

## Terminal Evaluation Review form, GEF Evaluation Office, APR 2014

### 1. Project Data

Summary project data			
GEF project ID		1126	
GEF Agency project ID		3998-PRC	
GEF Replenishment Phase		GEF 3	
Lead GEF Agency (include all for joint projects)		Asian Development Bank	
Project name		Sanjiang Plain Wetlands Protection Project	
Country/Countries		China	
Region		Asia	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		OP 2: Coastal, Marine and Freshwater Ecosystems	
Executing agencies involved		Heilongjiang Provincial Government	
NGOs/CBOs involvement		None involved	
Private sector involvement		None involved	
CEO Endorsement (FSP) /Approval date (MSP)		February 2005	
Effectiveness date / project start		December 2005	
Expected date of project completion (at start)		December 2010	
Actual date of project completion		May 2013	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.33	0.33
	Co-financing		
GEF Project Grant		12.14	12.14
Co-financing	IA own	15	14.99
	Government	28.41	25.38
	Other multi- /bi-laterals		
	Private sector		
	NGOs/CSOs		
Total GEF funding		12.47	12.47
Total Co-financing		43.41	40.37
Total project funding (GEF grant(s) + co-financing)		55.88	52.84
Terminal evaluation/review information			
TE completion date		October 2013	
TE submission date			
Author of TE			
TER completion date		December 2014	
TER prepared by		Aditi Poddar	
TER peer review by (if GEF EO review)		Joshua Schneck	

## 2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	S	Effective	Effective	MS
Sustainability of Outcomes	L	Most Likely	Likely	ML
M&E Design	N/R	N/R	N/R	MS
M&E Implementation	N/R	N/R	N/R	MS
Quality of Implementation	S	HS	S	S
Quality of Execution		S	S	S
Quality of the Terminal Evaluation Report	-	-	S	S

The TE and review from the IA Evaluation Office - the Project Validation Report (PVR) - rate sustainability on a scale where “Most Likely” is the highest and the next lower level is “Likely”. They also rate effectiveness on a scale where “Highly Effective” is the highest score corresponding to the GEF score of “Highly Satisfactory”.

## 3. Project Objectives

### 3.1 Global Environmental Objectives of the project:

The Global Environmental Objective of the project, as stated in the Project Document (PD), was the sustainable management of natural resources to promote the globally significant biodiversity of the Sanjiang Plain wetlands and to promote economic development. The Sanjiang Plain is one of the richest hotspots of globally significant flora and fauna in China. It also has 23 globally threatened species, of which 10 are waterfowl that require extensive, undisturbed wetlands during their migration and breeding seasons. The Sanjiang Plain wetlands are an important nesting and stopover location at the northern end of the East-Asian-Australian Flyway for migratory waterfowls. The Plain, however, was transformed into a major grain production field over the last five decades. Immense networks of drainage channels, pumping stations, and flood control dikes destroyed millions of hectares of natural marshes and wet meadows, and altered the water cycle of entire watersheds. Large portions of the uplands were deforested, further upsetting the water balance in the watersheds. Globally significant biodiversity started declining as the altered water cycle in the wetlands reduced their habitat size. Large wildlife such as the northeast tiger, red deer, and bear were exterminated and formerly abundant waterfowls nearly disappeared. Key wetlands and globally threatened species could be primarily found in nature reserves (NRs), but there were many challenges in the management of these areas (PD pgs. 2-5).

### 3.2 Development Objectives of the project:

As stated in the PD (pg. 5), the main Development Objective is the protection of the natural resources of the Sanjiang Plain wetlands and their watersheds from continued threats, and the promotion of their sustainable use through the integrated conservation and development of selected wetlands and forest areas of the Sanjiang Plain, and the improved well-being of local communities. The following four project components target the main threats to the natural resources of the Plain:

1. **Watershed Management** – This component was to enhance watershed-level water resource management and forest management in NRs. Activities were planned to include planting 11,900 ha of indigenous poplar and larch plantations on denuded slopes or farmlands to return these to legally required forest use; establishing interagency working groups among stakeholders at the local level for water resource management in targeted watersheds in and around NRs; developing model watershed-level water allocation plans incorporating flood control impact and wetland protection aspects, and institutionalizing the water allocation process. The expected outcome was improved NR watershed management.
2. **Wetland Nature Reserve Management** - This component was planned to develop models and capacity for scientific NR conservation management. Planned activities were: the establishment of reliable information baselines and a GIS; management planning; pilot restoration of 3,342 ha (using a balance of restoration/habitat types); capacity building for the restoration program; development of a monitoring program; production of a restoration manual; reduction of unsustainable resource use; and development and implementation of species recovery programs. The expected outcome was enhanced biodiversity protection in wetland NRs.
3. **Alternate Livelihoods** - This component aimed to develop and implement programs for sustainable livelihoods in villages that are affected by the reforestation program (under component 1) and farmland-to-wetland restoration (under component 2). Villages affected by the forestry program were to receive investments in agroforestry, intercropping, non-timber forest products (NTFPs), and apiculture while villages affected by NR wetland restoration were to be assisted through a village development subcomponent, whereby villages submit development plans for approval. An ecotourism subcomponent was planned to target NRs, which would include master planning for sustainable tourism, development of tourism guidelines, and pilot projects (capacity building and construction of basic NR infrastructure such as signboards). The expected outcome was developed and sustained alternate livelihoods.
4. **Education and Capacity Building** – This outcome aimed to develop and implement conservation education at local schools, public awareness programs for State Farms and for the communities in and around NRs; and a targeted training program for NR staff and other stakeholders, including water resource managers. A website was to be established to facilitate information exchange and general awareness. The training was to be directly linked to component 2. The expected outcome was increased conservation awareness and capacity for sustainable management of wetland NR biodiversity.

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

**Yes**, some changes were made to the Development Objectives.

A few minor changes were made to Component 3 (Alternative Livelihoods) during implementation. The pilot farmland-to-wetland restoration component was supposed to provide compensation and

alternative livelihoods to affected villages on the basis of resettlement plans and village development plans. During implementation, the number of people affected by this restoration was significantly reduced. Additionally, these people were forest farm workers and NR staff, not villagers. Therefore, it was decided that village development plans for the mitigation of adverse resettlement impacts would not be as relevant as alternative livelihood plans, and these village development plans were dropped from the project. Alternative livelihood plans were to identify pilot livelihood schemes that would benefit the longer-term strategy for wetland restoration (TE pg.2).

#### 4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 Relevance	Rating: <b>Satisfactory</b>
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The project’s objectives were relevant to the development program of the Government of the People’s Republic of China (PRC). The 10<sup>th</sup> Five- Year Plan (2001-2005) emphasized protecting the environment, managing sustainable natural resources, and improving the quality of life of people. They remained consistent with the 11<sup>th</sup> and 12<sup>th</sup> Five-Year Plans and thus the government’s medium-term strategy. The project’s objectives were also aligned with the Heilongjiang Provincial Government (HPG) policy priorities on conserving the wetland environment, as reflected in the 1998 HPG decree that suspended the development of wetlands and prevented further conversion of wetlands to farmland, and in the adoption of the Regulation on Wetland Conservation of Heilongjiang Province in June 2003. The HPG developed plans for restoring over 150,000 hectares of farmland to wetlands within wetland nature reserves in the Sanjiang Plain, and the provincial Forestry Department began implementing the restoration program in 2003 (TE pg. 1, PVR pg. 4).

The project was consistent with the GEF Operational Strategy 2, which focuses on the conservation and sustainable use of biological resources in coastal, marine and fresh-water ecosystems. As the project aimed to develop models that could be replicated to provide much-needed examples for other areas in the PRC and other countries, it was aligned with the objectives of the GEF’s strategic priorities BI - *Catalyzing Sustainability of Protected Areas*, BII - *Mainstreaming Biodiversity in Production Landscapes and Sectors*, and BIV - *Generating and Disseminating Best Practices for Addressing Current and Emerging Biodiversity Issues* (TE pg. 2).

4.2 Effectiveness	Rating: <b>Moderately Satisfactory</b>
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The TE and the PVR both rate the project as ‘Effective’ which corresponds to the GEF rating of ‘Satisfactory’. However, this TER rates project effectiveness as Moderately Satisfactory, which is lower than the TE.

