1. Project Data

Summary project data			
GEF project ID		3483	
GEF Agency project ID		40684-013	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		ADB	
Project name		Forestry and Ecological Restoration Project in three Northwest Provinces	
Country/Countries		People's Republic of China	
Region		Asia, Middle East & Pacific	
Focal area		Multifocal Area	
Operational Program or Strategic Priorities/Objectives		Land Degradation–SP1, SP2, SP3; Climate Change–SP6	
Stand alone or under a programmatic framework		Programmatic	
If applicable, parent program name and GEF ID		PRC-GEF Partnership on Land Degradation in Dryland Ecosystems Program	
Executing agencies involved		State Forestry and Grassland Administration	
NGOs/CBOs involvement			
Private sector involvement (including micro, small and medium enterprises)[1]		Private sector as beneficiaries	
CEO Endorsement (FSP) /Approval (MSP) date		8/3/2010	
Effectiveness date / project start date		9/22/2011	
Expected date of project completion (at start)		9/30/2016	
Actual date of project completion		9/30/2018	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.34	0.34
	Co-financing		
GEF Project Grant		5.12	4.3
Co-financing	IA own	100	87.17
	Government	44.99	26.05
	Other multi- /bi-laterals		
	Private sector	12.74	8.12
	NGOs/CBOs		
	Other	17.86	20.03
Total GEF funding		5.46	4.64
Total Co-financing		175.59	141.37
Total project funding (GEF grant(s) + co-financing)		181.05	146.01
Terminal evaluation validation information			
TE completion date		12/12/2019	
Author of TE		ADB	

[1] Defined as all micro, small, and medium-scale profit-oriented entities, including individuals and informal entities, that earn income through the sale of goods and services rather than a salary. (GEF IEO 2022)

TER completion date	12/2/2022
TER prepared by	Ines Freier
TER peer review by (if GEF IEO review)	Ritu Kanotra

Access the form to summarize key project features here: https://www.research.net/r/APR2023.

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes		Successful	Successful	S
Sustainability of Outcomes		L	L	L
M&E Design		-	-	MS
M&E Implementation		-	-	U
Quality of Implementation		Less than satisfactory	Less than Satisfactory	MU
Quality of Execution		Less than satisfactory	Less than satisfactory	MU
Quality of the Terminal Evaluation Report			Satisfactory	MS

3. Project Objectives and theory of change

3.1 Global Environmental Objectives of the project:

According to the Project Document, the Global Environmental Objectives of the project was to increase the protection of ecologically sensitive areas and reduce forest land degradation in Gansu, Shaanxi, and Xinjiang. This would in turn improve the key ecological services of water retention, soil nutrients, reduce soil erosion and contribute to carbon sequestration.

3.2 Development Objectives of the project:

According to the Project Document, the Development Objective of the project was 'to restore forest lands in Gansu, Shaanxi, and Xinjiang provinces and improve incomes and sustainable livelihoods from the use of forest land through the adoption of appropriate technologies and practices' (Endorsement request p. 1). The project had three main components:

Output 1: Mainstreaming of Integrated Ecosystem Management (IEM) principles and approaches into Economic tree crops development

Output 2: Mainstreaming of IEM principles and approaches into Ecological forestry development

Output 3: Project management support strengthened to implement forest sector reforms using IEM approaches in the provinces, counties, towns, and households

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or project activities during implementation? What are the reasons given for the change(s)?

The Activities of the GEF financed capacity building were changed. It was planned to design forestry plantations to maximize carbon sink capacity and generate positive impacts in reversing land erosion that are suitable to conditions encountered in the People´s Republic of Chinas's Western Drylands and the development of payment for environmental services mechanisms (for carbon) in the project design (PPG). Several changes were made to the project, including the GEF financed activities. Part of GEF financing was originally planned to support the establishment of Shaanxi Ecological Forestry Center and conduct carbon readiness education. However, the persistent low carbon prices meant the carbon trade

unprofitable. In the meantime, tourism industry brought opportunities to previously underdeveloped forestry sector. ADB agreed with the Shaanxi Province to adapt to the changing situation and reallocated the funding for the establishment of two exhibition and three forest/health experiences centers. In Xinjiang, part of the GEF grant was reallocated to capacity building. However, it was not fully utilized at the completion of the project and the unused grant of $805,240 was returned. (TE p. 73)

3.4 Briefly summarize project's theory of change – describe the inputs and causal relationships through which the project will achieve its long-term impacts, key links, and key assumptions.

The project's strategy was to help implement collective forest tenure reforms and help convert land and labor resources into higher value and more sustainable tree crop production systems using Integrated Ecosystem Services approaches developed by the PRC–GEF Partnership on Land Degradation in Dryland Ecosystems. Building on experience, the project design included planting economic tree crops (primarily fruits and nuts) and ecological restoration of degraded lands in Shaanxi, Xinjiang, and Gansu. The planting of economic tree crops was complemented with investments in cold storage facilities. The ecological restoration of degraded lands was complemented with capacity development activities in carbon forestry and knowledge transfer to farmers and communities. Ecological restoration activities were supported, in part, by a grant from the GEF. (PCR, p. 2) The design of the project also comprised of forestry plantations to maximize carbon sink capacity and to create positive impacts in reversing land erosion that are suitable to conditions encountered in the PRC's Western Drylands and development of payment for environmental services mechanisms. (PPG p. 1)

4. GEF IEO assessment of Outcomes and Sustainability

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

The outcome ratings (relevance, effectiveness, efficiency, and overall outcome rating) are on a six-point scale: Highly Satisfactory to Highly Unsatisfactory. The sustainability rating is on a four-point scale: Likely to Unlikely.

