial Forestry Bureau (GPFB)	In-kind	Recurrent expenditures	500,000
Government	Fujian Provincial Forestry Bureau (FPFB)	Public Investment	Investment mobilized	1,200,000
Government	Fujian Provincial Forestry Bureau (FPFB)	In-kind	Recurrent expenditures	500,000
Private Sector	Jinsha company	Unknown at this stage	Investment mobilized	200,000
Private Sector	Jinsha company	In-kind	Recurrent expenditures	100,000
GEF Agency	UNDP	In-kind	Recurrent expenditures	50,000

Total Project Cost($)   27,330,000

Describe how any "Investment Mobilized" was identified

Investment mobilized: Government: Investments have been mobilized through the National Forest and Grassland Administration's Natural Forest Protection Program (NFPP). National level funding will support the creation of the enabling environment including revision of regulations and the preparation of a 10-year Natural Forest Use Land (NFUL), Forest Landscape Restoration (FLR) and conservation roadmap for the NFPP. The provincial engagement will be financed via the annual provincial level NFPP allocations towards the local level implementation of local project activities including the establishment of corridors between NFUL areas, conversion of monoculture to mixed forests, active management of "no disturbance areas" and afforestation of bare lands. The proposed project's restoration work will be undertaken, through GEF and earmarked Co-financing investments, on an area of 83,000 ha. Parallel replication and upscaling of similar restoration projects using project knowledge and capacity, will be implemented, overseen by the project, in other NFUL areas of Xiaolongshan: Xishuangbann and Wuxi, Libo and Changting counties using additional national and local funding primarily from the NFPP. Discussions are being held to include additional government development funds to ensure an increased support towards sustainable local livelihood initiatives with in the NFUL areas. Private sector: Investments in close-to-nature livelihood alternatives including agroforestry and under-the-canopy husbandry has also been leveraged through a planned investment of US $300,000 by the Jinsha company. The Zhejiang Province based Jinsha company is having operation Xishuangbanna where they will be working jointly with the project. To expand the overall private sector engagement, as well as increase the level of private sector co-financing discussions aimed at engaging other companies in the other project provinces are underway.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	GET	China	Land Degradation	LD STAR Allocation	2,986,758	283,742	3,270,500
				Total GEF Resources($)	2,986,758	283,742	3,270,500

E. Project Preparation Grant (PPG)
PPG Required ☑

PPG Amount ($)

100,000

PPG Agency Fee ($)

9,500

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	GET	China	Land Degradation	LD STAR Allocation	100,000	9,500	109,500
				Total Project Costs($)	100,000	9,500	109,500

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
424000.00	0.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
424,000.00			

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	10439861	0	0	0
Expected metric tons of CO_2e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	10,439,861			
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting	2022			
Duration of accounting	20			

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)				
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	15,000			
Male	15,000			
Total	30000	0	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

The project is expected to directly contribute 424,000 ha to the GEF Core Indicator 3 "Area of land restored" in the following manner: 114,000 ha corridors between natural forest areas; 140,000 ha "no disturbance" enclosure management; 140,000 ha monoculture upgrade to mixed forest; 30,000 ha mixed forest planting on bare land. Sustainable forest management (SFM) practices suitable for the implemented restoration measures will then subsequently be followed on the land in question. In addition, the provincial forestry bureaus are further anticipating to engage in an upscaling of the project interventions during the latter half of the project and it is hoped that the replication efforts will reach two or three times that of the project' demos. The project will have an estimated total of 30,000 direct beneficiaries at local and national level. Of these, 6,000 local beneficiaries will profit directly from livelihood opportunities generated by newly developed NFGA alternative livelihood programs . At least 2,500 persons at national level and 21,500 forest workers and ecological forest rangers at local level will benefit from trainings. For the project's trainings at least 50% of the trainees will be women. Stakeholders will also be making active use of the documentation developed by the project on the new methodologies and approaches and at least 1000 people will use the projects information platform annually. Furthermore, it is expected that at least 150,000 people will be reached through project-developed information and interactions. Indirectly, about 5,000,000 persons is expected to benefit from exposure to project information and discussions on China's new approach to natural forest use land (NFUL) restoration. Finally, the project will contribute to the GEF core indicator 6 through carbon sequestration in connection with the forest landscape restoration. The net change in GHG emissions is calculated from net changes in land use relative to the baseline. Land use is converted into a corresponding amount of tCO2e by multiplying land use (in hectares) by a specific emission factor. The emission savings will depend on the forest type, forest quantity, and method of restoration. An initial estimate was made based the method, Extension Method of Forest Volume (EMFV), used in the paper published in the journal of ISSUES OF FORESTRY ECONOMICS in 2006. An estimated 10,439,861 tCO2e will be achieved. The proposed project's contribution towards the mitigated greenhouse emissions will be a result of five years project implementation and 15 years capitalization. by the end of the project. This estimate will be confirmed during the PPG phase using the UN's EX-ACT tool. Please see Annex C for the core indicator breakdown. The project will also contribute to at least seven Aichi Targets including targets 2; 4; 5; 7; 14; 15 and 19.

Part II. Project Justification

1a. Project Description

The proposed project will introduce and promote new concepts and best management practices in sustainable forest and land management, and accomplish widespread restoration and improved management of degraded NFUL so as to protect the landscape ecosystems with global significance in typical soil erosion regions of China, through a multi-level governance and landscape approach.

1a1) Global environmental problem, root causes and barriers that need to be addressed (systems description.

According to UNCCD land degradation affects the lives of at least 3.2 billion people and an estimated 20% of the earth's vegetated surface shows persistent declining trends or stress in productivity, partly due to poor management practices, leading to potential mass species extinction and loss in ecosystem services valued at 10% of the global gross domestic product[1]. Global forests have declined 3 % over the previous 25 years, whereas the global area of natural forest has decreased by 6 %, placing stress on originally established ecosystems and their functions including soil and water protection, as well as preserving biodiversity[2]. In response the global community have adopted several global initiatives to address this including the United Nations strategic plan for forests (2017–2030), the Bonn Challenge, and the UN Decade on Ecosystem Restoration (2021–2030).

Land degradation is a major challenge in today's China, seriously impacting those living in the affected downstream areas. In most regions of China, land degradation is a result of deforestation, which has led to soil erosion, loss of soil organic matter, soil salinization, and soil compaction, ultimately resulting in a decline in the ecosystem services which these areas are providing. While the root causes for the wide-spread land degradation are described in detail later in the section, the lack of or inadequate forest resource management policy in the past should be highlighted as a major factor for the degradation, which impacts forest landscapes in the NFUL today. However, since 1998China has radically changed its policies after the country had experienced devastating floods resulting in 3,656 deaths. In response, the government banned logging[3] in NFUL areas in the upper reaches of the Yangtze River and the upper and middle reaches of the Yellow River. China's Voluntary Land Degradation Neutrality (LDN) Target Setting Programme report to the UNCCD (2017) notes that the area affected by soil and water loss, due to water induced soil erosion and water run-off, amounted to 1,293,200 km^2 according to 2011 statistics, of which 78.8% were mildly to moderately affected. On 21.2% of the land the effects were rated intense or above. These problems, in turn, lead to downstream river siltation, excessive water runoff and low soil fertility in upstream forest and agricultural areas, and in its ultimate form, catastrophic flooding and landslide events. Using 2014, which can be considered an "average" year, as a reference, China experienced 15 hydrological natural disaster events, twice as many as India and five times more than the Philippines[4]. The floods in May and June of 2014 affected 5.5 and 15 million people respectively, with a damage cost exceeding US $ 1 billion [5].

And while China has been able to increase its overall forest cover from 17% to 23 % over the last two decades including an increase in the forest designated as natural forest areas, or as officially termed NFUL, which in 2016 covers 138.68 million ha, the forest quality remains relatively low. For instance, 35.52 million ha are young forests and 39.29 million ha are middle-aged forests making up 53,95% of the overall NFUL forest fund[6]. Also, the typical standing stock in China's NFUL areas has an average from 90 to 130 m^3 per ha, far below the 300 m^3 per ha found in good forests around the world. And although tree coverage

has increased, this has not translated into improved forest function. For instance, soil retention in many areas has not improved. thus, proving current efforts to be insufficient to address negative impacts from the decades of deforestation. Similarly, other ecosystem services provided by the NFULs, in particular, services related to soil improvement and surface runoff, are weak. The challenge of restoring NFUL areas is difficult, given that many regions have an ecologically fragile environment and poor soil quality.

In the project's targeted forest landscapes, such as Xiaolongshan, where, according to the local forestry bureau reporting, 90% of the NFUL areas are situated on slopes of over 25 degrees, among the continuously   experienced problems are: soil and water erosion, habitat degeneration and fragmentation, sedimentation and flooding of rivers caused by livestock grazing, cutting of firewood and cash crop monoculture. In Wuxi county, where similar issues are apparent, the forest restoration efforts, to date, have been hampered by the lack of active management of young forest established in heavily degraded soils. Such, and other issues outlined below, become serious impediment for local counties such as Changting in Fujian province where the county's soil erosion area accounts for nearly one-third of the county total (i.e. 309,900 ha), and where moderate to severe soils erosion area exceeds 20,000 ha. In response to the catastrophic flooding in the Yangtze River in 1998, China established its Natural Forest Protection Program (NFPP) in an attempt to reduce floods, as well as to halt or reverse soil degradation. The NFPP calls for the protection and restoration of lands designated as NFUL areas. Thus, restoration of China's NFULs has a critical role to play in re-establishing vital ecosystem services. Especially in soil protection areas that are located around the headwaters of rivers such as Yellow, Yangtze, and the Mekong.

Starting as a pilot in 1998, NFPP is now a full-scale program in its second phase (2010 – 2020) with an annual budget of 20 billion RMB (about US $3 billion). Furthermore, on July 23, 2019, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the "Plan for the Protection and Restoration of Natural Forests" (PPRNF). This plan will be supported by a Natural Forest Protection and Restoration System Program and which has a long-term vision until 2050[7]. The program will start in 2021 and is in reality an extension of the NFPP.

And while the NFPP so far has been successful in increasing forest cover overall, the need for improving on forest quality and optimization of the provision of ecosystem services in the NFUL is becoming more and more apparent. What is thus needed, is an approach that will greatly increase the extent to which lands designated as NFUL provide a range of critical ecological services, protecting downstream agricultural and urban areas by preventing soil and water runoff. Although this is being recognized among the managers of the NFPP and more broadly within NFGA there are currently a number of barriers and underlying root causes, which are slowing down the identification and implementation of the changes needed.

Root causes for natural forest degradation in China.

From 1949 until the mid-1980s, the exploitable resources in most State-owned forest bureaus declined markedly while at the same time, China's economic reality encouraged ever-increasing harvests of forest resources to generate revenue. This resulted in that forest bureaus, when encountering issues conflicting with their mandate, often favoured economic returns. In addition, bureaus were often ineffective in enforcing timber harvest laws enabling farmers to indiscriminately clear forests to create farmland[8]. Although China has made leaps and bounce in terms of forest policy, planning and implementation since then, including the large-scale Natural Forest Protection Program, it is still marked by the effects of the forest degradation in the past.

s In its current efforts to restore NFULs China encounters a number of key issues that need to be addressed in order to ensure that the forests located on these lands can provide stronger ecological benefits including soil retention, contain water in the local areas and increase biodiversity through establishment of functional habitats. The underlying root causes and barriers will be fully explored during PPG phase as part of the project's Theory of Change.

Unsustainable forest landscape management and restoration: The current forest landscape restoration (FLR) and management threaten the effective restoration and rehabilitation of the degraded NFUL areas. Evidently current practices could be corrected to improve habitat quality and integrity, as well as improve upon the ecosystem services these landscapes can provide. For instance, under the current restoration practices the use of large-scale monoculture planting (and seed dispersal), most often using non-local species, is widespread. This is ill-advised as monocultures exhibit higher soil erosion, lower water

retention capabilities, and lower soil organic content than mixed broadleaf and coniferous forest. Also, In the newly rehabilitated forest areas in previously heavily degraded natural forest soils, lack of active management directly results in a degradation of the young forest, for which thinning is needed to avoid competition among individual trees, decrease the risk of pest and prevent from forest fire. In addition, despite the strong efforts and investment in NFUL areas, these are often focused on small-scale, such as the forest stand level, rather than landscape level. Therefore, issues such as fragmentation are not detected and are seldom addressed. Part of this is related to the current lack of a holistic view and broad use of qualified indicators. Currently the NFPP uses limited indicators such as forest cover and standing stock but does not consider other key indicators, such as soil quality, resistance to pests and disease, biodiversity, connectivity, etc.

Lack of effective engagement with local communities and forest owners: Even though 48% of the NFUL areas is collectively owned by local communities, they are not actively engaged in the decision-making processes nor in site management per se. This has led to a lack of interest (and awareness) in the NFUL areas, its functions, as well as management. There is, therefore, a need to actively engage the local communities in the restoration and management planning efforts in the local areas in which they live. Such engagements will strengthen the community ownership and help raise the awareness of the purpose and expected results of the FLR efforts. Part of this process would be to help local communities identify possible opportunities for additional financial or livelihood benefits that could supplement the government compensation schemes.

Lack of access to financing: In the current setting local actors owning NFUL land receive eco-compensation from the Chinese government through its established funding mechanism. However, the compensation, which is on an average of 15 RMB (US $2.13) per Chinese mu/year[9], has to be considered low. Because of this, locals often engage in (as briefly outlined below) in illegal activities such as small plot farming. There is thus a need to develop new financial mechanisms and establish local close-to-nature businesses through private sector engagements, which cater to stakeholders in the local communities.

Engagement in activities contradicting FLR objectives: Because of the lack of access to financing and lack of effective engagement with local communities and forest owners, local people often engage in small scale agriculture within the NFUL areas, harvest wood for sale, graze livestock, as well as, burn crop residue and other activities not allowed within the NFUL. While compensations to local communities are provided for refraining from such activities, common practice is, due to the low level of compensation, to collect the compensation and engage in illegal activities regardless. This is because, people depend on exploiting the natural resources for their livelihood/income. Addressing the issue of community involvement in the planning and management/restoration processes of the NFUL areas, as well as expanding the financial and livelihood options available to local communities, would help minimize this root cause. Although habitat fragmentation is easily visible in the project targeted landscapes, such fragmentation is mostly based on old land use decisions which date decades back. That said local communities' involvement in illegal activities in the NFUL areas is facilitating a further reduction in interior habitat and an increase in edge length, edge habitat area and the degree of isolation of natural forest land patches, which can modify the habitat's physical or biota conditions that many species depend on.

Despite decades of NFUL restoration policy implementation, it has not generated the desired tangible results on the ground. The current approach to NFUL restoration is not sufficient to meet the national challenges of FLR, biodiversity conservation and green livelihood creation. The empirical evidence supports that this can be largely attributed to a lack of evidence-based natural forest and land restoration policy. The current government policy and program lack an approach to overcome these challenges. Although recently a landscape-level integrated approach of natural forest management is increasingly favoured at the local level, there are several barriers to effectively adopting this approach nationally. The proposed project aims to overcome such key barriers and usher in a landscape-level integrated natural forest and land restoration approach nation-wide. The key barriers impeding the adoption of new approach are summarized below.

Long-term vision and barriers to achieving it.

