ADB

Completion Report

Project Number: 36445
Grant Number: 4357
December 2010

People's Republic of China: Capacity Building to Combat Land Degradation Project

Asian Development Bank

CURRENCY EQUIVALENTS

Currency Unit – yuan (CNY)

		At Appraisal	At Project Completion
		14 May 2004	30 December 2009
CNY1.00	=	$0.1208	$0.1464
$1.00	=	CNY8.2768	CNY6.8294

ABBREVIATIONS

ADB	–	Asian Development Bank
CPF	–	country programming framework
CPCO	–	central project coordination office
CPMO	–	central project management office
EIA	–	environmental impact assessment
FAO	–	Food and Agriculture Organization
FYP	–	five-year plan
GEF	–	Global Environment Facility
GIS	–	geographic information system
IEM	–	integrated ecosystem management
IFAD	–	International Fund for Agricultural Development
IPEG	–	institutions and planning expert group
IUCN	–	International Union for Conservation of Nature
LADA	–	land degradation assessment in drylands
LPEAG	–	legal and policy expert advisory group
M&E	–	monitoring and evaluation
MEEG	–	monitoring and evaluation expert group
MLR	–	Ministry of Land Resources
MOA	–	Ministry of Agriculture
MOF	–	Ministry of Finance
MWR	–	Ministry of Water Resources
NDRC	–	National Development and Reform Commission
NGO	–	nongovernment organization
PCO	–	project coordination office
PCR	–	project completion report
PMO	–	project management office
PPCO	–	provincial project coordination office
PPMO	–	provincial project management office
PPTA	–	project preparatory technical assistance
PRC	–	People’s Republic of China
PSC	–	project steering committee
SAP	–	strategy and action plan
SEPA	–	State Environmental Protection Administration
SFA	–	State Forestry Administration
TA	–	technical assistance
TASF	–	technical assistance special fund
UNCCD	–	United Nations Convention to Combat Desertification
WOCAT	–	World Overview of Conservation Approaches and Technologies

NOTES

(i) The fiscal year (FY) of the government and its agencies ends on 31 December. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2009 ends on 31 December 2009.

(ii) In this report, "$" refers to US dollars.

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CONTENTS

BASIC DATA

A. Grant Identification

1. Country	People's Republic of China
2. Grant Number	4357
3. Project Title	Capacity Building to Combat Land Degradation Project
4. Borrower	People's Republic of China
5. Executing Agency	State Forestry Administration
6. Amount of Grant	$7,700,000
7. Project Completion Report Number	1232

B. Grant Data

1. Appraisal	
– Date Started	02 March 2004
– Date Completed	11 March 2004
2. Negotiations of the Financing Agreement	
– Date Started	16 April 2004
– Date Completed	22 April 2004
3. Date of Board Approval	28 June 2004
4. Date of Financing Agreement	23 July 2004
5. Date of Grant Effectiveness	
– In Financing Agreement	23 July 2004
– Actual	23 July 2004
– Number of Extensions	None
6. Closing Date	
– In Financing Agreement	31 December 2008
– Actual	12 March 2010
– Number of Extensions	1
7. Terms of Grant	Not applicable
– Interest Rate	
– Maturity (number of years)	
– Grace Period (number of years)	
8. Terms of Relending	Not applicable
– Interest Rate	
– Maturity (number of years)	
– Grace Period (number of years)	
– Second-Step Borrower	

9. Disbursements
   a. Dates–Grant

Initial Disbursement	Final Disbursement	Time Interval
24 January 2005	12 March 2010	62 months

Effective Date	Original Closing Date	Time Interval
23 July 2004	31 December 2008	52 months

b. Amount ($'000)

Category or Subloan	Original Allocation	Last Revised Allocation	Amount Disbursed	Undisbursed Balance
A. Consultants				
a. International	484.0	958.9	958.4	0.5
b. Domestic	654.5	217.5	216.7	0.8
B. Equipment and Vehicles				
a. Equipment	657.0	710.0	710.0	0.0
b. Vehicles	380.0	375.8	375.8	0.0
C. Survey and Studies	777.0	710.4	830.0	(119.6)
D. Workshops	718.5	542.4	476.9	65.5
E. Training and Study Tours	1,456.7	991.0	934.7	56.3
F. Incremental Staff	545.2	1,756.0	1,755.8	0.2
G. Office Operation	727.1	606.0	605.7	0.3
H. Pilot Project Costs	600.0	832.0	832.2	(0.2)
I. Contingencies	700.0	0.0	0.0	0.0
Total	**7,700.0**	**7,700.0**	**7,696.2**	**3.8**

10. Local Costs (Global Environment Facility Financed)
    - Amount ($'000) 5,858.9
    - Percent of Local Costs 40.0
    - Percent of Total Cost 45.7

C. Project Data

1. Project Cost ($'000)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost	2,145.4	1,837.4
Local Currency Cost	11,654.6	12,807.5
Total	13,800.0	14,644.9