Please justify the ratings in the space below each box.

4.1 **Relevance and Coherence**	S

The relevance and coherence is rated as satisfactory.

The project was very relevant for its close alignment with the goals of GEF-4 focal area strategy for halting land degradation through promotion of innovative sustainable land management practices for improved agriculture, rangeland and agriculture management (LD SPs 1,2 &3). It was part of the GEF–China Partnership on Land Degradation in Dryland Ecosystems. The project also contributed to the LULUCF strategic priority of the climate change focal area as it had the potential to sequester carbon and reduce greenhouse gases (CC SP6).

The project is aligned with the People's Republic of China's (PRC) national and state level priorities. The objectives and contents of the project are highly relevant to the national strategy for strengthening the protection of ecological environment since the Twelfth Five-Year Plan. It supports and adds demonstrative values to decades of commitments by the government on sustainable afforestation. It is also aligned with the government's guiding concept of shifting the ecological development mode and developing ecological forestry for people's livelihood.

The GEF grant was designed to help improve the carbon education and improve preparedness for carbon market participation. However, the carbon trading market in People´s Republic of China (PRC) and around the world did not achieve the level of development expected and the carbon prices remained low and unprofitable. The project changed from carbon trading efforts to establish two exhibition centers for environmental education and three forest and health experience centers focusing on ecotourism, building on the boom of tourism activities in China. The GEF grant was underused in the project. (PCR p. 73)

The project is part of the mandate of ADB to address poverty, promote rural development and Food Security and promote environmental protection. The project was a follow-up of continued commitment from the Asian Development Bank (ADB) to combat land degradation and restore ecosystem services in the western region of PRC. The PRC central government developed a land degradation partnership with the Global Environment Facility (GEF). ADB, together with other international development institutions, played leading role in fostering the collaboration and acted as an implementation agency for the GEF. The project was co-financed with a GEF grant, which enabled additional activities on ecological restoration and capacity building in the Integrated Ecosystem Management approach and carbon trade and education. (TE p. 2)

The project design was suited to achieve the environmental objective and other objectives like poverty eradication and rural development. The GEF grant component was not necessary to achieve the environmental benefits because it merely focused on environmental education for ecotourism because funds were reallocated from carbon trade to environmental education.

The project is also relevant to beneficiaries as it promoted economic development. Project activities were already changed before the project started because five of nine planned fruit cold storage facilities were cancelled by the State Government of Gansu because they were financed by other sources. Funds were changed to fruit tree plantations. However, the project design was overly ambitious in the number of enterprises to be involved. The design was also overly optimistic with carbon market development. The project had difficulty in achieving related targets because of the withdrawal of many enterprises and loss of interest in carbon readiness activities because of low carbon prices. A flexible arrangement for enterprise participation and consultative approach would have improved the uptake of related activities. (PCR p. 2).

The project was coherent with other GEF / ADB Interventions in China using technical concepts on integrated ecological approach developed under the GEF-China Partnership on Land Degradation.

4.2 **Effectiveness**	S

The effectiveness of the project is rated as satisfactory because there were minor gaps in achieving the project targets which did not result in reduced global environmental benefits. The GEF project grant was not fully used as was explained in the relevance section of this report. It was used to create income sources from ecotourism for State Forest Farms.

Generally, the project outputs were successfully achieved. Out of 13 output indicators, 10 were achieved, one was substantially achieved, and two were partially achieved (PCR p. 3) The validation of the terminal evaluation report from ADB finds that outcomes 1 and 3 were substantially met and outcome 2 was fully met. With these accomplishments, the validation assesses the project effective. (PVR p. 5)

Output 1: Economic tree crop development

At completion, the project established 39,130 ha of fruit tree crops with 12 varieties (planned 38,000 ha with 13 varieties), including apple, walnut, prickly ash, and Chinese dates, across three provinces, with 19,601 ha in Gansu, 14,163 ha in Shaanxi, and 5,366 ha in Xinjiang. The new forest land increased carbon sequestration of about 607,700 tons by 2018. A total of 112,213 farmers participated in project activities, including construction, planting, and maintenance of the trees. Rural employment increased by 99,800 jobs (53,800 in Gansu, 24,000 in Shaanxi, and 22,000 in Xinjiang), about 40.8% of which were for women, 11.8% for ethnic minority, and 27.3% for the poor. About 215,250 rural households and workers—of whom about 50.2% were women, 21.6% ethnic minorities, and 26.2% poor—benefited from production and processing of economic tree crops (215,250 rural household benefitted, target 207,000).