Barrier 1: Outdated policy for natural forest and land management. According to the sixth national natural forest resources inventory and the status of natural forest prepared in 2005, China has the largest man-made forest in the world. However, while forest area is increasing, the quality of the forest and the ecosystem services it provides are far from optimal. This is a direct result of the current afforestation approach for natural forest and land management, which generally lacks landscape-level integrated approaches. The nation-wide change in the approach is only possible through a change in the national policy and program implementation. Further, there is a lack of a long-term plan for transitioning from the current top-down implementation approach to one that engages stakeholders at landscape-level. This policy barrier is described as an "umbrella problem" by Chinese experts, and it will require an evidence-based innovative solution to bring about such a paradigm shift. Without changing the national policy and bringing changes to the NFPP implementation modalities, it is difficult to address the restoration challenges associated with forest and land in China. Furthermore, current national policy does not facilitate an environment that jump-starts changes, such as experimenting alternative restoration techniques, exploring financing mechanisms and transforming sustainable food production systems. Also lack of landscape planning guidelines and methodologies has hindered the NFPP in optimizing its interventions in the past. This is because holistic planning is currently absent and does not take into account ecological functionality of the broader landscape, water source and stream protection. The national policy lacks the foregoing standards, long-term plans and program to search for innovative solutions. At local level, responsible authorities lack capacity to develop plans that will initiate transition to an integrated approach to forest landscape. This barrier will be mainly addressed through the project's interventions under component 1: National, provincial and local policies updated to bridge the policy and regulatory gaps for NFUL in China

Barrier 2: Use of obsolete natural forest and land management techniques, lack of evidence-based technical guidelines on landscape-level approaches and lack of support program on sustainable livelihood innovation: The restoration approach taken by China is ineffective in achieving its national natural forest restoration goals. A number of key markers, such as soil quality, biodiversity, and improved livelihoods, are below expectations or not achieved, as they receive little, or no, focus under the current implementation of the NFPP. Also as noted, monoculture has been a preferred afforestation technique, and while it simplifies the initial establishment process, monocultures alter the native soil conditions, reduce biodiversity and provide for lower levels of ecosystem services compared to other forest types. Furthermore, planting market-oriented plant species disincentivize restoration with native species. All of which has immense negative social and environmental consequences. At the same time, without proven good models for adoption, policy and decision makers do not receive evidence-based advice to assess the options for policy amendments. Another reason for the above-mentioned policy barrier, is the lack of national level evidence-based guidelines on a landscape-level integrated approach to forest landscape. In addition, China's forest restoration efforts are unsuccessful due to a disconnect between national policy and the local stakeholders' needs in NFPP. Consequently, many communities have restricted use of natural forest. The current program does not take this into consideration by for instance providing local communities with alternative green livelihood options. And, there are no programs to address the needs of people living on the fringes of society. Ethnic minorities and women from low-income families, in particular, are often heavily dependent on natural forest for their livelihood. Although compensations are made for the imposed restrictions on land usage, the compensation is far too low in comparison to loss of livelihood. As a result, unsustainable exploitation of natural resources is prevailing. Studies have shown that there is a need to develop alternative livelihoods for local people, as part of NFPP, with funding provided through the program. Although some small livelihood initiatives are implemented, these ad-hoc projects and their results do not grab the attention of NFGA policy makers, and thus are not translated into the national policy. One problem is that these programs distribute money to individual households, which makes it difficult to measure the impact of the program, as it is difficult to track the fund utilization, and thus to measure success. Therefore, there is a need for implementation of nationally supported demonstration project that will provide an evidenced-based advice to NFGA on incorporation of green livelihoods support program in the NFPP. This barrier will be mainly addressed through the project's interventions under component 2: Restoration of degraded NFUL protecting ecosystems services and improving livelihood of local communities through improved management in the project targeted landscapes.

rrier 3: Absence of financial incentives for adoption and scaling up of the new restoration approach: There are two financial impediments for adoption and scaling of new approaches. First impediment is the lack of payment system that is based on valuation of ecosystem services encouraging adoption of protection and storation activities. Forest restoration and sustainable use can be encouraged by appropriate financial incentives. State-owned natural forest does not currently have ancial incentives for transforming from monoculture restoration practices to "accelerated" natural regeneration. Similarly, the communities that own or rely on forest d land are not encouraged to preserve and sustainably manage the forest. Instruments such as Payment for Ecosystem Services that can help finance a move away om traditional forest management and encourage sustainable forest use, are absent from the current national policy and program. A second impediment is that there not enough funding available to support FLR at the level needed to achieve national results. There are a number of different, innovative financing mechanisms that ve been discussed by NFGA, however, none have been brought to a level of detail and refinement so that they could be practically applied to generate more funds. In 05, the China Committee for International Cooperation on Environment and Development (CCICED) established the Task Force on eco-compensation and policy search. The Task Force contained six thematic research fields including national strategy, theory and method, watershed, mineral resource development, forest and tural reserves. An "eco-compensation" mechanism for financial transfers from downstream beneficiaries of ecosystem services to upstream service providers was scussed. Lastly, while there have been some efforts to include the private sector in the restoration and protection of NFUL areas, results of these efforts have not aterialized. This is a drawback because the private sector may bring the benefit of greater efficiency – carrying out restoration and management at lower costs for e same level of quality. This barrier will be mainly addressed through the project's interventions under component 3: Development and emplacement of innovative ancing mechanisms for SFM, FLR and LDN of NFUL in China.

Barrier 4: Limited capacity, knowledge and awareness on a landscape-level integrated natural forest and land restoration approach: Despite the decades of investment on natural forest and land restoration, China has not developed proven best management practices guidelines nor widely disseminated knowledge to local stakeholders. Most people (including Government staff and forest workers) are unaware of the technical deficiencies of current afforestation practices. Thus, capacity of responsible authorities, on how to oversee and implement restoration principles and techniques that have environmental, social, and economic benefits, also needs to be built. And while there is some knowledge of possible financing alternatives, that knowledge lacks depth. Similarly, while there is awareness of livelihood issues, there is little knowledge on how these could be addressed in a systematic way. Experts and officials also lack the detailed knowledge they need for improving soil restoration efforts, and the general public lacks knowledge of integrated approaches to address forest degradation and restoration issues. At the same time local communities have diverse and unique knowledge of their local forest and land. However, this knowledge is not incorporated into the national policy due to lack of consultation processes during policy and program formulation. This barrier will be addressed by the project's interventions under component 2 Demonstration pilot sites and component 4: Awareness raising, knowledge management and M&E.

1a2) Baseline scenario and any associated baseline projects.

There are relevant and enabling national and provincial policies, programs and strategies for the proposed project, which include key legislation such as the People's Republic of China (PRC) Law on Prevention and Control of Desertification, the Forestry Law, the Environment Protection Law and the Law on Water and Soil Conservation. As mentioned in the below section Consistency with National Priorities the project is in support of the National Biodiversity Strategy and Action Plan (2011-2030) and in line with China's Voluntary LDN Targets (2017). Further, the project is aligned with various NFGA initiatives such as the National Plan for Poverty Alleviation through Forestry issued in 2014 and the Outlines on Promoting Ecological Civilization (2013-2020). Finally, the project, with its focus on NFUL areas, coincides with one of the six key NFGA programs[10], which has been put in place to halt and reverse land degradation in NFUL areas, namely the NFPP. With the adoption of the PPRNF[11] the NFPP will be expanded in the coming years to include all NFUL designated areas in China. The annual program expenditures are expected to more than double from the current approximate US $3 billion annually. The full legislative, strategy and programmatic ecosystem of the project will be developed, as part of the PPG phase.

However, due to the outlined root causes and barriers, in the absence of the proposed project, the technical forestry approaches implemented in the NFUL areas will not exhibit significant improvement from the current models of monoculture planting and the used restricted access approach to natural regeneration. The lack of addressing fragmentation of natural forest will also allow to continuously omit possibilities for integrating and connecting NFUL with other conservation lands, such as protected areas and ecologically sensitive zones, as well as the NFUL areas themselves. While increased forest cover and its benefits will continue to occur using the current methodologies and approaches, they will not expedite the overall progress towards putting China on a holistic path of reducing the occurrence of catastrophic flooding and landslides to the expected extent. China will continue to judge its NFUL restoration efforts in a uni-dimensional way, using only forest cover as its main indicator of progress. Livelihoods of local people living in and around NFULs will continue, and the communities will still experience a lack of inclusion in issues that matter to them, even with regard to forest lands, which are owned by the communities themselves. Under-compensation for restrictions to land use will continue leading to increased pressure on the forests from the community engagement in animal grazing, wood collection and crop growing. Finally, the changes to the financing mechanisms of China's NFUL restoration efforts will not be accelerated. The fund allocations from central government, through the established channels, will continue but the limited supplementary provisions for provincial and local initiatives will be maintained. Without testing pilots focusing on alternatives there will be no new mechanisms and set-ups for channelling needed funding to local initiatives, facilitating community engagement and bottom up approaches to FLR. Thus, the programme will continue to face challenges where less than ideal restoration methods will continue to be implemented.

The baseline investment from the Chinese Government to the NFPP, implemented by the NFGA, for the next five years, is estimated to be roughly 150 billion RMB or about US $22.2 billion. The current level of programme funding is 20 billion RMB (app. US $3 billion) per year, which is estimated to double to 40 billion RMB per year sometime after 2020. With the planned expansion of the NFPP from 70% to 100% of the NFULs the NFPP will cover 31 provinces, 1,900 counties and 300 forest industry bureaus, a rough calculation estimate renders an annual county investment of less than US $2 million. This investment will support a continuation of the current unidimensional approach (i.e. uniform afforestation work and restricted access) to achieve natural regeneration of NFUL areas.

In addition to the NFPP, a number of ongoing initiatives are relevant to the FLR development challenges that the proposed project aims to address. In addition to the six key NFGA programs (i.e. Natural Forest Protection Program (NFPP); Sloping Land Conversion Program (SLCP); Desertification Combating Program around Beijing and Tianjin (DCBT); Shelterbelt Network Development Program (SNDP); Wildlife Conservation and Nature Reserve Protection Program (WCNR); and the Industrial Timberland Plantation Program (ITPP))[12] other relevant national initiatives, particularly those relevant to the project targeted forest landscapes will be further detailed during the PPG phase. An initial list includes the following projects:

· UNDP-GEF China's Protected Area Reform Program (C-PAR):

· UNDP-GEF Payment for Watershed Services in the Chishui River Basin for the Conservation of Globally Significant Biodiversity:

· UNDP-GEF Developing and Implementing the National Framework on Access to and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge:

· Natural Forest Protection Program (NFPP) (2010-2020):

· Asian Development Bank-GEF Western China Land Degradation Partnership:

· Asian Development Bank-GEF Sustainable and Climate-Resilient Land Management in the Western Regions:

· FAO-GEF Decision Support for Mainstreaming and Scaling up of SLM Project:

· IUCN-GEF Building Climate Resilient Green Infrastructure: enhancing ecosystem services of planted forests in China through forest landscape restoration and governance innovation:

· Sino-German Financial Cooperation Projects on Sustainable Forest Management:

Please see section 6 *Coordination* below for more details.

1a3) Proposed alternative scenario with a brief description of expected outcomes and components of the project.

The key NFGA proponent of the project is the NFPP Centre, which has overseen the NFPP implementation during its previous phases. The NFPP Centre sees the current project as an important set-piece that will guide, enhance and innovate the NFPP, hereby assisting the Chinese Government in reaching the PPRNF 2035 target[13] and its long-term vision[14], as well as contributing to the United Nations strategic plan for forests (2017–2030), the Bonn Challenge, and the UN Decade on Ecosystem Restoration (2021–2030). The proposed alternative will render policy makers at the central level in China aware of the benefits of a multi-level governance and landscape approach to NFUL restoration. They will have standards and indicators in a range of areas developed, to ensure that NFUL restoration work addresses the aspects necessary to maximize FLR benefits. They will incorporate new NFUL restoration techniques into policy and ensure that these techniques will be implemented through a substantial up-scaling process across Western China. The new techniques will include, among other, upgrading of monoculture to mixed forest, planting of mixed forest on bare land, human facilitation of enclosure management areas (e.g. areas in which natural regeneration had been pursued through restricted access), and the establishment of forest corridors between patches of natural forest.

Policy makers will also incorporate tailored livelihood support for local communities into China's NFUL restoration policies, as well as models of cooperation with companies, *dahu* (wealthy households), or cooperatives to systematically implement livelihood initiatives across a significant part of the population. In addition to this, new financing mechanisms channelling funds to local level NFUL restoration initiatives/engagements are adopted. Through this, the alternative will go beyond the business-as-usual scenario by putting China on a positive trajectory for minimising flood and landslide disasters in the future as well as for optimising FLR.

To achieve this the project has four components which are: **(1)** *National, provincial and local policies updated to bridge the policy and regulatory gaps for NFUL in China* (covering NFUL restoration indicators and standards, national and local planning, policy and programme improvements, payment policy improvements); **(2)** *Restoration of degraded NFUL protecting ecosystems services and improving livelihood of local communities through improved management in the project targeted landscapes* (covering demos that address technical and cost aspects of new FLR methods, demos of new livelihood improvement models, documentation of demos, and technical assistance for livelihood initiatives); **(3)** *Development and emplacement of innovative financing mechanisms for SFM, FLR and LDN of NFUL in China* (including ecological compensation mechanism and other payment and financing innovations, as well as promoting public-private partnerships (PPPs); and **(4)** *Awareness raising, knowledge management and M&E* (vetting and documenting methodologies for new FLR approaches; dissemination of project results to policy makers and national/international expert; raising of the general public's awareness of project results; and project monitoring and evaluation). For more details on the components please see below:

Component 1 will focus on the design and adoption of policies, plans, and standards that will take China's NFUL restoration and management program, from its current uni-dimensional approach. Hereby moving away from forest protection using mostly monoculture planting etc., to one that pursues multiple aspects of natural forest management, which includes the use of multiple environmental parameters, and the involvement of multiple stakeholder groups in the pursuit of improved FLR. A first step in this process will be to review and amend the NFPP and the Public Benefits Forest regulations. Other NFUL statues will also be reviewed to identify current inadequacies hindering an ecology driven approach. This work will be undertaken at national, provincial and local level and the design of standards for NFUL restoration and management will address the lack of multidimensional land quality targets currently used in the NFPP (Output 1.1). The project will support the development of a ten-year roadmap/plan delineating China's long-term approach towards a holistic NFUL management, aimed at obtaining the full FLR potential of the NFPP. Part of this work is to understand the extent of land degradation within NFUL and its

socio-economic impacts. Assessments of the ecological impact of the NFPP so far, including ecosystem services provision will be undertaken. In addition, targeted research on trade-offs, costs-benefit analysis of restoration, and identifying incremental synergies will be undertaken. The UNCCD's LDN TPP[15] checklist, the UNCCD Secretariat's LDN Operational Guidance for Country Support[16], the STAP guidelines on LDN project funded by the GEF[17] and other relevant documents which will be used for guidance for the project overall, will also be used as references in connection with the roadmap/plan development. The roadmap will be reviewed and approved using the NFGA internal approval pathways and structures. Following the approval, or more likely in parallel, the bearing elements of the roadmap/plan will be transcribed to provincial and local levels, which will develop strategies for the overall implementation of the national roadmap/plan at provincial and local levels. These comprehensive plans will initially be prepared in Xiaolongshan, Wuxi county, and Xishuangbanna and then additional plans (benefitting from the initial process) will be prepared in six additional localities within the project pilot areas, bringing the total local management plans to nine. The planning will identify and analyse FLR potential and locate specific areas of opportunity using established tools, such as the Restoration Opportunities Assessment Methodology (ROAM), and available NFGA and academic analysis tools to ensure a holistic landscape approach. Care will be taken to involve local stakeholders including local community actors to ensure broad buy-in and also to ensure that management of community owned forest is community centred (Output 1.2). Supporting the development of a national, provincial and local level standards, indicators, and monitoring system, the project will look at (1) technical and cost aspects of improved standard field work models for NFUL restoration; (2) monitoring methodologies[18] and indicator development (including those demonstrated in Component 2); (3) close-to-nature livelihood options, such as agroforestry and under the canopy husbandry in NFUL areas having in mind special initiatives promoting women and ethnic minorities (neither currently addressed in existing policy); and (4) protection and conservation function of NFUL workers (Output 1.3). The project's demonstrations (Component 2) will provide specific and vital input to the outputs and outcome of Component 1. Component 1 will provide an integrated and timely support towards the implementation of, among other, the PPRNF sub-target 19, which includes the task of formulating the national medium and long-term plans for natural forests protection and restoration, as well as sub-target 18 Improve the legal system for natural forest protection.

Component 2 will focus on demonstrating, monitoring, and improving approaches for innovative models of NFUL restoration and management that will improve FLR results and climate resilience. The demos will cover new technical approaches to NFUL restoration and alternative livelihoods for people living in NFUL areas. The project will use approaches, which have been "small plot" tested by Chinese academic and forestry institutions in collaboration with local stakeholders. Tools and best practices from abroad (which are applicable to local conditions) will in this connection, be reviewed and adopted as appropriate. As part of this, international resource sites such as World Overview of Conservation Approaches and Technologies (WOCAT)[19], the UNCCD knowledge hub[20], the FAO Sustainable Forest Management (SFM) Toolbox[21] will be explored. These international resources along with relevant national ones will also be fully explored in connection with the work under all of the project's four components. The NFUL restoration models and associated work will place emphasis on technical and financial viability of the NFUL and will include (1) upgrading of monoculture planted on NFUL to mixed forest; (2) planting of mixed forest on bare land in NFUL areas; (3) human facilitated natural regeneration ("close off the mountain, grow the forest") via selective methods for planting, sowing, mulching, etc.; and (4) development of forest corridors (or "forest belts") to connect fragments of natural forest. As part of the process extensive training of government officials at provincial and local level will be provided, as will training to forest workers and other relevant stakeholders. To reach critical mass farmer field schools and similar training of trainers' approaches will be employed (Output 2.1). Alternative livelihood options will be implemented to demonstrate how close-to-nature economic activities, compatible with the SFM and forest restoration, can create local win-win situations. While promoting economic activities the project will also ensure that these do not negatively impact the forest habitat in which they are being implemented, and local assessments and site-specific implementation guidelines for said activities will be developed. In connection with the alternative livelihood, trainings and technical support will be provided. This will include training in a) farming/husbandry practices, b) how to bring products to markets, c) how to create value added products for the market-place, d) marketing and branding, and e) other types of relevant activities such as agritaiment and local eco-tourism. Training on establishment and running of cooperatives will also be provided. For the trainings provided in connection with the project's initiatives, special attention will be given to the needs of women and ethnic minorities. Detailed descriptions of the proposed project sustainable livelihood models will be developed during

the PPG phase. The used methodologies, and the results, will be used to draw conclusions for general guidelines, which can be used in the NFUL planning and programming implementation in other areas of China (Output 2.2). In support of the NFUL restoration a monitoring system in each demo will be established, to enable qualitative reporting, verify results and communicate lessons learned. The monitoring will provide for important feedback needed to evaluate the FLR models' effectiveness in restoring and maintaining functional landscapes, including their technically and financially validity. The monitoring work will provide the underlying data and feedback for project's activities under output 1.3. The monitoring will be undertaken in cooperation with local universities using established monitoring sites in each demo area. Furthermore, the results and lessons learned of the FLR models' effectiveness in restoring and maintaining functional landscapes will be analysed and integrated into the NFPP (Output 2.3). Finally the project will (i) provide training to replicate and upscale achievements of the new multi-level governance and landscape approach to NFUL restoration and management, having a particular focus on local governments, communities and participating enterprises; (ii) build capacity for developing and implementing state-of-the-art silvicultural and ecological approaches and practices; (iii) create understanding of financial resource mobilization strategies, including innovative mechanisms like watershed-based eco-compensation programs; and (iv) raise awareness of the bearing principles and concepts in National/Provincial and Local Action Plan for restoration and management of degraded NFUL (Output 2.4). Component 2 will facilitate early interventions in support of the PPRNF sub-target 10, which will accelerate the transfer and transformation of scientific and technological achievements in the protection and restoration of natural forests and catalyze establishment of a technical standard system for the protection and the restoration of natural forests. Component 2 will also provide early and needed outputs towards PPRNF sub-target 11 to improve the monitoring and evaluation system for the benefits of natural forest protection and restoration.