2. Financing Plan ($'000)

Cost	Appraisal Estimate	Actual
Implementation Costs		
Borrower Financed	6,100.0	6,948.6
Asian Development Bank Financed	0.0	0.0
Global Environment Facility Financed	7,700.0	7,696.3
Total	**13,800.0**	**14,644.9**

3. Cost Breakdown by Project Output ($'000)

Output	Appraisal Estimate	Actual
1. Improving policies, laws, and regulations for land degradation	1,306.4	1,105.7
2. Strengthened national and provincial institutional coordination	1,392.9	863.8
3. Improving operational arrangements at provincial, autonomous regions and county levels	4,146.3	3,739.2

Output	Appraisal Estimate	Actual
4. Capacity development for land degradation investment projects	1,012.6	836.0
5. Monitoring and evaluation system for land degradation	2,810.3	2,248.8
6. Implementation arrangements for country programming framework	3,131.6	5,851.4
Total	**13,800.0**	**14,644.9**

4. Project Schedule

Item	Appraisal Estimate	Actual
Date of contract with consultants		
Output 1	July 2004	10 June,2005
Outputs 2, 3, and 4	July 2004	22 July 2005
Outputs 5 and 6	July 2004	20 July 2005
Vehicles	January 2005	20 July 2005
Office equipment	January 2005	14 June 2005
Dates of Procurement		
First procurement	July 2004	29 October 2004
Last procurement	July 2007	31 December 2009
Other milestones		
First meeting of the project steering committee	January 2005	26 May 2005
Final meeting of the project steering committee	January 2008	28 January 2010
First international workshop		1–2 November 2004
National workshop on land degradation strategies for six participating provinces and regions		20–21 August 2006
Phase II project coordination consultation and planning workshop		17–18 January 2008
First reallocation of grant proceeds		20 August 2006
First extension of grant closing date from		6 May 2008
31 Dec 2008 to 31 Dec 2009		
Second reallocation of grant proceeds		6 May 2008
Third reallocation of grant proceeds		6 May 2009

5. Project Performance Report Ratings

	Ratings	
Implementation Period	**Development Objectives**	**Implementation Progress**
July 2004–December 2009	Satisfactory	Satisfactory

D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members
Inception	16 Jul 2004	4	1	a, b, c, d
Review	14–20 Oct 2004	2	7	a, e
Review	8–19 Nov 2004	5	12	a, e, f, g, h
Review	28 Oct–12 Nov 2005	8	15	a, e, f, g, h, i, j, k
Review	26 Feb–16 Mar 2006	2	19	a, e
Midterm review	19 Jun–7 Jul 2006	8	18	a, e, f, g, h, i, j, k
Review	18–20 Jul 2006	3	3	a, b, l
Review	24–26 Oct 2006	1	3	a
Review	30 Nov 2007	1	1	o
Review	29 May–12 Jun 2008	3	14	l, n, o
Review	6 Oct 2008	1	1	n
Review	5–9 Nov 2008	1	5	n
Review	24–29 Apr 2009	2	5	l, n
Project completion review	26 Apr–7 May 2010	3	12	n, p, q

a = principal natural resources specialist/mission leader; b = director general, ECRD; c = director, ECAE; d = principal economist, PRCM; e = IEM specialist/strategic planner (TA national consultant); f = land degradation planning and assessment specialist (TA international consultant); g = environmental law and policy specialist (TA international consultant); h = environmental law coordinator (TA national consultant); i = participatory planning and institutional specialist (TA national consultant); j = land degradation assessment specialist (TA national consultant); k = administrative assistant (PRCM); l = associate project analyst; m = national officer (PRCM); n = environmental specialist/mission leader; o = rural development economist; p = environment specialist, RSES; q = environment specialist, PRCM.

ECRD = East and Central Asia Regional Department, ECAE = Agriculture, Environment, and Natural Resources Division, ECRD; IEM = integrated ecosystem management, PRCM = People's Republic of China Resident Mission, RSES = Environment and Safeguards Division, Regional and Sustainable Development Department, TA = technical assistance.

I. PROJECT DESCRIPTION

1. Over the past 50 years, land degradation[1] in the People's Republic of China (PRC) has been accelerated by human activities, and through policies that have overlooked the potential environmental impacts and had significant negative impact on its land resources. Although substantial public investments in combating land degradation were made in the 1990s, these achieved less than what was intended mainly because of inefficient and uncoordinated approaches in tackling cross-cutting sector issues. Plans and programs were mostly designed and implemented by sector agencies working in isolation and with a top-down perspective. These programs, in general, focused on forestry development, with minimal attention to rural development and environmental protection. A change in strategy emerged in the early 2000s and was formally expressed as a policy during the National People's Congress (2004) — emphasizing rural development and environmental protection. The government's increased awareness and commitment to addressing environmental challenges drew support from the international community, which is keenly aware of the global implications due to the PRC's size and potential.