The original targets to involve 26 public and private enterprises in Gansu and Xinjiang were only partially achieved. The project financed expansion of four private enterprises with cold storage capacity of 8,250 tons, against a revised target of 21 enterprises and 8,700 tons of cold storage capacity. Five out of nine enterprises in Gansu and all 17 small enterprises in Xinjiang withdrew from the project because of the delayed project start-up and changing market conditions. Integrated rural infrastructure in Xinjiang was successfully completed, including power supply facilities, water conservation and irrigation facilities, roads, and pasture fences. (PRC p. 3)

Output 2: Ecological forestry development

Output 2, planned ecological forestry development, comprised (i) reforestation of about 3,000 ha of hilly and degraded land in Gansu with shiny yellow horn trees; (ii) restoration of degraded land in Hami and Changji counties of Xinjiang with sand fixing and replanting technologies on about 435 ha from GEF funds and about 630 ha using loan funds (target: 1,100ha); (iii) facility and capacity improvements on seven State Forest Farms in Shaanxi with a managed area of about 119,8800 ha (target 126,000 ha of improved tree cover and forest density) involving public–private partnerships with private ecotourism

enterprises; and (iv) carbon market readiness and education with ecological forestry and climate change capacity development for 12 State Forest Farms in Shaanxi and Gansu. The planned ecological forestry center and associated carbon market readiness and education with ecological forestry and climate change capacity development in seven State Forest Farms in Shaanxi and five State Forest Farms in Gansu were not undertaken because of slower than anticipated carbon market development and low carbon prices. However, the increase in the domestic ecotourism market promoted the need to adapt to the growing demand in forestry tourism. The funds were reallocated to establish three exhibition and forest health experience centers with carbon sequestration education functions in Shaanxi (Houzhenzi and Matoutan, Xinjiashan). (PCR 4).

Output 3: Project management support

By completion, project financing was used to provide (i) training in project management, including financial management, procurement, disbursement, and management information for public agencies in project implementation (Consultants were provided from the project's GEF grant training budget for training of the project management office in loan and grant management procedures); (ii) ecological and environmental training, including pest identification, use of pesticides, integrated pest management, integrated crop management, and good agricultural practices; and (iii) social support, including gender awareness, creating opportunities for women, and consultation approaches. The project conducted the full extent of the training activities on promoting Integrated Ecological Management and on general project management training aspects related to financial management and procurement. The project undertook 35 provincial level training courses with 3,914 participants and delivered 718 county and township level training courses to 150,981 participants (target 200,000), of which 46.5% were women, 24.3% ethnic minorities, and 28.3% poor. The training did not fully achieve the ambitious target of 200,000 participants, partly because of underuse of the training budget, especially in Xinjiang, partly resulting from some local project implementation units' inability to submit expense claims with supporting documents, including the number of trainees. During project preparation and implementation, two scientific publications were prepared and published. (PCR p. 4)

The PCR rated the development impact satisfactory on the use of forest land improved incomes and sustained livelihoods in Gansu, Shaanxi, and Xinjiang. The project exceeded all three impact indicators. The average net income of beneficiary households increased by 190%, much higher than the 30% target at appraisal. Rural employment increased by 99,800 jobs by 2018, more than doubling the performance target of 48,000 jobs. The hectarage of ecologically sensitive areas under protection increased by 141,450 ha between 2010 and 2018, exceeding the performance target of 130,000 ha. This validation notes that these two indicators—increases in beneficiary household net income and increase in rural employment—cannot be entirely attributed to the project given the PRC's impressive economic growth generally over the past decade or so. However, at least some of the increased rural employment can be attributed to the project itself and the achievement of increased protection of ecologically sensitive areas is a positive project impact. The PCR further noted that rural households owned 81% of economic tree crops, including 158,003 individual rural households and 4,165 farmer cooperatives or associations, benefiting 790,015 persons, of which 50.2% were women, 2.8% ethnic minorities, and 26.2% poor. The project also helped increase protection of ecologically sensitive areas by 141,450 ha, reduced forest land

degradation by 233,500 ha, and contributed to carbon sequestration of more than 645,200 tons. With this information, the validation assesses the project impact satisfactory. (PVR p. 6)

4.3 **Efficiency**	MS

The efficiency of the project is rated as moderately satisfactory due to the delay and cancellation of activities from the planning phase to the implementation phase. The project was extended by two years.

At the loan and grant closing, the loan cancellation was $12,833,206 and the grant cancellation was $804,939. Compared with the original cost estimate, the actual project cost is lower by about 19.39%. The reduced project cost resulted mainly from i) low contract prices from competitive bidding, (ii) appreciation of the Chinese yuan during project implementation, and (iii) contract cancellations.

Both loan and grant cancellations were mainly from Xinjiang. The harsh weather conditions in Xinjiang made the survival of the new plantations more challenging, affecting the ability of some project implementation units to claim the expenses. A fraudulent contract with contract value of $4.9 million was discovered and canceled. Together, these resulted in a loan saving of $14.2 million in Xinjiang. For the GEF-grant in Xinjiang, the participating enterprises withdrew from the project, forcing the project to reallocate some of the grant to capacity building activities, which was however not fully implemented and resulted in another saving of $1.4 million.