Component 3 will increase funding for projects and initiatives for the sustainable management and restoration of NFUL through diversified financing mechanisms and channels. Although the ecosystem compensation mechanism has existed in China for a long time, the baseline data for compensation has been missing. In particular, the standards for measuring the value of goods and services of natural forests on landscape scale are extremely scarce. Through the pilot demonstration and with the benefits of UNDP's Targeted Scenario Analysis[22] the project will establish ecological compensation mechanisms in the five provinces. Through these eco-compensation mechanisms financial transfers will be provided to local stakeholders living in NFUL areas for providing ecosystem and soil protection services, in form of the preservation, protection, and restoration of the forest lands. Thus, the investments in sustainable management and restoration of degraded NFUL areas will be expanded. The project will work closely, particularly during the PPG phase, with the two UNDP/GEF projects i) *Payment for Watershed Services in the Chishui River Basin for the Conservation of Globally Significant Biodiversity* and ii) *Developing and Implementing the National Framework on Access to and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge.* The two projects have had extensive engagement with local communities and worked with alternative financing mechanisms which could prove very beneficial for the current project (Output 3.1). The project will also establish public-private partnerships (PPPs) in each project province. It will do so because the private sector may bring the benefit of greater efficiency – carrying out restoration and management at lower costs while maintaining the level of quality. Also, partnering with companies already involved in forest sector work, and in particular forest restoration work, will more readily enable the development of joint close-to-nature livelihood initiatives with local communities and assisting these in setting up local cooperatives. A mechanism for channelling investment via companies and cooperatives for alternative livelihood activities in NFUL areas, benefitting local communities, will also be developed and tested. This will include support to various forms of site relevant agroforestry and under the canopy husbandry. The mechanism, when tested will be used in the upscaling efforts, bringing the project experiences to other NFUL areas in China under NFPP implementation (Output 3.2). In support of the PPP, technical and marketing capabilities of companies, cooperatives and local people will be supported through training. In addition, capacity among local companies and communities for developing bankable FLR supporting livelihood projects and initiatives will be strengthened (Output 3.3). For the trainings under the project care will be taken to maximize the engagement of women and people from the ethnic communities. Component 3, through its proposed innovative mechanisms, will support the PPRNF sub-target 15 to improve financial assistance for natural forest protection and restoration and sub-target 16 to explore the diversified investment mechanism for natural forest protection and restoration.

Under Component 4 the project will draw from the other components to document processes, best practices, innovations, lessons learned and outcomes, which can be translated into useful communication materials, such as impact stories, technical advisory notes and guidelines. Part of this will be the dissemination of the innovative FLR methods used by the project (developed under Output 2.1). In addition, best practices methodologies will be developed to communicate the technical results related to survival rates and forest productivity, as well as cost reduction from the business-as-usual scenario. The project will use the methodologies, and the more general summary documentation, to encourage replication of the demos on a wide scale. Work in this area will also support consultation among experts on the best technical methods and most cost-effective approaches for NFUL restoration. In addition to the wide scale national dissemination of project achievements and project developed guidelines, trainings, methodologies, the project will ensure that the project achievements are also disseminated internationally, including different communication and KM platforms. In addition, the project will advocate its findings in the convention related forums, as well as via NFGA's international work and connections. The project will also hold at least one international workshop on FLR bringing the work in the NFUL areas to the forefront. The project will also seek to engage other developing countries facing similar challenges with the aim of fostering broader South-South cooperation. It will among other do this by taking full advantages of NFGA's participation in international engagements such as the Restoration Initiative. Through this the proposed project can provide influence and create international synergies, for instance by facilitating exchange and brining project lessons and knowledge to countries participating in the Bonn Challenge and the ECCA30[23] initiatives both under the auspices of IUCN. (Output 4.1). A designated website will be established and act as a knowledge platform where all project data will be available, as well as other national and international resources accessible to the project[24]. It is expected that this will become the knowledge base for the NFPP. The website will be housed within NFGA and will be maintained after the project. In addition, the project will develop a media strategy that will guide the project in establishing and nurturing links with national and local media to enable broad dissemination of project results and stories, as well as create local interest in the project and its activities The project will approach off-line and on-line media, as well as various broadcasting channels, and will look towards producing project related videos which can be used both nationally and internationally (Output 4.2). Finally, the project will engage in monitoring and evaluation (M&E) of the project, ensuring that lessons learned from the project are documented. As part of this, the implementation of the Gender Action Plan, Indigenous People's Plan, Stakeholder Engagement Plan, and the KAP surveys will be monitored. Some additional key areas of M&E include the project mid-term review, the project terminal evaluation, monitoring of the project indicators, and preparation of quarterly and annual project reports (Output 4.3). Component 4, by creating a consolidated knowledge base early on, will support the PPRNF sub-target 20, and its aim to strengthen the popularization and education of natural forest protection science, making full use of various media such as the Internet, and to improve the public's understanding of the ecological, social, cultural, and economic value of natural forests.

1a4) Alignment with GEF focal area and/or Impact Program strategies.

The project aligns with GEF-7's Land Degradation Goal to support UNCCD's LDN concept. The project will specifically work on GEF-7 Land Degradation Focal Area Objective 2. which supports on the ground implementation of LDN targets. This will contribute to the implementation of China's voluntary LDN targets. As a result, the project will improve and maintain forest ecosystem services and sustain livelihood of forest-dependent communities. The project will address barriers and their underlying root causes, which are hindering an effective integrated landscape management of NFUL areas addressing the physical, biological and socio-economic aspects of forest restoration. The project will be innovative in its approach to localize SFM and forest restoration within the project targeted landscapes. Proposed innovation will amend current policy and program modalities, develop sustainable financial mechanisms, which will channel more funding to local initiatives (Government, community and PPP), and optimize ecological and socio-economic benefits of the on-the-ground restoration of landscapes. Thus, the project is aligned with the GEF 7 focal area strategy and its focus on i*ntegrated landscape management and restoration.*

1a5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing.

The incremental reasoning for this project is outlined in the table below

Baseline practices	Alternative to be put in place	Project impact
National plans and programs are in place but do not cater adequately for stakeholder engaged landscape-level based afforestation, thus, lowering the effectiveness of the on the ground restoration work. As adequate instructions and guidance are currently not provided at provincial and local level, engagement is not based on a landscape-level integrated approach towards a natural forest and land restoration. Therefore, activities do not take into account for instance forest fragmentation and connectivity. Monoculture has until now been a preferred afforestation technique used in the national, provincial and local reforestation programs. However, "negative effects" of using monoculture are emerging such as alteration of native soil conditions and or a reduction in biodiversity and ecosystem services compared to mixed forest systems. While examples do exist, the current forestry programs do not fully explore how to engage local communities in the management of the NFUL areas through for instance close-to-nature agroforestry systems and other alternative green livelihoods option. The current policy instrument only f	A ten-year roadmap/plan towards addressing the multiple aspects of NFUL quality aimed at obtaining the full FLR potential of the NFPP will be developed. The bearing elements of the roadmap/plan will at provincial and local levels be included into the local strategies for the roadmap/plan implementation. In the planning process, and the plan as well, there will be a strong focus on stakeholder engagement for landscape-level based afforestation, and to ensure this the project will take steps to adequately involve local stakeholders, particularly for community owned forests, to ensure broad buy-in. Standards for NFUL restoration and management will be designed, which will address the lack of multidimensional land quality targets in the current NFPP. In addition, changes to the NFPP indicators, including fragmentation ratio, and species indexes which are currently absent from the indicator matrix will be made. The lack of ecological indicators hinders more targeted and holistic implementation of the program. In addition, adjustments to policy and program regulations in relation to this will be undertaken. New technical approaches to NFUL restoration in NFUL areas will be done through large scale implementation. Extensive training of government officials and local stakeholders will be provided to support this. Alternative close-to-nature economic livelihood options compatible with the SFM and forest restoration will be demonstrated and brought to scale. The results will be converted to general guidelines and used in NFPP implementation in other areas of China. To diversify the available financial mechanisms, standards for measuring the value of goods and services of natural forests on landscape scale will be developed and used to establish and implement ecological compe	Holistic planning approaches focusing on landscape and integrated ecological aspects of the forest ecosystem adopted and implemented on 424,000 ha of degraded NFUL areas. Improvements in landscape functions, including ecosystem services, forest biodiversity and climate resilience are obtained through multi-level governance and landscape approaches for sustainable land-degradation-neutral management in degraded NFUL areas. Local community support for FLR enhanced, improved livelihood opportunities for local communities enhanced through the deployment of innovative, technical, and financially viable models. Investment in SFM and LDN of NFUL areas increased through the funding arising from ecological compensati

ocuses on government funding mechanisms and does not include, or explore, options for alternative forms of financing, such as Payment for Ecosystem Services. Academia and forestry institutions have in-depth knowledge of forest degradation and restoration in China as well as a subset of tools and methodologies which can be implemented to address this. However, this information is not readily accessible to government staff and planners, forest workers and other stakeholders.	nsation mechanisms in the project targeted landscapes. A designated web-based knowledge platform will facilitate sharing of knowledge and information on restoration practices, experiences and knowledge product, between academia, practitioners and other stakeholders. While limited in scope compared to the NFPP funding overall, the proposed alternative is, by the NFPP Center, viewed as an important "early mover" intervention. As such, the GEF project is, from NFGA's perspective, a strategic engagement that will help expedite key aspects of the PPRNF implementation, in that the outputs of the proposed alternative will be absorbed into the different aspects the NFPP, hereby revitalizing the NFPP in the areas related to the project's component work.	on mechanisms schemes. Local level implementation of landscape-based forest ecosystem restoration, which integrates ecological aspects enhanced through the training of 30,000 stakeholders

1a6) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF).

The current project is designed to address key barriers and underlying root causes that hinder an effective FLR in NFUL areas in China, and aims at improving ecosystem services, halt further forest degradation and forest fragmentation and shrinkage in forest areas. The adoption of a multi-level governance and landscape approach to FLR in NFUL areas will restore vital ecosystem functions, improve habitat quality, increase patch connectivity between NFUL areas etc. hereby expanding the areas accessible for biodiversity. An important component in the forest restoration efforts will be the use of locally occurring species, including endemic species, to take full advantage of their climate and habitat adaptation needed to survive in the conditions governing the individual forest landscapes. The table below provides for a schematic outline of the main restoration interventions expected to be implemented on the ground during the project.

Category	Monoculture upgrade to mixed forest	Planting of mixed forest on bare land	Human facilitation of enclosure management	Corridors between natural forest areas (NFA)	Corridors between NFA (rubber monoculture upgrade with precious timber)	Corridors between NFA (tea monoculture upgrade with precious timber)	TOTAL
Hectares	140,000	30,000	140,000	105,000	6,000	3,000	**424,000**

The project interventions will result in FLR through improved management of 424,000 ha of land. The management practices, used techniques and community involvement methodologies will, through voluntary interventions facilitated by the local forestry bureaus and local communities alike, be replicated in an area estimated to be two to three times larger than the project's demo areas, through an expansion from the initial five project locales to a total of fifteen (three in

each project province). Focus will be placed on the corridor establishment between natural forest areas (NFA), as well as monoculture upgrade, planting of mixed forest, and human facilitation of enclosure management, all aimed at optimizing the ecosystem services and climate resilience in the impacted areas to obtain effective forest restoration at landscape level.

In addition, China is one of the 15 megadiverse countries in the world and is rich in diverse forest ecosystems, due to the large span of the country, complex topography, and multiple climate regimes. China's forests house more than 35,000 species of higher plants (ranking 3rd in the world) and 6,347 species of vertebrates (13.7% of the total in the world). Thus, restoring NFUL areas in China will also impact important biodiversity, including local endemic species. Furthermore, the project will have 30,000 direct beneficiaries benefitting from the provision of trainings, livelihood options, financial incentives and local engagement. The project aims to achieve 50:50 gender balance. Finally, as a result of the forest restoration work carbon sequestration of approximately 10,439,861 tCO2e will be achieved. The proposed project's contribution towards the mitigated greenhouse emissions will be a result of five years project implementation and 15 years capitalization.

1a7) innovation, sustainability and potential for scaling up.

Innovation: The project will work to ensure an ecologically sensitive FLR of NFUL areas and address current barriers restricting an optimal implementation of the NFPP, hereby revitalizing the program. This is a new endeavour that will provide important results and lessons for China. This project will support the development of innovative approaches for FLR, including converting monoculture to mixed forest, planting of mixed forest on bare land (instead of monoculture), human facilitation of enclosure management areas, and the establishment of forest corridors between patches of natural forest. Local level PPP engagements will demonstrate long-term sustainable close-to-nature livelihood interventions including various agroforestry and under-the-canopy husbandry initiatives. Also, Partnerships between agencies, rural communities, farmers/foresters and forest enterprises will be piloted and models of including local PPPs in the NFPP will be sought. The eco-compensation scheme will be revised based on ecosystem service valuations and the specific local payment for ecosystem services pilots will act as models for the inclusion of PES into the NFPP. The integrated management frameworks and approaches to be developed under the project are innovations for China that will greatly increase the effectiveness and efficiency of SFM and restoration. The project will wherever possible link to other FLR initiatives and programs under the auspices of NFGA, hereby expanding the influence of the project. Opportunities for linkages with these will be explored during PPG phase.

Sustainability: The establishment of sustainable impacts lies at the heart of project approaches and outcomes. The strong ownership of project results by NFGA will support the internalization of project results and lessons learned within NFGA, both during and following the end of the project, creating sustainability of impacts. The project strengthens the policy and regulatory framework for FLR and builds the capacity of involved agencies at national and local levels, as well as other stakeholders. It also aims to increase the awareness of government decision makers, facilitating increased support and funding allocation for site specific on-the-ground implementation at local level. This will help strengthen the sustainability of project outcomes. The participatory approach at targeted landscapes supports an increased understanding and interest of key stakeholders. Further the establishment of collaborative mechanisms will enable stakeholders to work together on implementing FLR. These mechanisms will continue beyond the project's end.

Potential for scaling up: In general, the project's policy and planning work will be critical to long-term sustainability of project results. Equally important is the strong ownership of the project by NFGA. NFGA will use this project to make an expedited effort towards a transformational change to its Natural Forest Protection Program. The project's policy and technical work related to the NFPP ten-year road map, national level standards and indicators, local level plans etc. will provide a new foundation for the existing program (i.e. NFPP). Thus, the project results have the potential to be up scaled to all NFUL areas in China. In addition, the project adopted approaches will also influence other forest related programs managed by NFGA. Furthermore, the proposed project's

experiences and knowledge products will be widely shared internationally through NFGA's international coordination and cooperation channels, where for instance NFGA's involvement in the GEF/IUCN/FAO/UNEP Restoration Initiative provides for an important link to the Bonn Challenge and thus creates a possibility for building additional synergies and experience sharing internationally through existing global initiatives/platforms.

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[1] https://www.unccd.int/publications/forests-and-trees-heart-land-degradation-neutrality

[2] https://wad.jrc.ec.europa.eu/globalforests

[3] A logging ban for all NFUL areas in China was imposed in 2015.

