

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

Review PIF and Make a recommendation

Basic project information

GEF ID

10533

Countries

China

Project Name

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

Agencies

UNDP

Date received by PM

3/22/2020

Review completed by PM

4/9/2020

Program Manager

Ulrich Apel

Focal Area

Land Degradation

Project Type

FSP

PIF

Part I – Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Not fully. Please address/clarify the following:

- All components are designated as "TA". Please clarify if component 2 is an Investment "INV" component.
- Component 2: The description of the alternative livelihood models is very vague. Please provide a few examples of what models the project may implement.
- PMC: the level of co-financing of the PMC is not considered sufficient to ensure that all management costs can be covered out of the PMC. Please bring the level of co-finance into a commensurate ratio with the overall co-financing.

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

Component 2 has been corrected to be an Investment "INV" component (Table B, page number 3).

A footnote (#2) clarifying the description of the alternative livelihood models in Table B (i.e. output 2.2) has been added on, specifying that the models will be related to different under-the-forest-canopy products (crop and livestock including bees) and will have aspects of technical training, 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. (page number 3)

As the co-financing for the project is relatively high 1:10,93, using commensurate ratio for the PMC co-financing has been seen by the project proponents as exceeding the financial needs to sufficiently cover the PMC. However, the point related to sufficiently cover the PMC through co-financing has been well taken and the PMC co-financing level has been tentatively doubled to 570,000 USD. To accommodate the increase in the PMC co-financing, the co-financing for Component 2 was reduced by 200,000 USD to 12,800,000 USD and for Component 4 by 85,000 USD to 3,960,000 USD. The PMC co-financing issue will be revisited and fully determined during the PPG Phase, taking into account the Government guidelines on project and program staffing etc. (Table B, pages number 1-4).

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Not fully.

- UNDP should be listed as "GEF agency" - not donor agency, please also include category in column which is currently blank.
- Include category for private sector entities in column that is left blank.
- (as mentioned above): the level of co-financing of the PMC is not considered sufficient to ensure that all management costs can be covered out of the PMC. Please bring the level of co-finance into a commensurate ratio with the overall co-financing.

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

UNDP is now listed as a "GEF agency" in Table C Indicative Sources of Co-financing for the Project and the category for private sector entities has also been entered. In addition, all cells in table C have been filled (pages number 4 and 5).

See response to comment 2 above on PMC (Table B, pages number 3-5).

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion n/a**Agency Response**

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion n/a**Agency Response**

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion n/a**Agency Response**

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes. However, see comments on the values entered further below.

Cleared

Agency Response

UNDP Response, 04/02/2020:

The provided data for the carbon sequestration is for a 20 years period (5 years implementation +15 years capitalization). The phrase “15 years after the project completion” may have created the confusion, therefore, it has been removed to avoid any confusion in the future. In addition, the clarifying text (pages number 6 and 18).

As for the 140,000 ha of upgrading monoculture into mixed forest (mentioned under comment 6 under Part II below), note that the project’s work is not implemented in production forests in order to improve the productivity, but is restorative work towards transforming monoculture forest into mixed forest (i.e. change the forest composition) with the purpose of creating better resilience and improve ecosystem services of the forest lands in question. Because of this no entry into GEF Core Indicator 4.3 has been made.

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Not fully.

- The PIF lacks the description of the global context for restoration and how it relates/contributes to global restoration efforts. There is no mention of Bonn Challenge, UN Decade for Restoration etc., or how it links to other restoration projects and programs and how it will make use or contribute to existing global initiatives/platforms. Please elaborate throughout the concept on these aspects to ensure linkages to the global context are made and potential synergies harnessed.
- The barrier that mentions China's large area of "artificial natural forest cover" is unclear. What is probably meant is that China has the largest (monocultural) forest plantation area?

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

With regard to the wording "artificial natural forest cover" this refers to man-made forest area. As forest plantation is made artificially in the natural forest use land, the man-made forest is thus called "artificial natural forest" in Chinese. The wording has been changed to *man-made forest*.

References to the global context has been duly included throughout the PIF to highlight the proposed project's usage and contribute to existing global initiatives/platforms (see highlighted text added to pages number 7, 13, 16, 19, 28 and 29).

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Not adequately.

- The baseline scenario should be expanded to include the baseline programs on Restoration specifically. China has been implementing restoration programs for decades. What is the baseline there, and what are the gaps that the project is trying to address?

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

NFGA is implementing six main restoration programs which all have specific targets and objectives. One of these programs is the Natural Forest Protection Program, which is the focus of the proposed project. The proposed project will address root causes (pages number 8-9) and existing barriers (pages number 9-11) that currently hinder a needed transformation of the NFPP to ensure that future program interventions provide optimal restoration, conservation, carbon sequestration and ecosystem services benefits, as well as support local livelihoods (pages number 11-12).