The counterpart financing from the county governments remained low throughout the project implementation, partly because of inadequate provision by the government, partly resulting from inadequate capacity of local project implementation units in following procurement procedures and preparing documentation for reimbursement. The contributions from households, however, increased from 9.9% at appraisal to 13.7% at completion. The economic tree crops were profitable, and the households increased their contribution. (PCR p. 5)

4.4 **Outcome**	S

The project is rated as satisfactory despite the very limited relevance of the GEF-grant and the limited achievements of all outputs because the resulting global environmental benefits from planting trees met the planned objectives.

Summarize key outcomes related to environment, human well-being, and enabling conditions (Policy, Legal & Institutional Development; Individual & Institutional Capacity-Building; Knowledge Exchange & Learning; Multistakeholder Interactions), as applicable. Include any unintended outcomes (not originally targeted by the project), whether positive or negative, affecting either ecological or social aspects.

The project contributed to multiple global environmental benefits through interventions in ecologically sensitive northwest areas of PRC. These are:

1. Restoration of ecological and economic forest in the loess plain. The project supported plantation of 39,084 ha of fruit tree (38,000 ha were planned) and 4,800 ha of ecological plantation;
2. Expansion of protected areas by 141,450 ha managed by State Forest Farms;

3. Improvement in revenue generating capacity of the State Forest Farms and small enterprises through participation in project implementation and trainings;
4. Improvement in Integrated Ecological Management implementation capacity of government officials, forestry workers, and farmers;
5. Increased carbon sequestration by the new plantations and improved management of protected areas and state farms; and
6. Contribution to soil erosion control, water savings, and biodiversity in the project areas.

The project demonstrated a successful model for ecosystem restoration and natural resources management. The changes to ecotourism helped implementing agencies capture market opportunities and diversify State Forest Fund revenues. The project played a catalytic role in promoting wider update and adoption of Integrated Ecosystem Approach across the region, and continued interests for public and private sectors in investing in ecosystem restoration. (TE p. 75)

Where applicable, note how both intended and unintended outcomes have positively and/or negatively affected marginalized populations (e.g., women, indigenous groups, youth, persons with disabilities), and where some stakeholder groups have benefited more/ less than others.

Rural employment increased by 99,800 jobs (53,800 in Gansu, 24,000 in Shaanxi, and 22,000 in Xinjiang), about 40.8% of which were for women, 11.8% for ethnic minority, and 27.3% for the poor. About 215,250 rural households and workers—of whom about 50.2% were women, 21.6% ethnic minorities, and 26.2% poor—benefited from production and processing of economic tree crops. (PCR p. 3). The development impact is rated satisfactory in the TE because intended impacts of improved incomes and sustainable livelihoods from the use of forest land in Gansu, Shaanxi, and Xinjiang were achieved. The project exceeded all three impact indicators. The average net income of beneficiary households increased by 190%, much higher than the 30% target at appraisal. Rural employment increased by 99,800 jobs by 2018, more than doubling the performance target of 48,000 jobs. The area of ecological sensitive areas under protection increased by 141,450 ha between 2010 and 2018, exceeding the performance target of 130,000 ha.

Social and poverty reduction impacts. The poverty prevalence at the three northwest provinces were among the highest in PRC at the time of project appraisal and implementation. The project targeted the poorest of the poor in the environmentally disadvantaged areas and greatly helped reduce poverty through prioritizing the economic tree crops and diversifying the income of State Forest Farms. The project created employment, provided initial support to the rural poor in establishing economic plantations, and trained them with corresponding technical and management technology and skills. The project was implemented in 1,257 administrative villages in 256 townships of 53 counties, cities and districts in Shaanxi, Gansu, and Xinjiang. Most of the economic tree crops (81%) are owned by rural households, including 158,003 individual rural households and 4,165 famer cooperatives or associations, benefiting 790,015 persons, of which 50.2% are women, 2.8% ethnic minorities, and 26.2% poor. The project created 57,621 jobs during project implementation and 43,179 jobs for subsequent operations. The project made important contributions to poverty reduction and helped lift 61 counties out of extreme poverty by 2018. (TE p. 12)

4.5 **Sustainability**	L

The sustainability of the intervention is likely due to economic benefits generating financial sustainability. The project combined a range of revenue generating and job creation activities in project design and implementation. It conducted extensive public awareness campaign and training activities for wide range of participants. The project has created positive impacts which will in turn improve its sustainability. (TE p. 12) Institutional sustainability is likely because the implementing agencies and the farms included the new approach into their practices for maintaining the tree cover and land management. The extensive training and outreach activities also lay the foundation for post-project care, management, and protection of the planted trees and forests in the three target provinces. (TE p. 12)

Note any progress made to sustain or expand environmental benefits beyond project closure, using stakeholder (rather than project) resources, e.g., through replication, mainstreaming or scaling-up of GEF-supported initiatives. Examples would be farmers adopting practices using own funds, follow-on replication projects, development of plans for scaling, inclusion in local or national legislation, and allocation of government budgets or private sector investments for institutional adoption.