[4] Debarati Guha-Sapir, Philippe Hoyois and Regina Below, *Annual Disaster Statistical Review 2014: The Numbers and Trends*, Brussels, CRED, 2015

[5] Asit Biswas and Cecilia Tortajada, "Counting the Costs of Floods in China," *China Water Risk* website, August 18, 2016 (re: 1996, 1998 and 2010). Op. cit., Guha-Sapir et al, 2015 (re: 2007, 2011 and 2014).

[6] NFGA publication Forest Resources in China The 9th National Forest Inventory http://www.china-ceecforestry.org/wp-content/uploads/2019/08/Forest-Resources-in-China%E2%80%94%E2%80%94The-9th-National-Forest-Inventory.pdf

[7] The long-term vision of the PPRNF is to, by the middle of this century, have a healthy, stable and fully-functioning natural forest ecosystem that meets people's needs for high-quality ecological services, beautiful ecological environments, and rich in forest products, which can support the building of a modern socialist country.

Yang Yuexian (2001) Impacts and effectiveness of logging bans in natural forests: People's Republic of China - http://www.fao.org/3/x6967e/x6967e06.htm

[9] 1 mu = 1/15 ha. The average compensation for one ha of land would be 225 RMB or 31.95 US$ per ha/year.

[10] Natural Forest Protection Program (NFPP); Sloping Land Conversion Program (SLCP); Desertification Combating Program around Beijing and Tianjin (DCBT); Shelterbelt Network Development Program (SNDP); Wildlife Conservation and Nature Reserve Protection Program (WCNR); and the Industrial Timberland Plantation Program (ITPP). Please see *Annex E* for a brief description of the individual programs.

[11] The PPRNF outlines 20 sub-task areas related to among other 1) Improve the natural forest management and protection system, 2) Improve the natural forest restoration system 3) Establish a natural forest use control system, 4) Improve support policies and 5) Implement the supervision and regulation system for natural forest protection and restoration.

[12] Please see *Annex E* for a brief description of the individual programs.

[13] PPRNF 2035 target: The natural forest ecosystem, covering an area of about 200 million hectares, will be effectively restored, the biodiversity will be scientifically protected, and the ecological carrying capacity will be significantly improved.

[14] PPRNF long-term vision: By the middle of this century, have a healthy, stable and fully-functioning natural forest ecosystem that meets people's needs for high-quality ecological services, beautiful ecological environments, and rich in forest products, which can support the building of a modern socialist country.

[15] UNCCD's LDN TPP https://knowledge.unccd.int/knowledge-products-and-pillars/access-capacity-policy-support-technology-tools/checklist-land

5] UNCCD 2019: Land Degradation Neutrality Transformative Projects and Programmes, Operational Guidance for Country Support tp://catalogue.unccd.int/1224_UNCCD_LDN_TPP_technical_guide_GM.pdf

[17] Land Degradation Neutrality: *guidelines for GEF project. A STAP document* November 2019: https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.STAP_.C.57.Inf_.02_Land%20Degradation%20Neutrality_Guidelines%20for%20GEF%20Projects.pdf

[18] This will include a mix of indexes including, Normalized Difference Vegetation Index and Soil Health Index, based on on-the-ground recording and remote sensing (including open source) using available national and international data sources.

[19] https://www.wocat.net/en/about

[20] https://knowledge.unccd.int/knowledge-products-and-pillars/best-practices-sustainable-land-management/identifying-slm-0

[21] http://www.fao.org/sustainable-forest-management/toolbox/tools/en/

[22] https://www.undp.org/content/undp/en/home/librarypage/environment-energy/environmental_finance/targeted-scenario-analysis.html

[23] ECCA30 is an IUCN initiative aimed at restoring 30 million hectares of land in Europe, the Caucasus and Central Asia, by 2030, and while China is outside the sphere of the initiative, NFGA is foreseen to provide exchange of experiences on forest landscape restoration to the ECCA30 counties.

4] Main categories expected to be accessible on the website will be Legislation, Strategies and action plans. Research, Trainings, Education materials, Videos, Links sources, Discussion forum (topic separated) and Events. Information will be collected from within and outside the project including internationally.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

The five project target landscapes are as follows: *Xiaolongshan, Gansu Province - coordinates* : 33°40' N, 106°53' E; *Wuxi county, Chongqing Municipality - coordinates*: 31°29' N, 109°21' E; *Xishuangbanna area, Yunnan province - coordinates*: 21°52' N, 101°23' E; *Libo county, Guizhou province - coordinates*: 25°8' N, 107°57' E; and *Changting county, Fujian Province - coordinates*: 25°40' N, 116°20' E. For project map see *Annex A*. Full landscape profiles documentation, including detailed maps of the project targeted forest landscapes, will be developed during the PPG phase.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities Yes

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above,please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

The project formulation process has benefitted from a broad stakeholder engagement including several local missions to the respective project locations (i.e. Xiaolongshan, Gansu Province; Wuxi County, Chongqing Municipality; Xishuang Banna Area, Yunnan Province; Libo County, Guizhou Province; Changting County, Fujian Province). Most sites were visited in both 2018 and 2019. Beyond the missions, local stakeholders have also been consulted about the proposed project's overall design, outputs and outcomes. These stakeholders provided input in the project design. Please refer to *Annex F* for the list of stakeholders consulted during the project design. Aside from relevant local government entities the missions facilitated consultations with township and village leaders, as well as local villages, including ethnic minority representatives (Dai, Jinuo, Buyi, and Yao) and local representatives from the All China Women's Federation. Annex F lists the timing of the main missions, as well a list of people consulted.

The proposal development has been led by a project formulation working group consisting of members from Southwest University, Chinese Academy of Forestry, Chongqing Forestry Research Institute, National Forest Protection Program, the National Forest and Grassland Administration Financial Department and Ministry Ecology and Environment.

The key stakeholders, which have been initially identified, are presented in table below. A stakeholder engagement plan will be developed during the project design stage to outline how the stakeholders are to be involved in the implementation of the full project.

Key Project Stakeholders	Engagement in the Project Preparation
Ministry of Finance (MOF)	The Ministry of Finance (MOF) is the national focal point for GEF projects in the China. MOF will be a member of the proposed project's Project Board. In that capacity, they will be engaged not only for general advice about the proposed project, but for specific advice on financing mechanisms to be designed by the project. As NFPP is funded mainly by central government subsidies, which are arranged for by MOF, the Ministry is an important player for engagement in the policy and financing content of the project.
UNDP	As the GEF Agency for this project, and also the overall Program Coordinating Agency (PCA), UNDP will be responsible for coordination of all aspects of project design and implementation. h

	NDP will be responsible for coordination of all aspects of project design and implementation, helping to steer and ensure quality control throughout design and implementation, in order to meet UNDP, GOC and GEF standards and strategic objectives.
National Forestry and Grassland Administration (NFGA)	Will be directly involved in and will steer project design as the project executing agency. NFGA will also have lead responsibility for overall communication with UNDP and with relevant government agencies involved in the project at both national and local levels. They will provide comments on the draft project design and will sign off on the final document. NFGA is China's national-level government institution responsible for oversight and coordination of the nation's forestry and grassland sector. NFGA's purview reaches across all land in China that is classified as forest use land, both state-owned and collective-owned. Among its duties, NFGA coordinates major land restoration programs including the NFPP and the Sloping Cropland Conversion Program. The latter compensates farmers for converting sloping cropland to trees and grasses.
Ministry of Agriculture and Rural Affairs (MARA)	The Ministry of Agriculture and Rural Affairs (MARA) is responsible for overseeing China's agricultural sector and will provide key guidance and inputs to design. It coordinates major state agricultural programs. Successful soil restoration work, as pursued by the proposed project, is important to improve productivity in agriculture. Further, the livelihoods work pursued by the project is likely to have agricultural elements, such as agroforestry or planting of crops and animal breeding in the forest.
Ministry of Ecological Environment (MEE)	The Ministry of Ecological Environmental (MEE) will provide guidance and inputs to design where needed as it is responsible for ecology and environmental protection in China. While restoration of natural forests falls under the mandate of NFGA, such work, given its ecological and environmental significance, is also relevant to MEE. Thus, MEE will be kept abreast of project development and input from MEE will be sought as relevant.
Ministry of Water Resources (MWR)	The Ministry of Water Resources (MWR) will provide guidance and inputs to design where needed as it is responsible for water resources protection, rational development and utilization of water resources, and water and soil conservation in China. While restoration of natural forests falls under the mandate of NFGA, such work, due to its important role in conserving water resources and maintaining water and soil, is also relevant to MWR. Thus, MWR will be kept abreast of developments of the project.
Provincial Forestry Bureaus	The project will collaborate with the project related provincial forestry bureaus which will provide key inputs to design of project activities in target provinces and counties. They will provide comments on the draft project document and will approve activities and support structures at the provincial and county levels. For the project the relevant provincial forestry bureaus are Gansu Provincial Forestry Bureau (GPFB); Chongqing Municipal Forestry Bureau (CMFB); Yunnan Provincial Forestry Bureau (YPFB); Guizhou Provincial Forestry Bureau (GPFB); and Fujian Provincial Forestry Bureau (FPFB)

Local Forestry Bureaus	The project will collaborate with the project related forestry bureaus at local level which will provide key inputs to design of project activities in target provinces and counties. They will provide comments on the draft project document and will approve activities and support structures at the county levels. They will also facilitate the communication, fact finding and missions to be undertaken during the project development process. As such the local forestry bureaus are an important linchpin. For the project the relevant local level forestry bureaus are Xiaolongshan Forestry Bureau (XLSFB); Wuxi County Forestry Bureau (WCFB); Xishuang Banna Region Forestry Bureau; Libo County Forestry Bureau (LCFB); and Changting County Foresry Bureau (CCFB)
Jinsha Company	Jinsha is an early identified private company from Zhejiang Province that is engaging in agriculture and forestry related business in XSBN. The project will hold discussions with Jinsha on possibilities of a cooperation with Jinsha Company in Menghai County on the develop of an alternative livelihoods model aimed at organizing villagers in new livelihood pursuits that increase their incomes.
Township and village governments	Township and village governments within the project areas will be consulted on the relevance of project proposed activities. Generally. the Township and village governments will engage with the local forestry bureaus which will consolidate and manage the process.
Forest farm workers	Provide key inputs to design to ensure that project approaches and activities address the needs and aspirations of forest workers and support towards their livelihoods. Forest farm workers will be key stakeholders in the proposed project demos, as they will carry out the new restoration methods and report on their experience. The project will also address issues with regard to forest farm workers in its policy work, with assessment of how to increase efficiency in their forest protection work and of how to enhance forest farm worker livelihoods.
Communities living in forest areas (including women and ethnic minorities living in forest areas)	Local villagers are like forest workers key beneficiaries of the project and they will provide key input to the project design to ensure that the underlying activities are appropriate and of relevance for this stakeholder group. The consultations and engagements will run through a mechanism involving the village, township leadership and the local forestry bureaus. However direct consultations will also be engaged as part of the formulation missions and the different surveys such as a socio-economic survey and the gender analysis (and action plan) to be prepared under the PPF phase. For the project development specific focus will be placed upon the mainstreaming of women into the project's livelihood activities. In addition concerns of ethnic minorities will also be specifically addressed under the project as Xishuang Banna Region, Yunnan Province, and Libo County, Guizhou Province has a diverse range of ethnic minorities including, but not limited to, the Dai, Hani, Yi, Lahu, Bulang, Jinuo, Yao, Miao, Buyi, and Shui peoples.
Scientific research institutions	Support project design and implementation through technical advice and identify opportunities for the scientific community to support project implementation. Provide information on current and planned research and development initiatives and opportunities to target research towards

	forest landscape restoration and sustainable forest management.
Civil society groups and NGOs active in the project areas including local chapters of All China Women's Federations and other village or township groups	Provide advice and inputs to project design to clarify the involvement of civil society groups and NGOs in project implementation, to support assessment of current issues, needs and aspirations and to ensure project approaches involve communities meet social needs.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

Due to underrepresentation of women among forestry sector officials, forest farm workers, trainees of farmer field schools, and beneficiaries of livelihood initiatives in China, the proposed project presents an opportunity to promote women's participation in such occupations and initiatives. As such, the project will make a concerted effort to increase the proportion of women participants in various areas to a level substantially above the business-as-usual scenario. These areas, along with planned interventions, include the following:

·   *Capacity building*: The project will carry out capacity building programs, one in Beijing, and one in each of the five partner provinces (or provincial-level municipality). Attendees at these programs will mainly be government forestry officials, forestry bureau staff, and forestry sector experts. While typical female representation at such events is quite low at around 10%, the project will target 30% (or higher) women participation by taking proactive measures during preparation for the programs.

·   *Implementation of new NFUL restoration methods*: Typically, forest farm staff and contracted local laborers that work on natural forest restoration are mainly men, with only 20 to 25% being women. The project will target the involvement of 50% women in these activities.

·   *Livelihood initiatives*: The project targets, as part of its livelihood work, is to have at least 50% women participation. However, efforts will be made to promote that alternative livelihood initiatives are predominantly led, and carried out, by women. This compares to the more typical result in rural livelihood initiatives in China, in which roughly 30 to 35% of direct beneficiaries are women.

·   *Farmer field school*: As a part of its technical assistance to its livelihood initiatives, the proposed project will provide farmer field school training for local people. While typically the proportion of women at such trainings in China is 15%, the project will target 30% (or higher) participation by women. This could in part be facilitated by holding trainings which are exclusively for women.

·   *Women consultants*: The proposed project will retain many consultants to assist in carrying out its various activities. For forestry sector projects, the proportion of such consultants tends to be relatively low, typically in the range of 10 to 15%. The project will in this regard encourage women to apply for the available positions as well as maintain a gender-neutral review process for consultant selection.

In addition, provision of gender training for project staff, including local project management offices staff, will be undertaken. Furthermore, the results of the gender analysis and action plan (GAAP) will be highly publicise within the project structures. In addition, a specialized gender consultant will be hired to review and evaluate the results of the implementation of the GAAP. Gender equality and the mainstreaming of women will be further explored during the PPG phase and the aforementioned GAAP will be developed and included in the full project document.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources;

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

During the concept phase of this project the Jinsha company in the Zhejiang Province has been identified as a partner for agriculture and forestry related business in Xishuangbanna. The Jinsha Company, which started working in Xishuangbanna in 2013, are cooperating with local communities in two villages (Mangsao and Manguo), where it engages the local communities, raises villager's income and improves livelihoods through a successful agroforestry business model. The promoted under-the-forest-canopy economy includes forest related animal husbandry and planting of economic trees and crop in the forest. As part the company support, the company has facilitated the development of the village cooperatives which organizes the investment and the work of local families. The company has also provided different technical support and trainings such as agritainment and on eco-tourism. The project will engage with the company on the further development of alternative livelihoods models, and their replication as well as creating knowledge products to aide scaling up. To expand the overall private sector engagement, as well as increase the level of private sector co-financing, discussions with similar companies in similar types of cooperation, in the other project provinces, are underway. Due diligence of the Jinsha Company and other private sector partners will be performed during the PPG phase. Please refer to risk number 13 in the risk table below for information risk private sector risk management.

The interest in partnering with private sector companies is that established companies have existing platforms and business models, which can be used as a backdrop for developing new close-to-nature employment opportunities to the benefit of the local communities living in NFUL areas. Also partnering with existing businesses can facilitate start-up initiatives and lower the overall upstart cost and risk.

5. Risks

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Risks that may impede the success of the project are shown in the table below, along with the impacts of each risk. For the proposed mitigation measures for each risk please see table below .

Description of Risk	Impact of Risk	Mitigation Measures for Risk
Risk 1: Rights of affected populations (particularly of marginalized groups) are adversely impacted by project interventions and outcomes, and members do not have the possibility or capacity to claim their rights or meaningful participation.	I = 3, P = 2 Moderate	Assessment: Further assessments of the rights of national and local level stakeholders are needed with a specific focus on gender and ethnic minorities. Assessment of the potential impacts of the project on rights and interests, lands, territories, resources, and traditional livelihoods is also needed, and it should be determined when Free, Prior and Informed Consent (FPIC) is required in accordance with national contexts and preferences. Consultations with relevant stakeholder groups will be undertaken by the project's development team but also through the consultation mechanisms of the local forestry boards. Management: Develop (during PPG) and implement (during the project) a comprehensive Stakeholder Engagement Plan. Develop and implement a comprehensive Ethnic Minority Plan. Develop and implement a comprehensive Gender Action Plan. Integration of FPIC into project design as applicable based on PPG review. Include in the project design a grievance mechanism for the project based on the existing government and UNDP mechanisms.
Risk 2: Prevailing gender biases in China unintentionally discriminate against women	I = 3, P = 2 Moderate	Assessment: A comprehensive Gender Analysis (GA) is needed to clarify relevant gender concerns and determine how mainstreaming

limiting or adversely impacting their possibilities for accessing opportunities and/or influence on project interventions and outcomes.		of women into the project interventions can be ensured. It will focus onhow to provide specific trainings for women, how to best facilitate women livelihood operations etc. In this regard during the project development phase specific consultations with relevant women's groups/leaders such as the All China Women Federation (and their local chapters) will be undertaken by the project's development team but also through the consultation mechanisms of the local forestry boards.
		Management:
		Develop and implement a comprehensive Gender Action Plan and include gender equality and the mainstreaming of women into project documentation.
Risk 3: The anticipated benefits (including ecosystem services, NFUL areas connectivity, increase forest cover etc.) from the project's forest landscape restoration interventions do not materialize.	I = 4, P = 2 Moderate	Assessment:
		During the project development phase focus should be placed on scoping appropriate forest landscape restoration models and techniques that are to be included in the project activities. During implementation this will be followed up by further screening of models and techniques to ensure that they are best suited for the project localities. In addition, the project design must ensure that the project developed solutions (including regulations, plans, trainings guidelines etc.) can be effectively used in the planned government process of expanding the NFPP to all of the NFUL in China.
		Management:
		During the PPG identify a subset of suitable models and techniques for forest landscape restoration which could be used during project implementation.
		Include clear Theory of Change and clear project outcomes/outputs in the project documentation, clarifying the project pathways for project implementers.
Risk 4: The effects of climate change such as flooding, droughts and forest fires could impact project areas and activities.	I = 3, P = 3 Moderate	Assessment:
		The PPG assessments will fully consider climate vulnerability by adopting local and expert advice on how to integrate climate resilience into project design and implementation and will assess this risk at the project site level.