The project was active in 13 counties within 5 watersheds of the Heilongjiang province. It met some, but not all, of the targets set for the four components of its PDOs. For its GEO of promoting the globally significant biodiversity of Sanjiang Plains, the target was to conserve 8 species and successfully remove them from endangered or vulnerable lists. However, at the end of the project, only one of them (Baikal Teal) had been removed from these lists. The status of another species (Swan Goose) was improved from ‘Endangered’ to ‘Vulnerable’ but it was not removed from the lists. The status of the six other species remained unchanged (Supplementary Annex to TE pg. 6). The PVR acknowledges that the target might have been too ambitious given that the project site is not the only habitat of these species, therefore their conservation would require global efforts. For the four project components, some sub-component targets were met while others were not.

Under component 1, “Watershed Management”, the project fell just short of its targets for reforesting upper watershed areas and for improving the health of existing watershed forest cover. Upper watershed forest cover was increased by 10,090 ha while the target was 11,900 ha; whereas 39,769 ha of existing forests achieved international silviculture standards when the target was 43,700 ha. The TE reports that project performance fell short of the targets because of the appreciation of the yuan against the US dollar. As planned, the project successfully incorporated water resource management in the master plans of the 6 nature reserves (NRs), included water allocation plans in county plans, and submitted integrated water management plans for Sanjiang plains and Songhua river basin to the Ministry of Water Resources. From the TE, it is unclear what the progress is on integrating wetland issues in the water allocation plans of 4 rivers (TE pg. 20).

Many indicators for component 2, “Wetland Nature Reserve Management”, were difficult to measure or had other issues in monitoring. For instance, the increase in the extent of vegetation cover was difficult to measure so the reduction in the illegal trade of endangered species and an increase in the population of these species were used as proxies. There was no illegal trade reported, which was also indicated as success in achieving the target for another indicator measuring reduction in illegal trade in animal species. It was also difficult to identify the exact habitat area for threatened species and thus the increase in this area was difficult measure. The increase in wetlands was used as a proxy for this indicator. The PD had a target to increase the occurrence of key species in the 6 NRs by 10% which TE implies was achieved. But monitoring methods changed through the project and it is difficult to know whether the numbers actually increased or this increase was only a result of inconsistent monitoring

methods. The project exceeded its target for farmland-to-wetland conversion and wetland restoration was implemented in 6 additional NRs (TE pgs. 21, 22).

Component 3, “Alternate Livelihoods”, was generally successful in achieving its revised targets. Since the pilot project sites for restoration were changed, the number of people adversely affected by the conversion pilots was greatly reduced, therefore targets were changed and the scope of this component was also altered to make it more relevant as discussed in the ‘Changes in Objectives’ section. The project was able to maintain or increase income levels for people affected by the pilot, and three livelihoods pilots were initiated which met the target. However, ecotourism was only implemented in 2 NRs while the target was implementation in 3 NRs (TE pg. 23).

Component 4, “Education and Capacity Building”, also achieved its targets successfully. Wetland protection was introduced in the curriculum in targeted schools and the planned number of training activities was carried out. It was also successful in ensuring internalization of wetland protection principles in government development plans.

The activities of the fifth component, “Project Management”, were funded by GEF and were also executed successfully. Capacity-building activities for project management were carried out, M&E guidelines and procedures were established, detailed work plans identifying key activities for each component were prepared and regular M&E reports were submitted (TE pg. 5). No indicators have been specified for this component.

<b>4.3 Efficiency</b>	Rating: <b>Moderately Satisfactory</b>
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The TE rates project efficiency as ‘Efficient’ which it states is equivalent to the GEF rating of ‘Moderately Efficient’- this probably actually corresponds to ‘Moderately Satisfactory’. The TER concurs with the rating.

Project implementation experienced a major delay (by 16 months) due to requests by HPG for changes in project financing shares (PVR pg. 7). The project was extended by 18 months to accommodate this delay. However, other than this delay at the start of the project, there did not seem to be any major problems with implementation. The TE also notes the lack of financial resources from the GEF grant funds which delayed implementation of the GEF-funded activities, particularly those relating to consulting services, training, and nature reserve management. The auditor concluded that the loans and grants were used for the purposes previously agreed to and none of the contracts were extended to entities on the anti-corruption debarment list (TE pg. 8). The TE claims that the project investment was highly efficient as the economic rate of return was 18.1%, but the PVR notes that this was lower than the 24.8% return at appraisal. Since there were shortcomings in both the timeliness and the economic rate of return, project efficiency is rated as moderately satisfactory.