The "mountain-river-forest-farm-lake-grass" method, an integrated landscape approach, is promoted across the country for ecological protection. The demonstrative effects of the project were recognized by the State Forest Agency and included in its 2018 annual report. (TE p. 12)

5. Processes and factors affecting attainment of project outcomes

Before describing the factors, you may choose to summarize reported outcomes and sustainability here: https://www.research.net/r/APR2023.

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, 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 financing plan at appraisal was $180.71 million including a $100.0 million loan from ADB (about 55.3% of the project cost), a $5.12 million grant funded by the GEF (2.8%), $44.99 million from government counterparts (24.9%), $12.74 million from enterprises (7.1%), and $17.86 million from households (9.9%). At the loan and grant closing, ADB had disbursed $87.17 million, or 87.2%, of the loan, representing 59.8% of the actual project cost, and the GEF had disbursed $4.30 million, or 84.2% of the grant (2.9% of the actual project cost). The balance ($54.20 million) was covered by government counterparts, enterprises, and households. (PCR p. 5)

The co-financing was essential to achieve the global environmental benefits because the GEF grant was too small to achieve substantial environmental benefits. The reduced extent of co-financing did not affect the delivery of global environmental benefits because the project was closed after a two-year extension because the loan could not be spent by the implementing agency and however the environmental benefits were produced like planted area.

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?

Minor changes were made during project implementation. The first change was approved in September 2013 for a correction to discrepancies or inconsistencies in ADB financing percentages in project documents, including the legal documents. During this process, the project management office (PMO) had to wait for the change to be made and take effect, which caused delays in project start-up. The second change updated the project scope and loan and grant allocations because (i) Gansu canceled the construction of five of nine planned fruit cold storage facilities under the loan and reduced the cold storage capacity from 16,000 tons to 8,250 tons because some of the planned storage was constructed by the enterprises using other financial resources, and funds were reallocated to an additional 1,500 ha of economic tree plantations; and (ii) Shaanxi changed beneficiary counties and forest parks. (PCR p. 2) those changed did not affect the delivered environmental benefits which resulted mainly from planted trees. The project extension was necessary to implement activities and to achieve the planned global environmental benefits.

5.3 Stakeholder ownership. Assess the extent to which stakeholder ownership has affected project outcomes and sustainability. Describe the ways in which it affected outcomes and sustainability, highlighting the causal links.

Stakeholder ownership only reported in the TE pertained to the private sector which lacked sufficient incentives to take part in value chain activities (TE p. 15).

5.4 Other factors: In case the terminal evaluation discusses other key factors that affected project outcomes, discuss those factors and outline how they affected outcomes, whether positively or negatively. Include factors that may have led to unintended outcomes.

The PCR also noted that the change from international to national consultants under GEF grant financing weakened capacity development. The consultants focused on technical and procurement aspects and had inadequate experience on safeguards. They did not contribute to the ethnic minority development plan and community consultation and disclosure strategy. (PVR p. 4)

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory to Highly Unsatisfactory.

Please justify ratings in the space below each box.

6.1 **M&E Design at entry**	MS

The M&E Design at entry was moderately satisfactory due to the compliance with GEF requirements in the ProDoc however errors in defining and calculating carbon related indicators in the project document were later recognized. The carbon stocks and sequestration related indictors in the original design and monitoring framework were not calculated correctly, leading to wrong indicators for baseline conditions and targets at completion. (PCR p. 3)

6.2 **M&E Implementation**	U

The Monitoring and evaluation of implementation is rated as unsatisfactory.

The TE considers the environmental monitoring and reporting as weak however does not doubt the reported main environmental effects of the project. It reports that there was weakness in submission of good quality safeguard reports to ADB. No groundwater and irrigation water survey and quality test and monitoring were recorded. The carbon related indicators were not corrected during project implementation, resulting in difficulty comparing achievements with targets. The overall monitoring and reporting on safeguards remained weak and noncompliant at completion. (TE p. 12, 13, 15). The covenant not complied with was the implementing agencies' requirement for environmental monitoring. Despite ADB's repeated follow-ups, it was not complied throughout the project period. The partially complied covenants pertained to safeguards monitoring. Progress reports from the provincial governments were either not regularly submitted or environment safeguard data were insufficient. (PVR p. 4)

7. Assessment of project implementation and execution

Quality of Implementation rating is based on the assessment of the performance of GEF Agency(s). Quality of Execution rating is based on performance of the executing agency(s). 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.

7.1 **Quality of Project Implementation**	MU

The quality of project implementation was moderately unsatisfactory due to the unrealistic project design and the delays in starting the project.

ADB fielded seven review missions during implementation. ADB promptly worked with the executing agency to overcome initial implementation constraints and challenges and supported timely changes of some project activities, which were no longer preferred because of the rapid changes in the Peoples Republic of China since the initial approval of the project. ADB supplemented the project implementation with good knowledge support, including publishing Integrated Ecosystem Management approaches and promoting the project through various avenues.