		Management:
		Project design will take into account the results of the assessment and fully integrate climate change mitigation and adaptation measures including through land restoration methodologies livelihoods support, capacity building and awareness. Demonstrations on FLM can be a key tool in addressing climate change.
Risk 5: Introduction of new livelihood activities as part of the improved land management practices where SFM, FLR and conservation techniques could result in lower income.	I = 2, P = 3 Moderate	Assessment: Consultations with potential project-affected communities at demonstration sites during PPG. Assess potential impacts on current levels of access and use Management: Development (during PPG) and implementation of a comprehensive Stakeholder Engagement Plan that will set out processes for engagement and consultation with communities across all stages of the project. Potential development and implementation of a Livelihood Action Plan (to be determined during PPG).
Risk 6: The anticipated livelihood benefits to local people (including from ethnic minorities) from the project's livelihood and financial interventions do not materialize.	I = 3, P = 2 Moderate	Assessment: Further assessments of the local livelihood options related to the close-to-nature income generation schemes and their basic sustainability safeguards are needed. Options for different payment for ecosystem services schemes also needs to be further explored. In addition, exploration into how stakeholders, including women and ethnic minorities can best be engage in these activities. FPIC related to the project interventions should also be ensured. In addition, the project design must ensure that project developed solutions including regulations, plans, trainings guidelines etc. can be effectively included into the planned government process of expanding the NFPP to all of the NFUL in China. Management: Develop (during PPG) and implement (during the project) a comprehensive Livelihood Action Plan (to be determined during PPG). Include clear Theory of Change and clear project outcomes/

		include clear Theory of Change and clear project outcomes/ outputs in the project documentation, clarifying the project p athways for project implementers. As such the actions to reduce this risk are to be taken during the implementation in the development of innovative financi al mechanisms including improvement of the eco-compensa tion schemes, setting up payment for ecosystem services sc hemes.
Risk 7: Alien Invasive Specie s are inadvertently introduce d to the NFUL areas by the p rojects on-the-ground engag ements.	I = 3, P = 2 Moderate	Assessment: The risk of alien invasive species (IAS) encroachment in NFU L areas is to be reviewed as is IAS management in the NFUL areas to ensure the project design adequately addresses this risk. Management: Concerns for IAS encroachment into the NFUL areas is integr ated into the project design and IAS management in relation to forest restoration will be included into project guidelines, t rainings etc. Through IAS screening process, the project will ensure that only native species will be used during the restor ation, improved land management and biodiversity conserva tion activities proposed in the project.
Risk 8: Ethnic minorities hav e limited possibilities for ac cessing opportunities and/o r excreting influence on proj ect interventions and outco mes which negatively affect s their development prioritie s.	I = 3, P = 2 Moderate	Assessment: Specific attention will be paid to ensure that their concerns a nd engagement are included in the project design, as well as being addressed via implementation of the Stakeholder enga gement plan, which will have a specific focus on ethnic mino rities. With regard to the project development phase specific consultations with relevant ethnic minority representatives w ill be undertaken by the project's development team but also through the consultation mechanisms of the local forestry b oards. Management: Develop and implement a comprehensive Stakeholder Engag ement Plan (same as under Risk 1). Develop and implement a comprehensive Ethnic Minority Pla

		n (same as under Risk 1). Integration of FPIC into project design as appropriate
Risk 9: Human health is negatively affected by the inappropriate use of pesticides and insecticides.	I = 3, P = 2 Moderate	**Assessment:** The use of pesticides and herbicides in forest restoration is to be reviewed, as is chemical management and handling to ensure the project design adequately addresses this risk. **Management:** Concerns related to chemical management, handling and use in relation to forest landscape restoration are integrated into the project design and chemical management will be included into project guidelines, trainings etc. Only environmentally friendly biocides and herbicides meeting internationally accepted standards should be used by the project. Their storage and application will be subject to the health and safety guidance and protocols developed to address Risk 9.
Risk 10: Senior decisionmakers within NFGA and the Chinese Government withdraw support for long-term transformational changes of the NFPP.	I = 4, P = 2 Moderate	**Assessment:** The project's approach and advocated theory of change is to be reviewed and confirmed by senior decisionmakers within NFGA and the Chinese Government (including the GEF OFP), to ensure that the project remain in line with NFGA's vision for the long-term transformative change of the NFPP. **Management:** NFGA senior officials and NFPP managers will work closely together during the PPG phase and ensure that the project documentation fully reflect the NFGA proposed vision for a holistic NFPP which maximizes the ecological and social benefits of the program, as well as ensuring that the projects activities, outputs and outcomes effectively supports the long-term transformative change of the NFPP.
Risk 11: Adopting the NFUL roadmap, local strategies and conservation statutes takes longer than planned.	I = 3, P = 2 Moderate	**Assessment:** The risk of "activity drift" will be assessed, to ensure the project design adequately addresses this risk.

|		Management:
		Consultations with relevant senior NFPP staff, at national and local level will be undertaken during the PPG phase, to ensure manageable and realistic timelines for the preparation of NFUL roadmap, local strategies and conservation statutes. Internal approval processes of relevant agencies/departments etc. will also be reviewed.
Risk 12: Importance of local communities' involvement in SFM and FLR in NFUL areas is downplayed leading to decreased social and ecological benefits.	I = 4, P = 2 Moderate	Assessment: The project's approach towards an expanded involvement of local communities in SFM and FLR in NFUL areas is to be reviewed and confirmed by senior decisionmakers within NFGA to ensure that the project remain in line with NFGA's vision for increased community involvement in the NFPP. Management: NFGA senior officials and NFPP managers will work closely together during the PPG phase and ensure that the project documentation fully reflect the NFGA proposed vision for a closer and more expanded collaboration with local communities to maximize the ecological and social benefits of the NFPP.
Risk 13: Private sector partners are not thoroughly vetted resulting in the risk for unintentionally partnering with companies engaging in mal practices.	I = 4, P = 2 Moderate	Assessment: The risk associated with the private sector engagement will be assessed using the tool developed by UNDP under its *"Policy on Due Diligence and Partnership with the Private Sector"*. Management: Design Phase: A decision on engagement with a partner will be taken based on the completed due diligence including a risk/benefit analysis of the partnership based on the *"Policy on Due Diligence and Partnership with the Private Sector"*. Implementation Phase: The Project Manager will regularly monitor the partnership and any possible controversies surrounding the potential partner or its industry. Similarly, the Proje...

		ct Manager will regularly assess whether the partner is meeting the conditions of the partnership. The Project Manager will provide reports on the progress of the partnership at least once a year to their respective local office, the Regional Bureau and HQ for knowledge exchange, learning, and monitoring. Any significant issues related to the partnership should be flagged to HQ. The initial Risk Assessment and the updates need to be recorded in the Private Sector Partnerships Database in the intranet.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

NFGA will act as the project Executing Agency and the Executive of the Project Steering Committee. NFGA, together with development partners and beneficiaries, will constitute the Project Steering Committee, which will meet regularly to discuss the progress of the project, ensure it is aligned with the identified actions, and incorporate feedback from project implementation in order to adjust interventions as necessary. UNDP will be accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP will also be responsible for the Project Assurance role of the Project Board/Steering Committee.

The Project Management Office (PMO) will consist of the Project Coordinator, and a Financing/Administrator officer. The PMO will be hosted by NFGA. Monitoring and Evaluation (M&E) will be conducted by the PMO in accordance with established national, UNDP and GEF procedures. The M&E system will rely on three components: Day to day monitoring of implementation progress, annual monitoring reports during the grant disbursement period, and mid-term review and final independent evaluation focusing on the project's effectiveness, efficiency, sustainability, relevance and coherence. An inception meeting will convene all relevant stakeholders and determine budget/personnel/training requirements. Site visits will ensure that activities are implemented according to plan. A logical framework will be developed for monitoring project performance and delivery, using SMART indicators during project implementation. A results matrix and work plan will provide additional information on the allocation of funds for expected project deliverables and the timing of project activities. Delays or difficulties faced during implementation will be communicated to NFGA immediately, so that the work plan may be adjusted. The project organizational structure is presented below:

Project Organization Structure

Project Steering Committee (Project Board)

| Development Partners MOF, Provincial FB, local FB, All China Women's Federation & Private Sector Rep. | Project Executive (Chair of PSC) National Forest and Grassland Administration |

Project Assurance:
UNDP China
UNDP Asia-Pacific

Project Management Office
(Project oversight and M&E)

Project Advisory Group
(cross-sectoral ministerial departments, civil society, private sector, academic/ research institutes, etc.)

| GPFB PMO | CMFB PMO | YPFB PMO | GPFB PMO | FPFB PMO |

The project will collaborate with and/or build on the outputs and activities of a number of existing and/or former GEF Projects. An initial list is presented below but the synergies between the proposed project and other national and international projects and programmes etc. will be further explored during the PPG phase.

·   *UNDP-GEF China's Protected Area Reform Program (C-PAR)*: Under the C-PAR, a set of four projects related to protected area (PA) reform and enhancement are close to finalization. They include a national-level project on PA system reform, two provincial projects (Gansu and Qinghai), and one costal project in south-eastern China.

·   *UNDP-GEF Payment for Watershed Services in the Chishui River Basin for the Conservation of Globally Significant Biodiversity*. The project aims to develop and implement a system of payments for watershed services as a means of preserving the rich biodiversity in the Chishui River Basin. Due to its engagement with local communities the current project will ensure detailed consultations with the project during the PPG phase to bring in project lessons learned and outcomes into the design of the current project where possible.

·   *UNDP-GEF Developing and Implementing the National Framework on Access to and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge*: The focus of the project is to develop an Access Benefit Sharing (ABS) system for China in which local people are compensated for access to genetic resources in their communities by others entities (such as companies). As for the above project detailed consultations with this project during the

PPG phase will be ensured.

· *Natural Forest Protection Program (NFPP) (2010-2020):* The NFPP supports the protection and restoration of NFUL areas with the aim to re-establish vital ecosystem services, especially in soil erosion prone forest areas that are located around the headwaters of rivers such as Yellow, Yangtze, and Mekong.

· *Asian Development Bank-GEF Western China Land Degradation Partnership*: The partnership is an ongoing programmatic approach to land degradation. Currently the Partnership has launched its second phase and is carrying out the Sustainable and Climate Resilient Land Management in Western PRC Project, implemented by NFGA.

· *Asian Development Bank-GEF Sustainable and Climate-Resilient Land Management in the Western Regions:* Under PRC-GEF Partnership on Land Degradation Parent Program, this project continues to support government efforts to strengthen the PRC−GEF Partnership on land degradation in dryland ecosystems by expanding the regional scope and upscaling sustainable land management (SLM) investments in selected provinces and autonomous regions in western China.

· *FAO-GEF Decision Support for Mainstreaming and Scaling up of* SLM *Project*: The FAO-GEF project works with 15 countries to further scale up approaches developed by the earlier FAO-UNEP-GEF project Land Degradation Assessment in Drylands (LADA). China participated in LADA and in this project.

· *IUCN-GEF Building Climate Resilient Green Infrastructure: enhancing ecosystem services of planted forests in China through forest landscape restoration and governance innovation:* The project seeks to improve ecosystem services in China's state owned forest farms through the implementation of restoration programs, mainstream ecosystem services into China's forestry policy and build the capacity of relevant institutions. The project is part of the Restoration Initiative (TRI) − Fostering innovation and integration in support of the Bonn Challenge. The global program involving 10 countries is led by IUCN and supported by FAO and UNEP.

· *Sino-German Financial Cooperation Projects on Sustainable Forest Management:* These ongoing projects, funded by bilateral donors (KfW from Germany and Ministry of Finance of China) under Sino-German Financial Cooperation Governmental Agreement, are currently planned and implemented in the provinces of Anhui, Hubei, Chongqing, Gansu and Shanxi.

With regard to the identified related projects, the areas of cooperation and establishment of synergies will as mentioned be explored further during the PPG phase. In this regard, utilizing the NFGA's internal and external cooperation and coordination mechanisms will become an essential avenue for the proposed project to influence other projects as well as absorb lessons learned and good practices from said projects. As part of the proposed project's Output 4.1 it will also use NFGA's international cooperation setup to broaden its international outreach and cooperation. Taking advantages of NFGA's participation in international engagements such as the Restoration Initiative, the proposed project can create synergies not only within China, but also internationally.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

	National strategies and plans
X	China's Voluntary Land Degradation Neutrality (LDN) Targets
X	Thirteenth Five-Year Plan for Forestry Development of the People's Republic of China (2016-2020)
X	National Bio Strategy Action Plan (NBSAP)
X	China's National Plan on Implementation of the 2030 Agenda for Sustainable Development
X	China's Policy Plan on Natural Forest Protection and Restoration (issued by the Chinese Government on 23 July 2019)
X	The "Targeted Poverty Alleviations" Strategy (also called China's Precision Poverty Relief Strategy)

The project's consistency with the national strategies and plans will be fully explored during the PPG phase.

The project will be an important national contribution to the global efforts undertaken in connection with the UN Decade on Ecosystem Restoration (2021-2030), the United Nations strategic plan for forests (2017–2030) and global initiatives such as the Bonn Challenge and ECCA30 as well as UNCCD's implementing of LDN. The proposed project supports the China's Voluntary LDN Targets (2017) and its five key actions listed under the sub-section SFM key actions (i.e. Establishing forest management planning system; Improving public financial support policy; Perfecting the modern fund support policy; Deepening the reform of forest resource management; and Scientific implementation of natural forest conservation.)

The project also supports the National Biodiversity Strategy and Action Plan (2011-2030), which makes a specific reference to NFUL under the NBSAP's Priority Area 4 (i.e. To strengthen in-situ biodiversity conservation) and its action 15 (i.e. Improve biodiversity conservation outside nature reserves)

Furthermore, as noted under section F, the project will contribute to at least seven Aichi Targets: Target 2; 4; 5; 7; 14; 15 and 19.

The project's pursuit of FLR is also relevant to the United Nations Sustainable Development Goals (SDGs). In particular, SDG 15, "*Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss*" and its targets 15.1, 15.2 and 15.3[1]. FLR is also relevant to SDG 6, "*Ensure availability and sustainable management of water and sanitation for all*", in

that, forest restoration in the NFUL areas will be protecting and restoring water-related ecosystems which is critical to water provision in many areas. Lastly, SDG 13, "*Take urgent action to combat climate change and its impacts*" is relevant for this project as increasing the standing stock on natural forests can increase carbon uptake from the atmosphere.

In this regard, China's National Plan on Implementation of the 2030 Agenda for Sustainable Development (issued in September 2016) notes that regard to the SDG target 15.2 China is to "*Launch a large-scale land greening campaign, focus on key forestry projects, improve the protection system for natural forests, comprehensively prohibit commercial cutting of natural forests, and protect and cultivate the forest ecosystem. By 2020, increase the national forest coverage rate to 23.04% and forest reserves to 16.5 billion cubic meters. Advance the conversion of degraded farmlands into forests and grasslands. Explore the establishment of a working mechanism for the government to purchase social services for afforestation and forest preservation.*".

Finally, the project is in line with the 13th Five-Year Plan for Forestry Development of the People's Republic of China (2016-2020) and is directly addressing barriers towards NFGA's process of transforming the National Forest Protection Program which will be implemented in accordance to the newly announced Policy Plan on National Forest Protection and Restoration.

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[1] **SDG 15** "Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss."

Target 15.1 "By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements."

Target 15.2 "By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally".

Target 15.3 "By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world."