4.4 Sustainability	Rating: <b>Moderately Likely</b>
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The TE rates the sustainability of the project as ‘Most Likely’ which corresponds to the GEF rating of ‘Likely’ whereas the PVR rates it as ‘Likely’ (which corresponds to the GEF rating of ‘Moderately Likely’). This TER concurs with the PVR because financial and institutional sustainability seem likely. Information about socio-political and environmental risks that could potentially affect the sustainability of project outcomes is not available.

*Financial sustainability (L)* – The project does not have foreseeable financial risks after completion. The HPG and county governments are providing funds for project activities that are continuing after completion. They had planned to deposit a portion of local county revenues generated from forest development activities in a special fund account to meet the financing requirements for nature reserve management. As project activities were consistent with the national government’s development program as stated in the 12th Five-Year Plan (2011–2015), some level of continuous support and funding from the government is assured. Additionally, ventures related to non-timber forest products have an internal rate of return of 13.4%, thus indicating fairly high financial sustainability (TE pg. 11, PVR pg. 8).

*Socio-political sustainability (U/A)* – The TE does not provide any information on the socio-political risks.

*Institutional sustainability (L)* – The project’s activities have strong institutional support to continue. The required water allocation for wetlands preservation has been recognized in the 11<sup>th</sup> Five-Year Plan of the Heilongjiang province. Animal grazing and fishing were prohibited in all nature reserves in the Sanjiang Plain, except for those permitted by laws or regulations, based on proposals made by the project. At the time of the TE’s writing, the executing agency was continuing to carry out activities and to use systems from the project. At the six nature reserves (NRs), revised and improved master plans were being implemented. NR staff was monitoring wild species, using monitoring stations, equipment, and GIS established during project implementation. Recovery plans for 18 species and wetlands restoration manuals were disseminated to all NRs in the Sanjiang Plain, and were being implemented. The pilot project for water- and land-intensive eco-agriculture in Qixinghe NR and the pilot eco-tourism projects in the Xingkaihu and Zhenbaodao NRs were continuing to generate income for the respective NRs. Wetland protection education remained part of the curriculum in selected schools, and staff training was continued in the NRs (TE pg. 11). Although training and capacity building were carried out successfully during the project to increase technical knowledge, it is unclear whether accountability systems are in place.

*Environmental sustainability (U/A)* – Neither the TE nor the PIR provide any information about the environmental threats to this project.

## **5. Processes and factors affecting attainment of project outcomes**

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The implementing agency, the ADB, co-financed 28% of the total project funding, whereas the HPG provided 48% of the funding at completion. As co-financing was more than 76% of the total funds, it was essential to the achievement of project objectives. The actual co-financing was slightly less by both co-financers than was committed at appraisal due to reduction in some project costs. As mentioned in the 'Changes to Project Objectives' section, there was a change in the scope for the alternate livelihoods component and a reduction in the number of people who had to be compensated for land conversion. Additionally, the TE claims that costs for some activities were overestimated at appraisal, particularly for consulting services, intercropping and non-timber forest product work, and wetland management in nature reserves. Thus, the change in financing was a result of the change in project framework.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

As mentioned in the 'Efficiency' section, there was a 16-month delay in the initial phase of the project. This delay was caused due to a lack of understanding between the ADB and HPG about the percentages for the grant and the loan in the original agreement. HPG requested to revise project financing shares of loans and grants, and the issue was resolved through two adjustments over 16 months. The project was extended for 18 months to adjust for this delay. There was also a lack of financial resources from the GEF grant funds which delayed implementation of the GEF-funded activities. Although outcome targets were revised to adjust for these delays, they did not affect the project's outcomes or sustainability much.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

The TE reports there was high country ownership of the project. HPG established a Project Steering Committee which oversaw project implementation and staffed the Project Management Office (PMO) with members from the provincial Forest Department. The Strong leadership was required to coordinate the 19 county agencies working HPG on the project, which the PMO displayed. It also addressed implementation issues and procured civil works and goods, and recruited consultants in line with ADB requirements.