The project preparatory technical assistance was considered relevant but less than effective with potential for improvement. There were errors in loan allocation table that delayed project start-up. Errors in defining and calculating carbon related indicators in the project document were recognized but not corrected during project implementation, resulting in difficulty comparing achievements with targets. As the implementing agency, ADB administered the GEF grant effectively. Several changes to the GEF activities were discussed, agreed, and recorded in mission MOUs. There was, however, no

documented process to effect the changes. ADB mission leaders were changed three times from 2016 to 2018, which caused some delays in ADB responses and anxiety among executing and implementing agencies. ADB missions identified and recommended remedy actions for the noncompliance with safeguards reporting but did not take resolute actions to enforce compliance with the Safeguards Policy Statements (TE p. 13).

7.2 **Quality of Project Execution**	MU

The overall performance of the executing agency was moderately unsatisfactory. The executing agency fulfilled most of its obligations during project implementation. The National project management office provided overall project management, communication, consolidation of progress reports once every six months, supervision and monitoring, and training and other technical support. This was the first ADB project managed by the State Forestry and Grassland Administration through the National Project Management Office. From the project outset, it was recognized that the executing agency required capacity development in financial management, procurement, disbursement, project performance management systems, and monitoring and reporting. The project offices in the participating Chinese States were only operational in 2017. The borrower did not comply with related loan covenants and ADB's Safeguard Policy Statements. An incident of corruption occurred which was reported. A contract for the implementation of GEF activities was cancelled so that the activities could not be implemented. The implementing agency was not able to find another contractor. (TE p.13)

The project had complex implementation arrangements with the State Forestry and Grassland Agency, three provinces, and 53 counties. A large administrative system was established and delivered the project successfully with coordination from the National Project Management Office. However, Project management office capacity varied and delay in one easily caused delay in others. There was inadequate project implementation support, typically provided by project management consultants. The National Project Management Office did not have allocation from loan proceeds for operations and had to rely on the State Forest and Grassland Agency's administrative budget, which was limited and had little flexibility to accommodate unexpected expenses.

The executing agency's capacity improved during project implementation, there were remaining performance gaps and loan covenants compliance issues with respect to fulfilling ADB's environmental safeguards and ethnic minority development reporting requirements. There was weakness in submission of good quality safeguard reports to ADB. No groundwater and irrigation water survey and quality test and monitoring were recorded.

8. Lessons and recommendations

8.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report, including how they could have application for other GEF projects. Lessons must be based on project experience.

Lessons learnt. The project set too ambitious targets like for training 200,000 people which were difficult to achieve. Economic indicators need to be prepared in a realistic way because the planned economic benefits for 6 or of 11 trees were not achieved so that adjustments in the planted area had to be made. Value chain development needs to create enough long-term incentives for the private sector to participate which needs to be taken into account in project design. (TE p. 15)

8.2 Briefly describe the recommendations given in the terminal evaluation.

Upscaling on successful afforestation solutions. The Integrated Ecosystem Management approach was a successful model for addressing the dual challenges of economic development and ecosystem restoration. Several knowledge products were published. It is recommended to further promote the model in line with the countries drive for sustained economic development and ecological civilization.

Diversifying forestry economy through ecotourism. The project adapted to changes and shifted focus to ecotourism as a new revenue source for State Forest Farms. It represented a direction in China to diversify forestry conservation economy. Future ADB projects could conduct rigorous financial and economic analyses on ecotourism and other related economic activities.

New opportunity in carbon trade and eco-compensation. The Peoples Republic of Chinas's carbon neutrality pledge is unleashing new development in emission reduction and carbon sequestration, offset, and trade. Future ADB projects in forestry will need to ensure sufficient interest, willingness, and buy-in from executing and implementation agencies. Eco-compensation is another mechanism providing opportunities to develop ecological forestry as a revenue generating business.

Further action or follow up. The executing agency and implementing agencies should still aim to conduct monitoring and collect data and information on the environment and social safeguards aspects because these will be important to ensure sustainability and the long-term success of the project and afforestation activities in the region. The executing and implementing agencies should also continue to monitor economic and ecological forestry performance and aid as may be needed to support farmers and State Forest Farms.

Timing of the project performance evaluation report. It is recommended that a performance evaluation review be conducted in 2022 or later. This will ensure the evaluation will include the economic and social benefits and risks after the forest is fully grown and has reasonable exposure to market fluctuations. (TE p. 15)

9. Quality of the Terminal Evaluation Report

Before rating the quality of the terminal evaluation, click here to summarize your observations on the sub-criteria: https://www.research.net/r/APR2023.

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/indicators of terminal evaluation quality	GEF IEO COMMENTS	Rating
1. Timeliness: terminal evaluation report was carried out and submitted on time?	The Terminal Evaluation report was submitted too late	MU
2. General information: Provides general information on the project and evaluation as per the requirement?	Provides all necessary information about the project	S
3. Stakeholder involvement: the report was prepared in consultation with – and with feedback from - key stakeholders?	Not	U
4. Theory of change: provides solid account of the project's theory of change?	Not	U
5. Methodology: Provides an informative and transparent account of the methodology?	Not	U
6. Outcome: Provides a clear and candid account of the achievement of project outcomes?	Provides account of the project achievements and gaps in data quantity and quality	S
7. Sustainability: Presents realistic assessment of sustainability?	Yes	S
8. M&E: Presents sound assessment of the quality of the M&E system?	Presents realistic assessment of the quality of the M& E system	S
9. Finance: Reports on utilization of GEF funding and materialization of co-financing?	Provides all necessary data	HS
10. Implementation: Presents a candid account of project	Yes	S

implementation and Agency performance?		
11. Safeguards: Provides information on application of environmental and social safeguards, and conduct and use of gender analysis?	Reports on non compliance with safeguards statements	HS
12. Lessons and recommendations are supported by the project experience and are relevant to future programming?	yes	S
13. Ratings: Ratings are well-substantiated by evidence, realistic and convincing?	Yes but ADB rating is used not GEF rating	MS
14. Report presentation: The report was well-written, logically organized, and consistent?	yes	S
Overall quality of the report	Due to processes and template of ADB for GEF Terminal evaluations	MS