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Knowledge management and knowledge dissemination will be a central part of the project and are closely related to component 4 which will make key project documentation, such as training materials and trainings available. A cornerstone of this effort will be the design and maintenance of a project website from which all project knowledge products can be accessed[1]. Practical training videos illustrating forest restoration techniques will also be prepared and used in trainings, as well as being disseminated through the established information channels, including the website. To draw attention to the website, and its knowledge products etc., the project will carry out an active online campaign. It will among other focus on forestry and environmental experts involved in policy discussion groups on other websites. It will also work to drive traffic to the project website through various other means.

Raising the public's awareness on causes and effects of forest landscape degradation and the need for a multi-level governance and landscape approach to combat these will be pursued through events, as well as information dissemination through multiple channels of the media. These channels will include print media, such as newspapers; online media, such as online news articles; social media, such as WeChat; and television. For television, the project will develop a documentary and will air on a primetime television channel in China.

In addition, to ensure full accountability and providing input for any potential course correction of the project, the project will undertake regular monitoring of the project activities and its interactions with the project stakeholders. In part, this will be documented through the project's reporting, such as annual UNDP reports (APR) the GEF Project Implementation Reports (PIR). The review of the projects progress will in particular be done through its independent midterm review and terminal evaluation, where the project will have an external review of its documentation and project experiences and lessons learned.

The project will also hold workshops on project topics and invite participants from other relevant projects and initiatives to facilitate cross project cooperation. Furthermore, NFGA will through its own internal system bring projects together for discussions on joint issues. For instance, extensive vetting and refinement of the project developed forest restoration methodologies is needed and would involve large meetings as well as smaller working group meetings of experts. In addition to this, the project will hold at least one international forum to share project learnings, as it is believed that the project developed methodologies will be valuable to other countries, particularly developing ones, which face similar challenges as China. The proposed project will also use NFGA's international cooperation setup to broaden its international outreach and cooperation by taking advantages of NFGA's participation in existing global and regional initiatives/platforms such as the Restoration Initiative, the Bonn Challenge and ECCA30, as well as other regional and global FLR activities and events, thus providing a valuable support towards the UN Decade on Ecosystem Restoration.

Main categories expected to be accessible on the website will be Legislation, Strategies and action plans. Research, Trainings, Education materials, Videos, Links to ources, Discussion forum (topic separated) and Events. Information will be collected from within and outside the project including internationally.

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 with this template).

Name	Position	Ministry	Date
Peng Xiang	GEF Operational Focal Point for China	Department of International Economic and Financial Cooperation, Ministry of Finance, China	10/10/2019

ANNEX A: Project Map and Geographic Coordinates
Please provide geo-referenced information and map where the project intervention takes place

The project targeted landscapes are shown in figure 1. The coordinates of the project targeted forest landscape restoration demo sites are listed below.

The five targeted forest landscape restoration demo sites have been selected as they represent five representative locales in the typical soil erosion regions of China. Full site profiles will be developed during the PPG phase.

Xiaolongshan, Gansu Province- coordinates: 33°40′ N, 106°53′ E
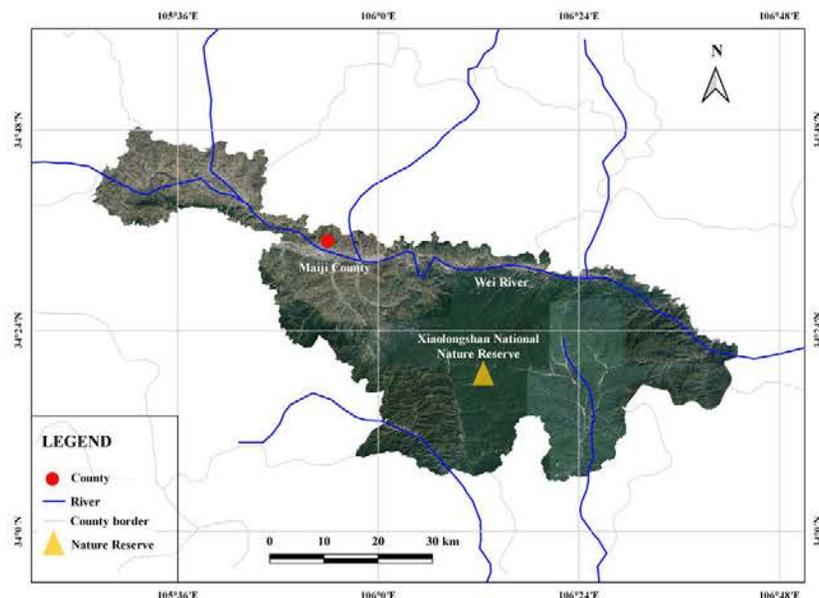
The vast majority of NFUL in and around Xiaolongshan is state-owned. Xiaolongshan Forestry Bureau (XLSFB) is a state-owned entity located in South-eastern Gansu province. It is responsible for protecting and restoring state-owned forest land. It has 21 forest farms, with almost 6,000 employees, under its purview. Both the Yangtze River and the Yellow River cut through areas of Xiaolongshan. Total NFUL area is 828,699 ha, of which 74.5% or 617,078 ha is forested. The degraded NFUL areas cover an overall of 246,830 ha at the project site and of these 32 % has a rating of intensive or above. Xiaolongshan has suffered serious degradation over the years, weakening its ability to provide ecosystem services and natural forest restoration.

[30] Source map from the NFGA publication Forest Resources in China The 9th National Forest Inventory http://www.china-ceecforestry.org/wp-content/uploads/2019/08/Forest-Resources-in-China%E2%80%94%E2%80%94The-9th-National-Forest-Inventory.pdf

Xiaolongshan houses more than 27 species of national level key protected, 32 endemic species, including 14 endemic tree species and 1,004 medicinal plant species, and endemic or local species which can be used in the forest reforestation are Red birch (*Betula albo-sinensis*) and Chinese oil pine (*Pinus tabulaeformis*), and Dragon spruce (*Picea asperata*).

Wuxi County, Chongqing Municipality *- coordinates*: 31°29' N, 109°21' E;
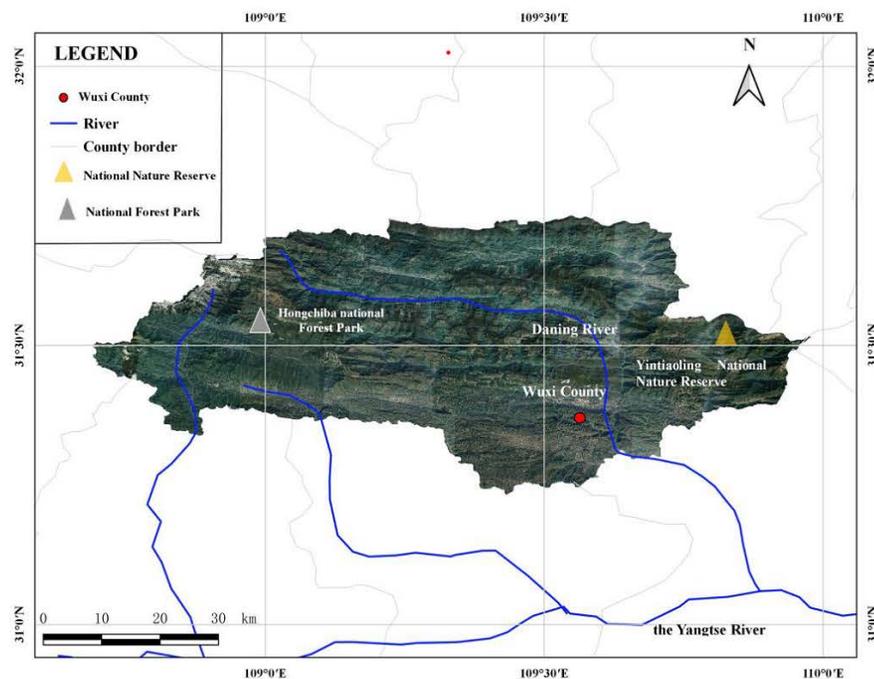
Wuxi county is located at the edge of the northeast area of Chongqing Municipality. In contrast to Xiaolongshan, the majority of NFUL in Wuxi County is collective. The state-owned forest farms in the county have only 140 state forest farm workers. Mountains and hills occupy 91.4% of Wuxi County's area. The county is classified as a national-level poverty county. Total land area classified as NFUL is 326,933 ha of which of 218,912 ha are forested. The degraded NFUL areas cover an overall of 140,309 ha at the project site and of these 67 % has a rating of intensive or above. Of this, 12.2% is designated as protected ecological forest and 25.8% is public benefits forest at the national level. Another 40.6% is classified as collective public benefits forest at the local level. Thus, a total of 78.6% of Wuxi's forest use land is strictly protected. Wuxi county houses more than 109 key protected species of national level, 27 endemic species, including 12 endemic tree species and 157 medicinal plant species. Endemic or local species which can be used in the forest restoration are black locust (*Robinia pseudoacacia*) and Chinese pistache (*Pistacia chinensis*), and cypress (*Cupressus funebris*).

*Xishuangbanna Area, Yunnan province*- *coordinates*: 21°52′ N, 101°23′ E;
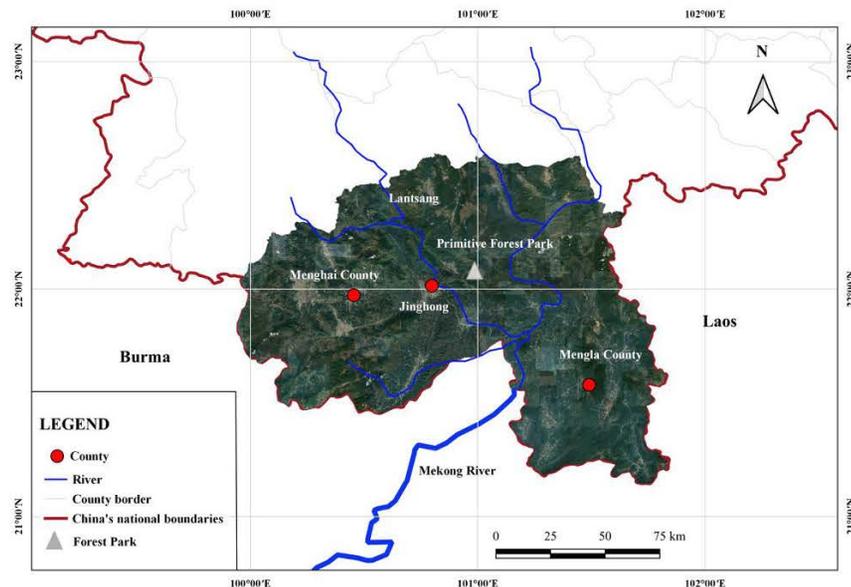
Xishuangbanna area is a three-county area covering 19,150 km² that borders Laos in the south and Myanmar in the southwest. The area is known for its large ethnic minority populations of multiple ethnicity. 95% of Xishuangbanna is mountainous or hilly. The area is a transition zone between the flora and fauna of tropical Southeast Asia and subtropical and temperate China, resulting in a region with the highest biodiversity in China. The forested area of NFUL covers an overall area of 1,118,800 ha at the project site, and degraded NFUL areas covers an overall area of 434,867 ha at the project site and of these 42 % has a rating of intensive or above.With human population growth, traditional slash-and-burn agricultural activities, and rubber and pulp plantation expansion, deforestation of natural forestland has been dramatic in Xishuangbanna in recent years. Large areas of tropical rainforest and shifting cultivation lands at lower altitudes have been converted to rubber plantations because of the higher incomes they offer. As a result, natural forestland at higher altitudes or on steep slopes has then been cleared to meet the thereby created demand for new arable land. Xishuangbanna houses more than 90 key protected species of national level, 44 endemic species, including 20 endemic tree species and 1,715 medicinal plant species. Endemic or local species which can be used in the forest restoration are Oak (*Quercus spp.*), fir (*Cunninghamia Lanceolata*), and Yunnan pine (*Pinus yunnanensis*).

Libo County, Guizhou Province- *coordinates*: 25°8′ N, 107°57′ E;
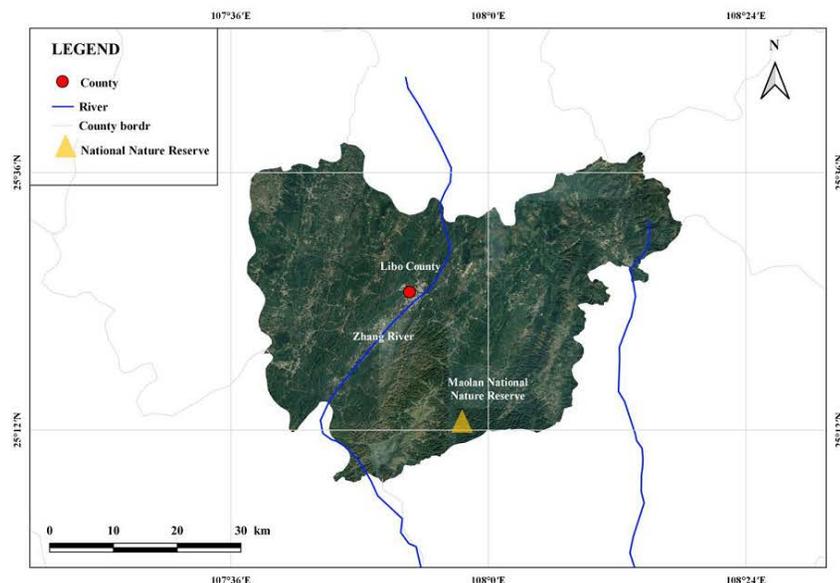
Libo county is located in the southern part of Guizhou province, and also the upper reaches of the Pearl River. It has an area of 2,431.8 square kilometres and is designated as one of the main ecological function zones in China. Maolan Karst Forest ecosystem in Libo county, is the only surviving karst forest ecosystem in the world and Libo, together with Shilin and Wulong, was listed as the World Natural Heritage of Karst in Southern China in 2007. There are 193,655 hectares of NFUL in Libo county, of which 147,282 ha are forested. 46,373 hectares (23.9%) is the barren mountain and 27,213 hectares (14.1%) the rocky-desertification forest of which of large parts are seriously degraded making ecological restoration difficult. The degraded NFUL areas cover an overall area of 83,950 ha at the project site and of these 32 % has a rating of intensive or above. The county's forest coverage rate is 55.2% and houses more than 170 species of national level key protected and 354 medicinal plant species providing for a "natural drug store" and a large in-situ gene bank. Nevertheless, despite the implementation of NFPP, the destruction of NFUL and its resources, including biodiversity, are intensifying and phenomena such as deforestation, indiscriminate reclamation of NFUL and overharvesting of wild plants extensively occur, thus leading to severe habitat fragmentation of NFUL in Libo County. Libo County houses more than 170 species of national level key protected, 41 endemic species, including 19 endemic tree species and 354 medicinal plant species. Endemic or local species which can be used in the forest restoration are Chinese cypress (*Platycladus orientalis*), fir (*Cunninghamia Lanceolata*), and camphor tree (*Cinnamomum camphora*).

Changting County, Fujian Province- *coordinates*: 25°40′ N, 116°20′ E;
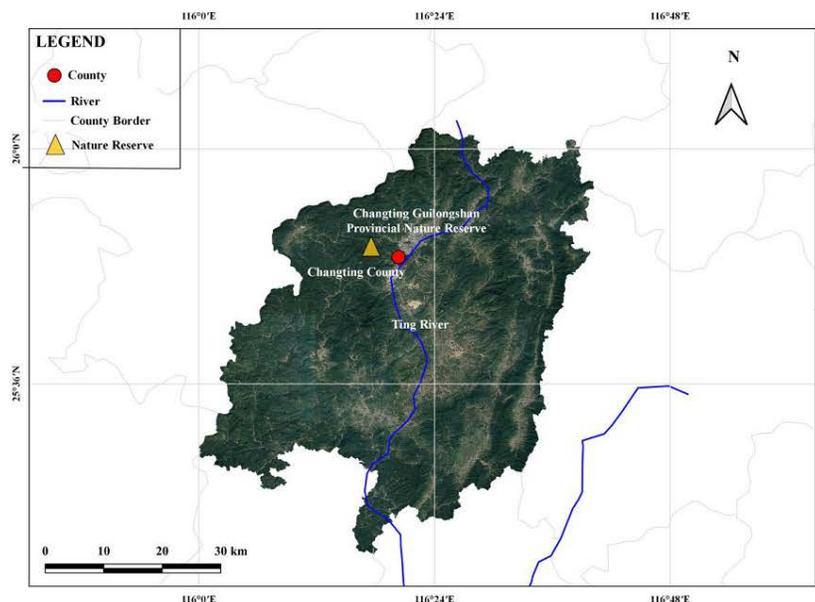
Changting county is located in the western mountainous region of Fujian province, south of Wuyi Mountains, neighbouring Guangdong province to the south, and Jiangxi province to the west. The county is dominated by low mountains and hilly regions. In Changting county forested NFUL area cover 274,000 hectares of which 80% are community managed. The degraded NFUL areas cover an overall area of 153,988 ha at the project site and of these 58 % has a rating of intensive or above. Due to extensively long-term poor management, inferior and residual forests account for about 1/2 of the total area of the NFUL, and the average stock rate on these lands is 55.3 m³/ha, much lower than the provincial average of 86.2 m³/ha. The ground layer is mainly sandstone, mudstone and acid igneous rocks, which are brittle and have strong surface erosion potential. The soil after weathering is mainly red soil and sandy loam, which is susceptible to collapse and mudslides. These unique natural conditions contribute to the ecological vulnerability of the area. Changting county houses more than 91

species of national level key protected, 24 endemic species, including 10 endemic tree species and 130 medicinal plant species. Endemic or local species which can be used in the forest restoration are cryptomeria (*Cryptomeria fortunei*), meatsequoia (*Metasequoia glyptostroboides*), and Fokienia-cypress (*Fokienia hodginsii*).