The proposed project will rely on the NFGA internal coordination and cooperation mechanisms to ensure that knowledge sharing and synergies between the different programs is achieved.

Changes to the PIF include:

The names of the six programs are mentioned in footnotes number 16 on pages number 11 and on page number 12 respectively, and a new annex, *Annex E*, with the details on the six programs is added to the PIF.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes. However, please note above comment on the livelihood activities that need to be better described.

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

The types of alternative livelihoods promoted through the proposed project will include: (1) under-the-forest-canopy-economy (both planting on the forest floor and raising animal in the forest. Bee-keeping will also be pursued where relevant), (2) agroforestry on farmland near natural forest use land (NFUL) areas, (3) promotion of local small-scale businesses, (4) agritainment and local eco-tourism, (5) establishment of local organization (companies, *dahu*, or cooperatives) and (6) employment of local people in implementing the newly introduced NFUL restoration methodologies, and so on. As part of this, technical support will be provided towards product quality, ecological aspects, marketing and sustainability. The needed capacity building will be delivered to local villagers through specially tailored “farmer field school” activities. For the work associated with the new NFUL restoration methodologies, there will be skills training for forest farm workers and local villagers.

To better clarify this in the PIF, a new text, highlighted in yellow, is added to the Component 2 description on page number 14.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Clarification requested:

- The PIF text refers to the Carbon mitigation estimate in a 15 year accounting time frame and the figure for 15 years is entered into the core indicators table. Please enter the 20 year figure.
- The explanation notes below the core indicators table are not fully consistent with the figures entered in the table.
- The restoration area of 424,000 ha is relatively high if compared to the total investment. The establishment of 30,000 ha of mixed forest plantations alone could easily use up the entire project budget. Please clarify if the estimates are made for direct area to be established by the project.
- The 140,000 ha of bringing mono-cultural / degraded plantations into mixed forest could either be a restorative activity or, if it is implemented in production forests in order to improve the productivity and more closely connected to SFM, this area could also be entered in indicator 4.3

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

The provided data for the carbon sequestration is for a 20 year period (5 years implementation +15 years capitalization). The phrase “15 years after the project completion” may have created the confusion, therefore, it has been removed from page number 18 to avoid any confusion in the future. (pages number 6 and 18)

As mentioned above, as for the 140,000 ha of upgrading monoculture into mixed forest, the project’s work is not implemented in production forests in order to improve the productivity, but is restorative work towards transforming monoculture forest into mixed forest (i.e. change the forest composition) with the purpose of creating better resilience and improve ecosystem services of the forest lands in question. Because of this no entry into GEF Core Indicator 4.3 has been made.

With this in mind, the explanation provided in the accompanying text on page number 6 of the PIF is consistent with the figures in the GEF Core Indicators table.

The 424,000 ha is the proposed project’s area of impact, where project related 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 non-earmarked national and local funding primarily from the NFPP. (page number 5)

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

04/09/2020 UA:

Yes.

Cleared

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

What is the reason for not providing all information in the respective section. Please, if possible, provide all information without referring to Annexes.

04/09/2020 UA:

The PIF includes a description of how different stakeholders (including civil society and communities living in forest areas) will participate in the project and what their roles will be. However, there is no description about the consultations conducted during the project identification phase with any of the stakeholder groups that were consulted, i.e. Indigenous Peoples and Local Communities; Civil Society Organizations ; and Private Sector Entities. Please note that GEF policy requires that : ‘Agencies provide a description of any consultations conducted during project development...’ Therefore, please provide a description about the consultations that were conducted with those stakeholders.

04/17/2020 UA:

Addressed: Description included.

Cleared

Agency Response

UNDP Response, 04/02/2020:

As suggested, Annexes B, C and D have been moved to the body of the PIF. The information previously on Annex B is now between pages number 19-21, Annex C is between pages number 22-25 and Annex D between page number 26. The previous summary tables in these sections have been deleted. Consequently, in the revised version of the PIF the previous Annex E is now **Annex B**, Annex F is now **Annex C** and Annex G is now **Annex D**.

UNDP Response, 04/15/2020:

A description consultation with the project stakeholders is included on page number 19. In addition, a new annex (**Annex F: Stakeholder involvement in the project design and formulation**) has been added.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

Risks

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Again, it would be better to have all information in this section without referring to Annexes. Further, the risk assessment includes several items that are better defined as "challenges" but not MAJOR risks. All risks are assessed as "moderate", which raises the question on how this has been derived at.