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

Prodoc

ADB Project Completion Report

ADB Project Completion Report Validation

ANNEX 1. GEF IEO THEORY OF CHANGE FRAMEWORK

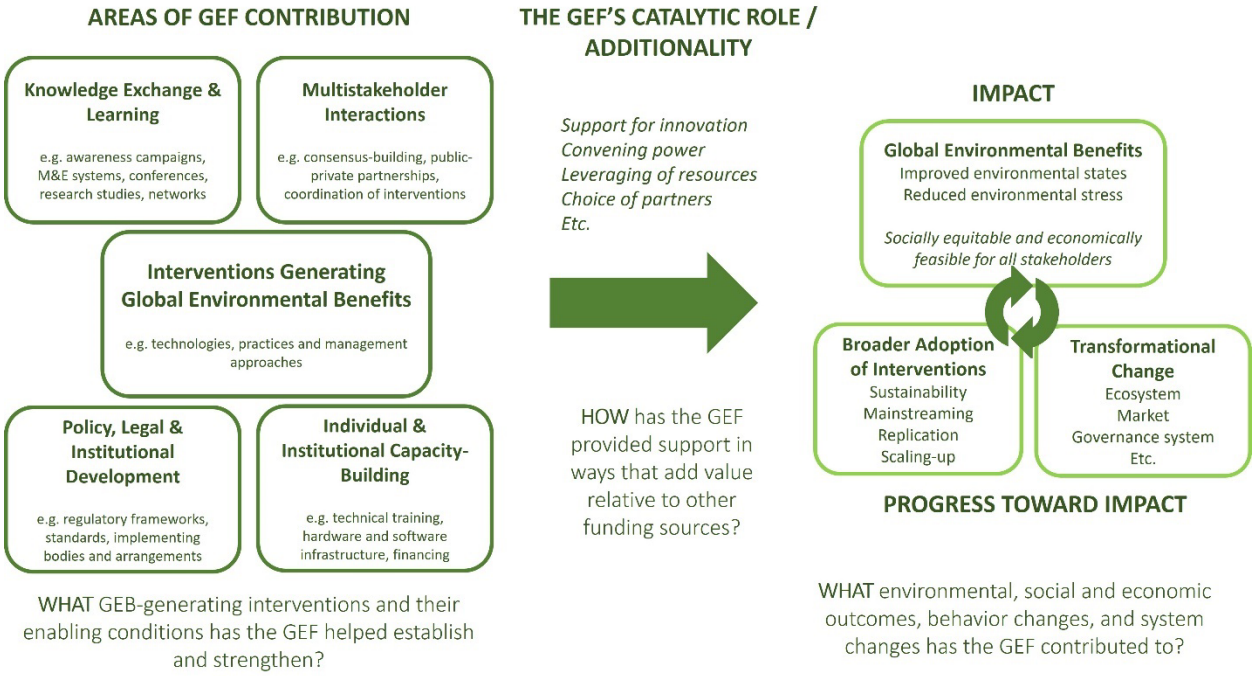

Figure 1. The GEF IEO's updated Theory of Change Framework on how the GEF achieves impact

The general framework for the GEF's theory of change (figure 1) draws on the large amount of evaluative evidence on outcomes and impact gathered over the years by the GEF Independent Evaluation Office. The framework diagram has been updated to reflect the IEO's learning since OPS5 (GEF IEO 2014, p. 47-50) about how the GEF achieves impact, as well as the evolution of the GEF's programming toward more integrated systems-focused and scaled-up initiatives.

The framework outlines the three main areas that the IEO assesses in its evaluations: a) the GEF's contributions in establishing and strengthening both the interventions that directly generate global environmental benefits, and the enabling conditions that allow these interventions to be implemented and adopted by stakeholders, b) the GEF's catalytic role or additionality in the way that the GEF provides support within the context of other funding sources and partners, and c) the environmental, social and economic outcomes that the GEF has contributed to, and the behavior and system changes that generate these outcomes during and beyond the period of GEF support.

The circular arrow between impact and progress toward impact, as before, indicates how bringing about positive environmental change is an iterative process that involves behavior change (in the form of a broader group of stakeholders adopting interventions) and/or systems change (which is a key characteristic of transformational change). These three areas of change can take place in any sequence or simultaneously in a positively reinforcing cycle, and are therefore assessed by the GEF IEO as indicators of impact.