## **6. Assessment of project's Monitoring and Evaluation system**

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately

Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

<b>6.1 M&amp;E Design at entry</b>	Rating: <b>Moderately Satisfactory</b>
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The TE does not provide a rating for M&E Design at entry. This TER finds M&E Design to be moderately satisfactory, based on the M&E system described in the PD. Indicators, targets and monitoring mechanisms were planned for each project activity. There were to be regular tripartite reviews by representatives from HPG, ADB, and GEF at least once every 12 months. The PD lays out the entities responsible for various sections of the process, for instance, the executing agency was responsible for ensuring that 6-monthly and annual project reports are prepared. An allocation of \$450,000 was made for overall environmental monitoring and evaluation, excluding M&E planned directly under each subcomponent activity. It was planned that at the project inception stage, baseline indicators for environmental benefit monitoring and project performance management system will be refined on the basis of the latest information. However, the indicators for some of the outcomes were difficult to measure. The project aimed to remove 8 species off the globally threatened list, but the project sites were not the only natural habitat of these species. Thus, ensuring that they are not threatened would require global effort, and the local effort made by the project could not rightfully claim success, if the goal was achieved. Additionally, baseline data has not been presented in the TE or PD and the Supplementary Annex to the TE mentions that there was a lack of baseline data during project preparation (Supplementary Annex pg. 8).

<b>6.2 M&amp;E Implementation</b>	Rating: <b>Moderately Satisfactory</b>
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The TE does not provide a rating for M&E implementation. This TER finds M&E implementation to be ‘Moderately Satisfactory’, based on evidence presented in the TE narrative. Implementation of M&E was satisfactory on some counts but faced challenges on others. Systems, databases and procedures were established and timely reports were produced. The Project Management Office also engaged two independent agencies to conduct external M&E for the resettlement and alternative livelihoods components related to farmland-to-wetland and/or forest conversions. The M&E system, which gathered reports, was used routinely by the government authorities and the ADB missions to track project progress (PVR pg. 12). The TE Supplementary Annex (pg. 7) notes that the mid-term review was used to fine-tune the project framework. It also reports that training was conducted for M&E. However, the TE notes that due to ongoing training during 2008-2010, better monitoring methods with higher frequency of monitoring were used to count bird populations during and after this time. While it is advisable to use better methods, the inconsistency in monitoring methods over the project duration lead to inconclusive evidence about the change in bird populations, and consequently about the

effectiveness of one of the project components (TE pg. 4). The TE Supplementary Annex reports an additional lack of data sources and lack of baseline data for certain indicators.

## 7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

<b>7.1 Quality of Project Implementation</b>	Rating: <b>Satisfactory</b>
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The TE (pgs. 9-10) rates the quality of implementation as ‘Highly Satisfactory’, however, this TER rates the quality of implementation only as ‘Satisfactory’. The implementing agency carried out most of its responsibilities satisfactorily but could not start implementation on schedule. There was intensive project supervision indicated by several review missions and project administration missions, which led to identification of implementation challenges. The implementing agency also provided adequate support to the executing agencies to resolve these challenges. However, the PVR (pg. 9) notes that the 16-month delay in project implementation start-up resulted from a lack of good coordination between the implementing agency and the executing agency. It seems that the agreed on shares of loans and grant financing were either unclear or there was a misunderstanding of the agreement by the parties involved.

<b>7.2 Quality of Project Execution</b>	Rating: <b>Satisfactory</b>
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The TE rates the quality of project execution as ‘Satisfactory’ and this TER concurs as project execution did not face any major challenges. The executing agency established a Project Steering Committee which oversaw project implementation and the Project Management Office (PMO) managed project implementation. The provincial Forest Department assigned some of its staff members to work full-time at the PMO. Thus, there was high ownership by the executing agency. Strong leadership was required to coordinate the 19 county agencies working HPG on the project, which the PMO displayed. It also addressed implementation issues and procured civil works and goods, and recruited consultants in line with ADB requirements. However, as mentioned in ‘Quality of Project Implementation’ section, there was a delay in project start-up which was the result of a lack of understanding between the executing and implementing agencies about the agreed on shares of loans and grants.

## 8. Assessment of Project Impacts

**Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.**

**8.1 Environmental Change.** Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

An initial environmental examination (IEE) saw that the project had a positive impact on both the project area environment and globally important biodiversity by increasing forest cover, improving wetland hydrology, restoring degraded wetlands, improving the status of threatened wildlife, providing wetland conservation education, and establishing wetland management capacity (TE pg. 11). The project successfully increased forest cover by 10,090 ha and treated 39,769 ha of existing forestry plantations. The farmland-to-wetland conversion pilot restored 3,441 ha of farmlands to wetlands (PVR pg. 8). The IEE also demonstrated the potential adverse environmental impacts of the project's civil works, but the TE reports that these were short-term, localized and minor in scale, therefore could be mitigated fully.