Please clarify if there is a "moderate risk" on gender for this project? If so, then this needs to be better reflected in the gender section.

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

As mentioned above the previous Annex C (i.e. risk) is moved to the body of the PIF between pages number 22-25

The risk identification and the risk significance are assigned following the UNDP's Social and Environmental Procedure (SESP). The SESP entails, to avoid any unintended human bias, answering specific screening questions to perform a quantitative analysis of the situation based on the currently available information on the project area, project proponent, etc. The risk identification and risk significance are not assigned arbitrarily; it is only a coincidence that for this particular project risk significances are all moderate. At the PIF stage, a comprehensive list of potential risks is included. The risks are not substantiated at the PIF stage based on any assessments; assessments on each identified risk will be carried out during the PPG and significance for each risk will be revised accordingly based on the findings. For example, it is entirely possible that the risks with current significance of moderate could become low or even may not be considered a risk after an assessment. Similarly, some risks could be upgraded to high based on the ground reality.

On the gender risk, the UNDP considers most projects with gender risk of at least "moderate" significance, this triggers the need for further assessments during PPG. The proposed project will, based on the gender analysis, review the project risk related to gender and revisit the risk significance. Should a rating of Moderate still be warranted, the proposed project will prepare appropriate mitigation measures to manage the risk as part of the Gender Action Plan and Stakeholder Engagement Plan.

Adhering to the UNDP's SESP, no changes are made on the risks and the risks significance.

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

No coordination has been outlined with GEF-financed projects/programs, e.g. The Restoration Initiative (TRI) and other restoration efforts in the country, including the GEF/PRC Partnership on Land Degradation. The referred table 4 or Annex D could not be located. Please have all information in the respective section.

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

As mentioned earlier, Annex D is moved into the body of the PIF and it is now on page number 26, in Section 6: *Coordination*.

On coordination with GEF-financed projects/programs and other relevant projects in China, this information is edited back into section 6 *Coordination* as suggested. The information (noted as Table 4) had, in the previous version of the PIF, been moved up into the section 1a2) *Baseline scenario and any associated baseline projects* and the reference to Table 4 had unfortunately was not included during the portal submission.

With regard to the listed projects, the project *Asian Development Bank-GEF Western China Land Degradation Partnership*, which is now entering into its second phase, has been mentioned. However, the IUCN/GEF project *Building Climate Resilient Green Infrastructure: enhancing ecosystem services of planted forests in China through forest landscape restoration and governance innovation* was not. This project is now included on page number 27, 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.

A detailed description as to how the proposed project will coordinate and cooperate with other relevant projects will be developed during the PPG phase. However, an indicative description of the main modality is included in the PIF between pages number 27-28.

The proposed project's use of the NFGA's international cooperation mechanisms is also added under Component 4, on page number 16.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes, however, please also include a reference to global restoration priorities in this section.

- As an editorial note: it is not necessary to state that China is a signatory to UNCCD and CBD.

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

Mention of China as a signatory to the UNCCD and the CBD is deleted from page number 28 as suggested. A reference to the global restoration priorities are included in section 7, page number 28.

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

Yes.

Cleared

Agency Response

Part III – Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

The LOE is correct; however, portal entry has a wrong name for the GEF OFP, please correct.

04/09/2020 UA:

Addressed.

Cleared

Agency Response

UNDP Response, 04/02/2020:

The name for the GEF OFP has been corrected in the portal

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

03/26/2020 UA:

No. Please address comments made in this review.

04/09/2020 UA:

No. Please address outstanding comment on stakeholders.

04/17/2020 UA:

Yes. Program Manager recommends CEO clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

The UNDP/GEF project ID 10533 “Degraded Natural Forest Use Land Restoration and Management in Typical Water and Solid Erosion of China” has the objective to mainstream 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. The project will introduce and promote new concepts and best management practices to accomplish widespread restoration and improved management of degraded NFUL to protect landscapes in typical soil erosion regions of China, through a multi-level governance and landscape approach. The new concepts will include upgrading of monoculture to mixed forest, planting of mixed forest on bare land, assisted natural regeneration, and the establishment of forest corridors between patches of natural forest. The project will guide, enhance and innovate the National Forest Protection Program (NFPP) 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). New restoration techniques will be incorporated into policy and ensure that these techniques will be implemented through a substantial up-scaling process across Western China. Furthermore, new financing mechanisms channeling funds to local level NFUL restoration initiatives/engagements will be adopted. The project will generate global environmental benefits through bringing 424,000 ha of degraded forest land under restoration, sequester 10.4 million t of CO₂eq, and will directly target 30,000 beneficiaries.