Assessing the GEF's progress toward achieving impact allows the IEO to determine the extent to which GEF support contributes to a trajectory of large-scale, systemic change, especially in areas where changes in the environment can only be measured over longer time horizons. The updated diagram in particular expands the assessment of progress towards impact to include transformational change, which specifically takes place at the system level, and not necessarily over a long time period.

The updated diagram also more explicitly identifies the link between the GEF's mandate of generating global environmental benefits, and the GEF's safeguards to ensure that positive environmental outcomes also enhance or at the very least do not take away from the social and economic well-being of the people who depend on the environment. Thus the IEO assesses impact not only in terms of environmental outcomes, but also in terms of the synergies and trade-offs with the social and economic contexts in which these outcomes are achieved.

ANNEX 2. DEFINITION OF TERMS

Intervention	Any programmatic approach, full-sized project, medium-sized project, or enabling activity financed from any GEF-managed trust fund, as well as regional and national outreach activities. In the context of post-completion evaluation, an intervention may consist of a single project, or multiple projects (i.e. phased or parallel) with explicitly linked objectives contributing to the same specific impacts within the same specific geographical area and sector. https://www.gefieo.org/evaluations/gef-evaluation-policy-2019
Activity (of an intervention)	An action undertaken over the duration of an intervention that contributes to the achievement of the intervention's objectives, i.e. an intervention is implemented through a set of activities. E.g. training, (support to) policy development, (implementation of) management approach.
Outcome	An intended or achieved short- or medium-term effect of a project or program's outputs. https://www.gefieo.org/evaluations/gef-evaluation-policy-2019
Impact	The positive and negative, primary and secondary long-term effects produced by a project or program, directly or indirectly, intended or unintended. https://www.gefieo.org/evaluations/gef-evaluation-policy-2019
Environmental outcomes	Changes in environmental indicators that could take the following forms: • Stress reduction: reduction or prevention of threats to the environment, especially those caused by human behavior (local communities, societies, economies) • Environmental state: biological, physical changes in the state of the environment http://www.gefieo.org/sites/default/files/ieo/evaluations/ops5-final-report-eng.pdf
Social and economic outcomes	Changes in indicators affecting human well-being at the individual or higher scales, e.g. income or access to capital, food security, health, safety, education, cooperation/ conflict resolution, and equity in distribution/ access to benefits, especially among marginalized groups.
Synergies	Multiple benefits achieved in more than one focal area as a result of a *single intervention*, or benefits achieved from the interaction of outcomes from at least two separate interventions in addition to those achieved, had the interventions been done independently.

	http://www.gefieo.org/evaluations/evaluation-multiple-benefits-gef-support-through-its-multifocal-area-portfolio-map-2016
Trade-offs	A reduction in one benefit in the process of maximizing or increasing another benefit. http://www.gefieo.org/evaluations/evaluation-multiple-benefits-gef-support-through-its-multifocal-area-portfolio-map-2016
Broader adoption	The adoption of GEF-supported interventions by governments and other stakeholders beyond the original scope and funding of a GEF-supported intervention. This may take place through sustaining, replication, mainstreaming, and scaling-up of an intervention and/or its enabling conditions (see definitions below). http://www.gefieo.org/sites/default/files/ieo/evaluations/ops5-final-report-eng.pdf
Sustainability	The continuation/ likely continuation of positive effects from the intervention after it has come to an end, and its potential for scale-up and/or replication; interventions need to be environmentally as well as institutionally, financially, politically, culturally and socially sustainable.https://www.gefieo.org/evaluations/gef-evaluation-policy-2019
Replication	When a GEF intervention is reproduced at a comparable administrative or ecological scale, often in different geographical areas or regions. http://www.gefieo.org/sites/default/files/ieo/evaluations/ops5-final-report-eng.pdf
Mainstreaming	When information, lessons, or specific aspects of a GEF initiative are incorporated into a broader stakeholder initiative. This may occur not only through governments but also in development organizations and other sectors. http://www.gefieo.org/sites/default/files/ieo/evaluations/ops5-final-report-eng.pdf
Scaling-up	Increasing the magnitude of global environment benefits (GEBs), and/or expanding the geographical and sectoral areas where they are generated to cover a defined ecological, economic, or governance unit. May occur through replication, mainstreaming, and linking. http://www.gefieo.org/evaluations/evaluation-gef-support-scaling-impact-2019
Transformational change	Deep, systemic, and sustainable change with large-scale impact in an area of major environmental concern. Defined by four criteria: relevance, depth of change, scale of change, and sustainability. http://www.gefieo.org/evaluations/evaluation-gef-support-transformational-change-2017
Additionality	a) Changes in the attainment of direct project outcomes at project completion that can be attributed to GEF's interventions; these can be reflected in an acceleration of the adoption of reforms, the enhancement of outcomes, or the reduction of risks and greater viability of project interventions. b) Spill-over effects beyond project outcomes that may result from systemic reforms, capacity development, and socio-economic changes. c) Clearly articulated pathways to achieve broadening of the impact beyond project completion that can be associated with GEF interventions. https://www.gefieo.org/sites/default/files/ieo/council-documents/files/c-55-me-inf-01.pdf