ANNEX B
Copy of The GEF Operational Focal Point's Letter of Endorsement

OCT-18-2019 13:54 From: To:8532090   P.2/2

中 华 人 民 共 和 国 财 政 部

Ministry of Finance, People's Republic of China

October/q 2019

To: Mr. Pradeep Kurukulasuriya
Executive Coordinator & Director
Global Environmental Finance
Bureau for Policy and Programme Support (BPPS)/
Global Policy Network
United Nations Development Programme
One United Nations Plaza
New York, NY 10017 USA

Subject: Endorsement for Degraded Natural Forest Use Land Restoration and Management in Typical Water and Soil Erosion of China

In my capacity as GEF Operational Focal Point for China, 1 confirm that the above project proposal (a) is in accordance with my government's national priorities and our commitment to the relevant global environmental conventions; and (b) was discussed with relevant stakeholders, including the global environmental convention focal points.

I am pleased to endorse the preparation of the project proposal with the support of the United Nations Development Programme (UNDP) as GEF Agency listed below. If approved, the proposal will be prepared and implemented by the State Forestry and Grassland Administration. I request the UNDP to provide a copy of the project document before it is submitted to the GEF Secretariat for CEO endorsement.

The total financing the GEFTF being requested for this project is USD 3,380,000.00, inclusive of project preparation grant (PPG), and Agency fees for project cycle management services, associated with the total GEF grant. The financing requested for China is detailed in the table below.

Source of Funds	GEF Agency	Focal Area	Amount (in US $)			
			PPG	Project	Fee	Total
GEFTF	UNDP	Land Degradation	100,000	2,986,758	293,242	3,380,000
Total GEF Resources			100,000	2,986,758	293,242	3,380,000

I consent to the utilization of the People's Republic of China allocations in GEF-7 as defined in the System for Transparent Allocation of Resources (STAR)

18 OCT 2019

Sincerely yours,

Peng Xiang

Peng Xiang

GEF Operational Focal Point for China
Department of International Economic and Financial Cooperation
Ministry of Finance, China

San Li He ST:, Xicheng District, Beijing 100820, People's Republic of China
Tel: (86-10) 6855-1121 Fax: (88-10) 6855-1125

34
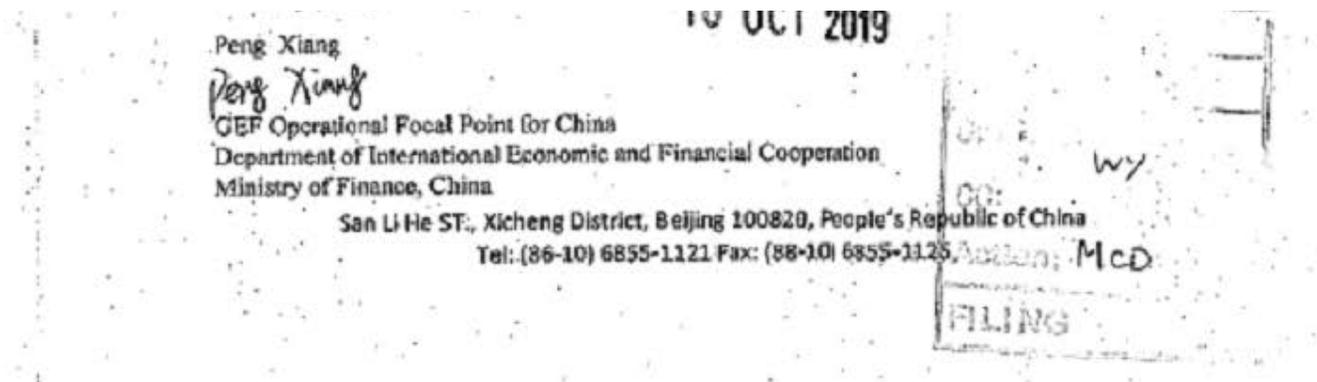
ANNEX C

GEF 7 Core Indicator Worksheet

Core Indicator 1	Terrestrial protected areas created or under improved management for conservation and sustainable use						*(Hectares)*
				Hectares (1.1+1.2)			
				Expected		Achieved	
				PIF stage	Endorsement	MTR	TE
Indicator 1.1	Terrestrial protected areas newly created						
Name of Protected Area	WDPA ID	IUCN category		Hectares			
				Expected		Achieved	
				PIF stage	Endorsement	MTR	TE
			(select)				
			(select)				
			Sum				
Indicator 1.2	Terrestrial protected areas under improved management effectiveness						
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score			
				Baseline		Achieved	
					Endorsement	MTR	TE
		(select)					

Core Indicator 2	Marine protected areas created or under improved management for conservation and sustainable use						*(Hectares)*
		Hectares (2.1+2.2)					
		Expected			Achieved		
		PIF stage	Endorsement		MTR		*TE*
Indicator 2.1	Marine protected areas newly created						
Name of Protected Area	WDPA ID	IUCN category		Hectares			
				Expected		Achieved	
				PIF stage	Endorsement	MTR	TE
		(select)					
		(select)					
		Sum					
Indicator 2.2	Marine protected areas under improved management effectiveness						
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score			
				Baseline		Achieved	
				PIF stage	Endorsement	MTR	TE
		(select)					
		(select)					
		Sum					
Core Indicator 3	Area of land restored						*(Hectares)*
		Hectares (3.1+3.2+3.3+3.4)					
		Expected			Achieved		
		PIF stage	Endorsement		MTR		TE
		424,000					
Indicator 3.1	Area of degraded agricultural land restored						
		Hectares					
		Expected			Achieved		
		PIF stage	Endorsement		MTR		TE
Indicator 3.2	Area of forest and forest land restored						
		Hectares					
		Expected			Achieved		
		PIF stage	Endorsement		MTR		TE
		424,000					

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Indicator 3.3	Area of natural grass and shrublands restored				
		Hectares			
		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE

Indicator 3.4	Area of wetlands (including estuaries, mangroves) restored				
		Hectares			
		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE

Core Indicator 4	**Area of landscapes under improved practices (hectares; excluding protected areas)**				*(Hectares)*
		Hectares (4.1+4.2+4.3+4.4)			
		Expected		Expected	
		PIF stage	Endorsement	MTR	TE

Indicator 4.1	Area of landscapes under improved management to benefit biodiversity				
		Hectares			
		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE

Indicator 4.2	Area of landscapes that meet national or international third-party certification that incorporates biodiversity considerations				
Third party certification(s):		Hectares			
		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE

Indicator 4.3	Area of landscapes under sustainable land management in production systems				
		Hectares			
		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE

Indicator 4.4	Area of High Conservation Value Forest (HCVF) loss avoided				
Include documentation that justifies HCVF		Hectares			
▨		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE
Core Indicator 5	**Area of marine habitat under improved practices to benefit biodiversity**				*(Hectares)*
Indicator 5.1	Number of fisheries that meet national or international third-party certification that incorporates biodiversity considerations				
Third party certification(s): ▨		Number			
		Expected		Achieved	
▨		PIF stage	Endorsement	MTR	TE
▨					
Indicator 5.2	Number of large marine ecosystems (LMEs) with reduced pollution and hypoxial				
		Number			
		Expected		Achieved	
		PIF stage	Endorsement	MTR	TE
Indicator 5.3	Amount of Marine Litter Avoided				
		Metric Tons			

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			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Core Indicator 6	**Greenhouse gas emission mitigated**					*(Metric tons of CO_2e)*
			Expected metric tons of CO_2e (6.1+6.2)			
			PIF stage	Endorsement	MTR	TE
	Expected CO2e (direct)		10,439,861			
	Expected CO2e (indirect)					
Indicator 6.1	Carbon sequestered or emissions avoided in the AFOLU sector					

			Expected metric tons of CO₂e			
			PIF stage	Endorsement	MTR	TE
		Expected CO2e (direct)	10,439,861			
		Expected CO2e (indirect)				
		Anticipated start year of accounting	2021			
		Duration of accounting	20 years			
Indicator 6.2	Emissions avoided Outside AFOLU					
			Expected metric tons of CO₂e			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		Expected CO2e (direct)				
		Expected CO2e (indirect)				
		Anticipated start year of accounting				
		Duration of accounting				
Indicator 6.3	Energy saved					
			MJ			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 6.4	Increase in installed renewable energy capacity per technology					
			Capacity (MW)			
		Technology	Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		(select)				
		(select)				
Core Indicator 7	**Number of shared water ecosystems (fresh or marine) under new or improved cooperative management**					*(Number)*
Indicator 7.1	Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
Indicator 7.2	Level of Regional Legal Agreements and Regional Management Institutions to support its implementation					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
Indicator 7.3	Level of National/Local reforms and active participation of Inter-Ministerial Committees					

		Rating (scale 1-4)			
Shared water ecosystem		PIF stage	Endorsement	MTR	TE
Indicator 7.4	Level of engagement in IWLEARN through participation and delivery of key products				
Shared water ecosystem		Rating (scale 1-4)			
		Rating		Rating	

			PIF stage	Endorsement	MTR	TE
Core Indicator 8	**Globally over-exploited fisheries Moved to more sustainable levels**					*(Metric Tons)*
Fishery Details			Metric Tons			
			PIF stage	Endorsement	MTR	TE
Core Indicator 9	**Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products**					*(Metric Tons)*
			Metric Tons (9.1+9.2+9.3)			
			Expected		Achieved	
			PIF stage	PIF stage	MTR	TE
Indicator 9.1	Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)					
			Metric Tons			
POPs type			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
(select)	(select)	(select)				
(select)	(select)	(select)				
(select)	(select)	(select)				
Indicator 9.2	Quantity of mercury reduced					
			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE

Indicator 9.3	Hydrochloroflurocarbons (HCFC) Reduced/Phased out					
		Metric Tons				
		Expected			Achieved	
		PIF stage	Endorsement		MTR	TE

Indicator 9.4	Number of countries with legislation and policy implemented to control chemicals and waste					
		Number of Countries				
		Expected			Achieved	
		PIF stage	Endorsement		MTR	TE

Indicator 9.5	Number of low-chemical/non-chemical systems implemented particularly in food production, manufacturing and cities					
			Number			
	Technology	Expected			Achieved	
		PIF stage	Endorsement		MTR	TE

Indicator 9.6	Quantity of POPs/Mercury containing materials and products directly avoided					
		Metric Tons				
		Expected			Achieved	
		PIF stage	Endorsement		PIF stage	Endorsement

Core Indicator 10	Reduction, avoidance of emissions of POPs to air from point and non-point sources					*(grams of toxic equivalent gTEQ)*

Indicator 10.1	Number of countries with legislation and policy implemented to control emissions of POPs to air					
		Number of Countries				
		Expected			Achieved	
		PIF stage	Endorsement		MTR	TE

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Indicator 10.2	Number of emission control technologies/practices implemented

| Indicator 10.2 | Number of emission control technologies/practices implemented | | | | | |

			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE

Core Indicator 11	**Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment**					*(Number)*
			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		Female	15,000			
		Male	15,000			
		Total	30,000			

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ANNEX <mark>D</mark>

Project Taxonomy Worksheet

Use this Worksheet to list down the taxonomic information required under Part I, item G by ticking the most relevant keywords/ topics/themes that best describe this project.

Level 1	Level 2	Level 3	Level 4
☒ Influencing models			
	☒ Transform policy and regulatory environments		
	☒ Strengthen institutional capacity and decision-making		
	☐ Convene multi-stakeholder alliances		
	☒ Demonstrate innovative approaches		

	approacnes		
	☒ Deploy innovative financial instruments		
☒ Stakeholders			
	☒ Indigenous Peoples		
	☒ Private Sector		
		☐ Capital providers	
		☐ Financial intermediaries and market facilitators	
		☐ Large corporations	
		☐ SMEs	
		☒ Individuals/Entrepreneurs	
		☐ Non-Grant Pilot	
		☐ Project Reflow	
	☒ Beneficiaries		
	☒ Local Communities		
	☐ Civil Society		
		☐ Community Based Organization	
		☐ Non-Governmental Organization	
		☐ Academia	
		☐ Trade Unions and Workers Unions	
	☒ Type of Engagement		
		☒ Information Dissemination	
		☒ Partnership	
		☒ Consultation	
		☒ Participation	
	☒ Communications		
		☒ Awareness Raising	
		☐ Education	
		☒ Public Campaigns	
		☐ Behaviour Change	
☒ Capacity, Knowledge and Research			
	☐ Enabling Activities		
	☒ Capacity Development		
	☐ Knowledge Generation and Exchange		
	☐ Targeted Research		
	☒ Learning		
		☒ Theory of Change	
		☒ Adaptive Management	
		☒ Indicators to Measure Change	
	☐ Innovation		
	☒ Knowledge and Learning		
		☒ Knowledge Management	

		☐ Innovation	

		☒ Capacity Development	
		☐ Learning	
	☒ Stakeholder Engagement Plan		
☒ Gender Equality			
	☒ Gender Mainstreaming		
		☒ Beneficiaries	
		☒ Women groups	
		☒ Sex-disaggregated indicators	
		☒ Gender-sensitive indicators	
	☒ Gender results areas		
		☐ Access and control over natural resources	
		☐ Participation and leadership	
		☒ Access to benefits and services	
		☒ Capacity development	
		☒ Awareness raising	
		☒ Knowledge generation	
☒ Focal Areas/Theme			
	☐ Integrated Programs		
		☐ Commodity Supply Chains (³⁴Good Growth Partnership)	
			☐ Sustainable Commodities Production
			☐ Deforestation-free Sourcing
			☐ Financial Screening Tools
			☐ High Conservation Value Forests
			☐ High Carbon Stocks Forests
			☐ Soybean Supply Chain
			☐ Oil Palm Supply Chain
			☐ Beef Supply Chain
			☐ Smallholder Farmers
			☐ Adaptive Management
		☐ Food Security in Sub-Sahara Africa	
			☐ Resilience (climate and shocks)
			☐ Sustainable Production Systems

			☐ Sustainable Production Systems
			☐ Agroecosystems
			☐ Land and Soil Health
			☐ Diversified Farming
			☐ Integrated Land and Water Management
			☐ Smallholder Farming
			☐ Small and Medium Enterprises
			☐ Crop Genetic Diversity
			☐ Food Value Chains
			☐ Gender Dimensions
			☐ Multi-stakeholder Platforms
		☐ Food Systems, Land Use and Restoration	
			☐ Sustainable Food Systems
			☐ Landscape Restoration
			☐ Sustainable Commodity Production
			☐ Comprehensive Land Use Planning
			☐ Integrated Landscapes
			☐ Food Value Chains
			☐ Deforestation-free Sourcing
			☐ Smallholder Farmers
		☐ Sustainable Cities	
			☐ Integrated urban planning
			☐ Urban sustainability framework
			☐ Transport and Mobility
			☐ Buildings

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			☐ Municipal waste management
			☐ Green space
			☐ Urban Biodiversity
			☐ Urban Food Systems
			☐ Energy efficiency
			☐ Municipal Financing
			☐ Global Platform for Sustainable Cities

			Cities
			☐ Urban Resilience
	☐ **Biodiversity**		
		☐ Protected Areas and Landscapes	
			☐ Terrestrial Protected Areas
			☐ Coastal and Marine Protected Areas
			☐ Productive Landscapes
			☐ Productive Seascapes
			☐ Community Based Natural Resource Management
		☐ Mainstreaming	
			☐ Extractive Industries (oil, gas, mining)
			☐ Forestry (Including HCVF and REDD+)
			☐ Tourism
			☐ Agriculture & agrobiodiversity
			☐ Fisheries
			☐ Infrastructure
			☐ Certification (National Standards)
			☐ Certification (International Standards)
		☐ Species	
			☐ Illegal Wildlife Trade
			☐ Threatened Species
			☐ Wildlife for Sustainable Development
			☐ Crop Wild Relatives
			☐ Plant Genetic Resources
			☐ Animal Genetic Resources
			☐ Livestock Wild Relatives
			☐ Invasive Alien Species (IAS)
		☐ Biomes	
			☐ Mangroves
			☐ Coral Reefs
			☐ Sea Grasses
			☐ Wetlands
			☐ Rivers
			☐ Lakes
			☐ Tropical Rain Forests
			☐ Tropical Dry Forests
			☐ Temperate Forests
			☐ Grasslands
			☐ Paramo
			☐ Desert
		☐ Financial and Accounting	
			☐ Payment for Ecosystem Services