**8.2 Socioeconomic change.** Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The conversion of some farmlands to forests and some to wetlands required resettlement of some people, development of alternate livelihoods for others and provision of compensation in cash or kind for still others. Most pilot sites changed between appraisal and implementation, and the new sites for conversion were mostly either abandoned farmland or in marginal use. This change led to the reduction in the number of people who were actually affected by the project. As part of the farmland-to-wetlands conversion, 465 people were affected instead of the 1,138 expected at appraisal; and 3,140 square meters of houses were demolished in the Naolihe nature reserve (NR). Only 102 households, all of which were those of the staff at the state farm were affected by the demolition. A choice between cash compensation and non-cash compensation (secondhand real estate of the same quality) was offered; most affected staff chose cash compensation, and all the affected staff was properly resettled. In the Dajiahe NR, alternative lands were provided to the affected people for livelihood use. In the Qixinghe NR, instead of cash compensation, a road was constructed for the affected village. By project completion, CNY 47,940,500 had been paid in compensation (TE pg. 66).

In the Xingkaihu NR, about 280 farmers and fishermen changed their livelihoods to ecotourism from farming as their lands were converted to wetlands. In the Zhenbaodao NR, about 50 farmers and fishermen changed their livelihoods to ecotourism. The farmers and fishermen who changed their livelihoods to ecotourism maintained or increased their income levels. (TE pg. 5)

No land acquisition was required under the farmland-to-forest component because the farmlands converted belonged to forest farms. The number of affected people was reduced from the estimated 2,217 (including 337 villagers) to 476 forest farm staff. The affected workers received wages for planting trees, and some of them simultaneously received an income from intercropping for 3–5 years on the newly planted forest area as well as income from non-timber forest products (NTFPs). Some of these workers also chose to accept other jobs on the forest farm (TE pg.67).

**8.3 Capacity and governance changes.** Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. “Capacities” include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. “Governance” refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

As part of Components 4 and 5 of the project, many training activities were carried out that aimed at improving the capacity of government officials to maintain and build on the achievements of the project. Additionally, awareness raising activities were carried out for the communities to enhance their capacity to collaborate in the conservation efforts. Training courses, study tours, and workshops were conducted for government staff—local forestry bureau staff, project management office (PMO) staff and NR staff - and community leaders and residents. Wetland protection education was included in the curriculum of 12 schools (TE pg.5).

b) Governance

The project was able to influence policy in some ways. The required water allocation for wetlands preservation has been recognized in the 11<sup>th</sup> Five-Year Plan of the Heilongjiang province. Animal grazing and fishing were prohibited in all nature reserves in the Sanjiang Plain, except for those permitted by laws or regulations, based on proposals made by the project (TE pg. 11).

**8.4 Unintended impacts.** Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

The TE reports that there were localized and insignificant adverse environmental effects resulting from the project's civil works but these were mitigated fully (TE pg. 12).

**8.5 Adoption of GEF initiatives at scale.** Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

At the time of the TE's writing, HPG was continuing to carry out project activities and to use systems established during the project even after the project had ended. At the six nature reserves (NRs), revised and improved master plans were being implemented. NR staff was monitoring wild species, using monitoring stations, equipment, and GIS established during project implementation. Drawing on the experience of the pilot wetland restoration, a manual was prepared and disseminated to all nature reserves in the Sanjiang Plain. Using this manual, 6 additional NRs conducted wetland restoration (TE pgs. 4, 11).

## 9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

The TE lists the following lessons (pgs. 13, 14, 66)

1. Performance targets and indicators for impact, outcomes, and outputs should be realistic and measurable through local efforts, particularly when a target or an indicator has a global perspective. Baseline indicators and targets for project performance, including environmental management, should be developed during project preparation.
2. Monitoring methods and frequencies need to be defined and agreed upon by the agencies involved at the beginning of a project, and followed during implementation by the executing or implementing agencies, to ensure the reliability and replicability of the monitoring data and the effectiveness of the project completion evaluation.
3. Strong political support, including funding for nature reserves (NRs), is important to protect and restore wetlands. Executing agencies must publish policy briefs to disseminate lessons learned more widely and to help high-level decision making.
4. The most successful elements of the project were those that had been discussed with the relevant authorities at an early stage so that plans developed under the project could feed into government plans. This provided a lasting and replicable impact from the project. For example, working with water authorities on water allocation for NRs, and working with tourism authorities on ecotourism development.