			☐ Natural Capital Assessment and Accounting
			☐ Conservation Trust Funds
			☐ Conservation Finance
		☐ Supplementary Protocol to the CBD	
			☐ Biosafety
			☐ Access to Genetic Resources Benefit Sharing
	☐ **Forests**		
		☐ Forest and Landscape Restoration	
			☐ REDD/REDD+

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		☐ Forest	
			☐ Amazon
			☐ Congo
			☐ Drylands
	☒ **Land Degradation**		
		☒ Sustainable Land Management	
			☒ Restoration and Rehabilitation of Degraded Lands
			☐ Ecosystem Approach
			☐ Integrated and Cross-sectoral approach
			☐ Community-Based NRM
			☐ Sustainable Livelihoods
			☒ Income Generating Activities
			☐ Sustainable Agriculture
			☐ Sustainable Pasture Management
			☒ Sustainable Forest/Woodland Management
			☒ Improved Soil and Water Management Techniques
			☐ Sustainable Fire Management
			☐ Drought Mitigation/Early Warning
		☒ Land Degradation Neutrality	
			☐ Land Productivity
			☒ Land Cover and Land cover change
			☒ Carbon stocks above or below ground
		☐ Food Security	

		☐ Food Security	
	☐ **International Waters**		
		☐ Ship	
		☐ Coastal	
		☐ Freshwater	
			☐ Aquifer
			☐ River Basin
			☐ Lake Basin
		☐ Learning	
		☐ Fisheries	
		☐ Persistent toxic substances	
		☐ SIDS: Small Island Dev States	
		☐ Targeted Research	
		☐ Pollution	
			☐ Persistent toxic substances
			☐ Plastics
			☐ Nutrient pollution from all sectors except wastewater
			☐ Nutrient pollution from Wastewater
		☐ Transboundary Diagnostic Analysis and Strategic Action Plan preparation	
		☐ Strategic Action Plan Implementation	
		☐ Areas Beyond National Jurisdiction	
		☐ Large Marine Ecosystems	
		☐ Private Sector	
		☐ Aquaculture	
		☐ Marine Protected Area	
		☐ Biomes	
			☐ Mangrove
			☐ Coral Reefs
			☐ Seagrasses
			☐ Polar Ecosystems
			☐ Constructed Wetlands
	☐ **Chemicals and Waste**		
		☐ Mercury	
		☐ Artisanal and Scale Gold Mining	
		☐ Coal Fired Power Plants	
		☐ Coal Fired Industrial Boilers	

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☐ Cement

		☐ Non-Ferrous Metals Production	
		☐ Ozone	
		☐ Persistent Organic Pollutants	
		☐ Unintentional Persistent Organic Pollutants	
		☐ Sound Management of chemicals and Waste	
		☐ Waste Management	
			☐ Hazardous Waste Management
			☐ Industrial Waste
			☐ e-Waste
		☐ Emissions	
		☐ Disposal	
		☐ New Persistent Organic Pollutants	
		☐ Polychlorinated Biphenyls	
		☐ Plastics	
		☐ Eco-Efficiency	
		☐ Pesticides	
		☐ DDT - Vector Management	
		☐ DDT - Other	
		☐ Industrial Emissions	
		☐ Open Burning	
		☐ Best Available Technology / Best Environmental Practices	
		☐ Green Chemistry	
	☐ **Climate Change**		
		☐ **Climate Change Adaptation**	
			☐ Climate Finance
			☐ Least Developed Countries
			☐ Small Island Developing States
			☐ Disaster Risk Management
			☐ Sea-level rise
			☐ Climate Resilience
			☐ Climate information
			☐ Ecosystem-based Adaptation
			☐ Adaptation Tech Transfer
			☐ National Adaptation Programme of Action
			☐ National Adaptation Plan
			☐ Mainstreaming Adaptation
			☐ Private Sector
			☐ Innovation
			☐ Complementarity
			☐ Community-based Adaptation
			☐ Livelihoods

		☐ Climate Change Mitigation	
			☐ Agriculture, Forestry, and other Land Use
			☐ Energy Efficiency
			☐ Sustainable Urban Systems and Transport
			☐ Technology Transfer
			☐ Renewable Energy
			☐ Financing
			☐ Enabling Activities
		☐ Technology Transfer	
			☐ Poznan Strategic Programme on Technology Transfer
			☐ Climate Technology Centre & Network (CTCN)
			☐ Endogenous technology
			☐ Technology Needs Assessment
			☐ Adaptation Tech Transfer
		☐ United Nations Framework on	

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		Climate Change	
			☐ Nationally Determined Contribution
		☒ **Climate Finance (Rio Markers)**	☐ Paris Agreement ☐ Sustainable Development Goals ☒ Climate Change Mitigation 1 ☐ Climate Change Mitigation 2 ☒ Climate Change Adaptation 1 ☐ Climate Change Adaptation 2

Annex E

Key Forestry Programs under the National Forest and Grassland Administration

Program 1: Natural Forest Protection Program

The main objectives of the program are to rehabilitate and revitalize natural forests and ultimately realize harmonized development of resources, economy and society in forest regions. The program currently includes a total of 17 provinces (autonomous regions) involving 724 counties, 160 major enterprises, 14 nature reserves. The total targeted forest area is 1.023 billion mu (68.2 million ha), of which 846 million mu (56.4 million ha) is designated as natural forest area. The total budget for 2000-2010 was RMB 96.2 billion, of which the central government provided RMB 78.4 billion. The second phase runs from 2011-2020 and has an annual budget of 20 billion RMB. According to the newest policy of the central government, the program will officially expand to cover the whole country from 2021.

Program 2: Sandstorm Source Control in Beijing-Tianjin Region

The program is to reduce sandstorms affecting Beijing and Tianjin via afforestation and planting of grasses and vegetation on barren land in surrounding provinces and regions. It covers 75 counties (flags, municipalities, districts) of 5 provinces (autonomous regions, municipalities) in Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia. The first program duration of 10 years from 2001 to 2010 was divided into two phases, with phase I from 2001 to 2005 and phase II from 2006 to 2010. Total program budget was RMB 50 billion, of which Beijing was to invest RMB 3.9 billion. By the end of 2007, 47 million mu (3.13 million ha) of land has been afforested, and total expenditures amounted to RMB 19.9 billion.

A second program was initiated in 2013 covering a period of 10 years (2013-2022). The new program has an expanded scope to cover 138 counties (flags, municipalities, districts) of 6 provinces (autonomous regions, municipalities), Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia and Shaanxi. The total investment in the second program duration is RMB 87.792 billion,

In order to activate social forces and attract wide private sector participation in the program, the National Forestry Grassland Administration made favorable policies for the program, resulting in that currently, more than 100 enterprises are participating in the program via private sector investments.

Program 3: Shelterbelt Forest Development in Three-north, Yangtze River Basin and Other Regions

This long-term afforestation program aims to halt desertification in central China via creation of a large transitional forest zone. It involves payments to individuals or communities for afforestation work, as well as for establishing certain types of agroforestry. Afforesting towards controlling desertification on over 450 million mu (30 million ha) and soil erosion on 300 million mu (20 million ha) has been completed. The total budget for the program period of 2001-2010 was RMB 35 billion, of which RMB 25 billion was from the central government. This program has the following two components:

·   *The Three North Shelterbelt Forest Program:* The scope of the program covers 551 county level administrative regions in 13 provinces (autonomous regions, municipalities directly under the central government) in the northwest, the north and the northeast, with a total area of 4.069 million km2, accounting for 42.4% of the total land area of China. The period of 73 years started in 1978 and is to be completed in 2050, a period of 73 years divided into 3 periods and

8 program phases. The program aims at increasing the forest area in the program regions by 35.083 million ha, and to increase the forest coverage within this area from 5.05% to 14.95%. The intervention has been put in place to effectively control sandstorms and soil erosion, as well as improve ecological conditions and improve the living conditions of farmers. The total investment is RMB 57.68 billion.

·   *The shelterbelt forest program in Yangtze River basin and other regions:* The program involved more than 1,900 counties (municipalities, districts) of 31 provinces (autonomous regions, municipalities under central government), basically covering China's major ecologically fragile regions subjected to soil erosion, sandstorm and salinity. The program was initiated in 2001 with a planning period of 10 years (2001-2010) and aimed at afforesting a total 16.77 million ha. Currently, the program is in its second phase, and has an emphasis on tending and improving the quality of the shelterbelt forest.

Program 4: Land Conversion from Farmland back to Forestland

The program focuses on implementing land conversion to retire and afforest or plant grasses on sloping or marginal cropland mainly through providing direct payments to farmers for undertaking appropriate structural adjustment of land uses and farming practices. By 2010, 14.67 million ha of reclaimed land were afforested, 17.33 million ha of barren mountains and other barren land suitable for growing trees were afforested. Hereby converting steep farmlands to forestland and controlling sandy-soil farmlands. The coverage of forest and grasslands in the program regions increased by 4.5% on the average. The ecological status has evidently improved in the program regions. The total budget is RMB 337 billion (of which RMB 130.1 billion has been spent during 2000-2006), with 139 million mu (9.27 million ha) of cropland being enrolled and 205 million mu (13.67 million ha) of wasteland being afforested. A second phase of the program is currently underway.

Program 5: Fast-growing and High-yielding Timber Base Development

The initial program duration ran from 2001-2015 and was divided into 2 periods and 3 phases. The program scope involves 1,000 counties (municipalities, districts) of 18 provinces (autonomous regions). The program aimed at improving forest stock on 13.33 million ha, including 5.86 million ha of plantation bases for pulp production, 4.97 million ha of plantations for wood-based panels, and 2.50 million ha of plantations for large-diameter timber. The program in its initial phase had a total investment of RMB 71.8 billion. The timber production in the program areas currently meets 40% of the total domestic timber demand. At present, the program enters its second period and has changed focus towards sustainable forest management and quality improvement.

Program 6: Wildlife Protection and Nature Reserve Development

The program which aims to effectively protect, develop and sustainably utilize wildlife animal and plant resources has three phases (i.e. phase one 2001-2010, phase two 2011-2030, and phase three 2031-2050). Up to 2010, 15 key wildlife rescue projects were implemented and 15 centers for domestication and breeding of wild animals and 32 wildlife monitoring centers (stations) were established. In 2010, the number of nature reserves across the country reached 1,800 including 220 national nature reserves, with a total area of 155 million ha accounting for 16.14% of China's total land area, preliminarily forming a relatively complete national nature reserve network. By 2030, the total number of nature reserves of the country will reach 2,000 including 280 national nature reserves, with a total area of 161.2 million ha accounting for 16.8% of China's total land area, forming a complete system for nature reserve protection and management. In 2050, the total number of nature reserves will reach around 2,500, including 350 national nature reserves. Then, the total area of nature reserves will reach 172.8 million ha, accounting for 18% of the total land area of China.

Annex F: List of Stakeholder Consulted During Project Design

Stakeholders in Gansu Province Consulted (October 2018 and July 2019)

- Mr. Ding, Director of NFPP Office, Gansu Provincial Forestry Bureau
- Mr. Kou, Director of Xiaolongshan Forestry Bureau
- Mr. He, Vice Director of Xiaolongshan Forestry Bureau
- Mr. Wang, Director of NFPP Office, Xiaolongshan Forestry Bureau
- Multiple other management team members of Xiaolongshan Forestry Bureau
- Director of Baihua Forest Farm (under Xiaolongshan Forestry Bureau)
- Multiple other management team members of Baihua Forest Farm
- Baihua forest farm workers (one on one interviews)
- Director of Taoping Forest Farm (under Xiaologshan Forestry Bureau)
- Multiple other management team members of Taoping Forest Farm
- Taoping Forest Farm workers (large group written feedback; small group interview)
- Villager living near Taoping Forest Farm

Stakeholders in Chongqing Municipality Consulted (July 2019 and August 2019)

- Mr. Wang, Director of Chongqing Municipal Forestry Bureau
- Mr. Gong, Director of NFPP Office, Chongqing Municipal Forestry Bureau
- Mr. Long, Vice Mayor of Wuxi County responsible for forestry
- Mr. Ruan, Director of Wuxi County Forestry Bureau
- Mr. Yang, Director of Protected Areas, Wuxi County Forestry Bureau
- Other officials from Wuxi County Forestry Bureau
- Township Chief, Shuangyang Township, Wuxi County
- Director of Forestry, Shuangyang Township, Wuxi County
- Representatives from All China Women's Federation, Shuangyang Township, Wuxi County
- Village leadership of an administrative village in Shuangyang Township, Wuxi County
- Villagers of the administrative village in Shuangyang Township, Wuxi County
- Mr. Liu Zhonghua, Director of Baiguo Forest Farm, Wuxi County
- Forest farm workers, Baiguo Forest Farm

Stakeholders in Yunnan Province Consulted (October 2018 and June 2019)

- Mr. Han Weiwei, Vice Director, NFPP Office, Yunnan Forestry Bureau
- Mr. Sun, Vice Director, Xishuang Banna Area Forestry Bureau
- Mr. Li, Vice Director, NFPP Office, Xishuang Banna Area Forestry Bureau
- Two vice mayors of Menghai County
- Mr. Ma Jie, Director of Menghai County Forestry Bureau
- Ms. Dong, Vice Director of Menghai County Forestry Bureau

- Mr. He, Director of NFPP Office, Menghai County Forestry Bureau
- Mr. Zhou Youneng, Chairman of the Board of stock company that used to be state-owned forest farm
- Mr. Bao, CEO of Jinsha Company, a company cooperating with local villagers in forest areas in Menghai County
- Mr. Chen, Director of NFPP Office, Mengla County Forest Bureau
- Mr. Chen Shilong, Vice Township Mayor of Mengla Township, Mengla County
- Head of protection station in Mengla County
- Female forest protection workers at forest protection Station in Mengla County
- Head of the local All China Women's Federation in Mengla County
- Head of a Dai administrative village in Mengla County
- Dai ethnicity villagers in village in Mengla County
- Mr. Zhang Yong, Vice Director, Jinghong City Forest Bureau
- Leader of a natural village of Jinuo people in Jinghong City
- Female villagers in natural village of Jinuo people in Jinghong City

Stakeholders in Guizhou Province Consulted (July 2019)

- Mr. Nie, Vice-Director General, NFPP Office, Guizhou Forestry Bureau
- Ms. Jiang, Director, NFPP Office, Guizhou Forestry Bureau
- Mr. He Yuejun, Professor of Ecology, Guizhou University
- Vice mayor of Libo County
- Mr. Chen, Director, Libo County Forestry Bureau
- Mr. Li, Director, NFPP Office, Libo County Forestry Bureau
- Vice Township Mayor of Chaoyang Township, Libo County
- Township Mayor of Limingguan Shuizu Township, Libo County
- All China Women's Federation representatives, Libo County
- Head of protection station in Maolan State Nature Reserve, Libo County
- Forest protection workers at forest protection Station in Maolan State Nature Reserve, Libo County
- Villagers, Buyi ethnicity in Jiu'an village, Limingguan Shuizu Tounship, Libo County
- Villagers, Yao ethnicity in Balan village, Chaoyang Tounship, Libo County
- Villagers, Yao ethnicity in Lapian village, Yaoshanyaozu Tounship, Libo County

Stakeholders in Fujian Province Consulted (September 2018 and July 2019)

- Mr. Xie Zaizhong, Director of NFPP Office, Fujian Provincial Forestry Bureau
- Mayor of Changting County
- Vice mayor of Changting County
- Mr. Wu Donglai, Director of Changting Forestry Bureau
- Mr. Fan Xiaoming, Director, NFPP Office, Changting Forestry Bureau
- Director of Ting River Headwater State Nature Reserve, Changting County

- Mr. Luo, Director of Hetian Township, Changting County
- Mr. Wang, Director of Shanzhou Township, Changting County
- Women from All China Women's Federation, Hetian Township, Changting County
- Villagers of Daifang village in Shanzhou Township, Changting County
- Mr. Zeng, Village head of Zengfang village in Shanzhou Township, Changting County
- Mr. Yu, Village head of Chenguang village in Hetian Township, Changting County
- Director of Louziba Forest Farm, Changting County
- Multiple other management team members of Louziba Forest Farm
- Louziba Forest Farm workers (large group written feedback; small group interview)

Key Stakeholders in Beijing Consulted (various dates)

- Mr. Ruan Dongya, Director of ADB-GEF PRC Partnership on Land Degradation and Dryland Ecosystems
- Mr. Song Zengming, Advisor to ADB-GEF PRC Partnership on Land Degradation and Dryland Ecosystems
- Mr. Jin Ming, Director, NFPP, NFGA
- Director, Investment Division, NFGA
- Mr. Yang Weifeng, GEF focal point, Ministry of Finance

Project Preparation Working Group (member institutions)

- Southwest University
- Chinese Academy of Forestry
- Chongqing Forestry Research Institute
- National Forest Protection Program (National Forest and Grassland Administration)
- Financial Department (National Forest and Grassland Administration)
  Ministry Ecology and Environment