5. The steering committee established under the project effectively acted as an inter-agency working committee, with authorization from and representation across various sectors such as land, water, fisheries, and agriculture to coordinate wetland protection efforts. To ensure coordination on inter-sector activities in future projects, such a committee or similar agency should be established before project start-up.
6. The consulting services for project implementation designed during project preparation did not meet the needs during implementation. This usually happens because needs change over time. To avoid having to undertake contract variations to correct this balance, an approach used in European Union contracts would have allowed greater flexibility; bidders for consulting services are typically evaluated on a small number of long-term key experts; while short-term expertise is not defined in the bidding but decided upon during implementation based on agreed work plans and government demands.
7. When resettling communities, policy support is sometimes more important than one-time cash compensation because it lasts longer. The project carried out extensive consultations with the communities and got strong government support to increase income reliance on activities that aid environmental conservation.
8. The combination of the proper choice of restoration sites to minimize resettlement impacts and the proper development of alternative livelihoods can ensure watershed and wetland protection, while maintaining livelihoods and incomes.
9. Non-cash compensation can be a feasible measure for eco-resettlement, and sometimes achieve better results than cash compensation. The project successfully transformed the livelihoods of communities such that they would not cause further degradation, and their income levels would at least be maintained.

## 9.2 Briefly describe the recommendations given in the terminal evaluation.

The TE and PVR list the following recommendations:

1. The provincial government should continue to monitor indicators, particularly those which show how the project contributes to the global ecosystem; and evaluate the project performance, particularly for the impact (or goal), using the M&E database established under the project. The provincial government and NRs should also continue to improve staff capacity and methods for monitoring wild species so that monitoring data is reliable for judging increases or decreases in wild species.
2. Given the global significance of the project, technical assistance for capacity development should be financed by ADB or a co-financer. In addition, to maintain the achievements of the project and address the remaining challenges, the government should carry out phase 2 of the project.
3. ADB often finances projects with potential global benefits to improve the habitats of or conservation measures for a globally significant ecosystem or species, e.g., the eight key globally threatened species in this project. Such global benefits are sometimes difficult to verify only with the project's monitoring data because conservation efforts in other regions or countries

also affect the global benefits. The performance targets or indicators for such a project thus need to be realistic and focused only on those that can be measured easily and cost-effectively within the context of the project.

4. To allow flexibility in consulting services for a project that is usually implemented over 5–7 years, ADB could consider adopting the consultant recruitment method that is applied in the European Union. This method evaluates bidders' proposals on only a small number of long-term key experts, while needs for short-term expertise are determined later during implementation, on the basis of an agreed work plan and government demands.
5. The central government commonly assesses the performance of the provincial government based on its ability and achievements in implementing programs, as stated in the government development plan. Any program not included in the government program would, therefore, be considered as an add-on undertaking and the provincial government would not be recognized for that particular program even if it was successfully implemented. This means that an external program would receive less attention and priority will be given to the program included in the government development plan. Hence, a project should be discussed with the government as early as possible to enable its incorporation or its components into the government's development plan.

## 10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF EO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The TE provides systematic assessment of outcomes and impacts and compares the achievement of objectives stated in the PD.	<b>S</b>
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report sometimes gives a high rating but does not provide enough evidence to support the ratings such as for project effectiveness and sustainability.	<b>MS</b>
To what extent does the report properly assess project sustainability and/or project exit strategy?	The TE does not assess the environmental or socio-political risks to sustainability.	<b>MU</b>
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The report presents a comprehensive set of lessons learned which follow logically from the evidence presented.	<b>S</b>
Does the report include the actual project costs (total and per activity) and actual co-financing used?	It provides a detailed account of co-financing, costs, benefits and economic rates of return with a sensitivity analysis.	<b>HS</b>
Assess the quality of the report's evaluation of project M&E systems:	The report provides an overview of the M&E system and notes its shortcomings.	<b>S</b>
<b>Overall TE Rating</b>		<b>S</b>

**11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).**

The Project Validation Report (PVR) from the implementation agency's evaluation office, and a Supplementary Annex of the Terminal Evaluation were used in the preparation of this TER.