2. The Capacity Building to Combat Land Degradation Project was the first project supported by the Asian Development Bank (ADB) under the PRC–Global Environment Facility (GEF) Partnership on Land Degradation in Dryland Ecosystems, a long-term country programming framework (CPF).[2] The CPF was the basis for a PRC–GEF agreement to commit resources for implementing a phased set of priority activities over a 10-year period (2003–2012) to address the interlinked problems of rural poverty, vulnerability, land degradation, and biodiversity loss within the drylands of the western PRC through the promotion of an integrated ecosystem management (IEM) approach.[3] The western region has a population of about 285 million, which includes a large portion of the country's poorest and most vulnerable people who rely heavily on grazing and agriculture in a very arid and fragile environment. The project was designed to strengthen the enabling environment and develop institutional capacity to combat land degradation in the PRC. The project framework at appraisal and as implemented is in Appendix 1. The chronology of events is in Appendix 2.

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[1] Land degradation, as used in this document, includes wind and water erosion, biomass loss in grasslands and overgrazing, forest clearing, and related disturbances to the hydrological balance that result in erratic river flows, excessive crop nutrient loss, soil fertility decline, poor soil drainage, and increased salt content.

[2] ADB. 2004. *Financial Arrangement for a Proposed Global Environmental Facility Grant and Asian Development Bank Technical Assistance Grant to the People's Republic of China for the Capacity Building to Combat Land Degradation Project.* Manila. The project was approved by the GEF Council and ADB in June 2004.

[3] The CPF outlined a program for eight technical assistance and investment projects for a total value of $780 million, including a GEF financing of about $42 million. These included 4 ADB-financed projects, 3 World Bank-financed projects, and 1 International Fund for Agricultural Development-financed project. The IEM is a holistic approach addressing the links between ecosystem functions and services (such as carbon uptake and storage, climatic stabilization and watershed protection, and medicinal products) and human, social, economic, and production systems (such as crop production, nomadic and sedentary livestock raising, and infrastructure provision). This approach recognizes that people and natural resources (such as land, water, and forests) are directly or indirectly linked. Rather than treat each resource in isolation, integrated ecosystem management offers the option of treating all elements of ecosystems together to produce multiple benefits and remedy land degradation. This way of managing the environment has been promoted through many international conventions concerning the environment and development, and international experience has demonstrated the benefits of this innovative approach.

II. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

1. Relevance of Design

3. The project was and remains *highly relevant* and consistent with the priorities of the government in combating land degradation in the western PRC. The project design was consistent with the national and local socioeconomic development policies of the government for addressing several environmental and natural resource concerns as stated in the 11th Five-Year Plan (2006–2010). It is also relevant and consistent with ADB's PRC country partnership strategy (2008–2010).[4] The project is also consistent with the PRC–GEF Partnership[5] and the GEF's operational program 12 on IEM.[6]

4. After project inception in July 2004, a review of project activities was conducted during September–December 2004 to facilitate and improve the implementation arrangements. The review resulted in the consolidation of outputs 2, 3, and 4 into a single integrated "institutions and planning" package, with each output maintaining its specific development planning focus, i.e., output 2 focused on macro-level strategic planning, output 3 on micro-level community-based planning, and output 4 on planning of land degradation control investment projects.[7] The integration of outputs 2, 3, and 4 strengthened the links between macro-level strategic planning and field-level community-based plans.

2. Project Formulation and Soundness of Design

5. **Project formulation.** ADB provided five technical assistance (TA) projects[8] between 2000 and 2003 to develop a partnership to combat land degradation with national and provincial government agencies. The TA projects set the stage for greater participation and stronger ownership among the relevant stakeholders during project formulation at all levels. This provided the foundation for developing the CPF, which mainly focused on six priority provinces and autonomous regions in the western PRC.[9] The project was consistent with the five focal areas of the CPF, including (i) policy, legal, and regulatory instruments and institutional reforms to strengthen the enabling environment; (ii) harmonization of the relevant 5-year development and environmental management plans and strategies of the Ministry of Agriculture (MOA), the Ministry of Land and Resources (MLR), the Ministry of Water Resources (MWR), the State Environmental Protection Administration (SEPA),[10] and the State Forestry Administration (SFA);

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[4] ADB. 2008. *Country Partnership Strategy: People's Republic of China, 2008–2010.* Manila.

[5] ADB was the lead in facilitating this partnership.

[6] GEF's operational program 12 has been replaced by the Land Degradation Focal Area Strategy. An evaluation of the project's performance, based on the preliminary guidance note on the Preparation of Terminal Evaluation Reports of ADB–GEF-Supported Projects, is in Appendix 3.

[7] Following these revisions, a budget and work program was formulated in mid-December 2004 with representatives of the six project management offices and approved in 2005.

[8] The TA projects were (i) ADB. 2000. *Technical Assistance to the People's Republic of China for Global Environment Facility Partnership on Land Degradation in Dryland Ecosystems.* Manila (TA 3497-PRC, approved on 5 September, cofinanced by GEF); (ii) ADB. 2000. *Technical Assistance to the People's Republic of China for Preparing National Strategies for Soil and Water Conservation.* Manila (TA 3548-PRC, approved on 20 November)*;* (iii) ADB. 2000*. Technical Assistance for Combating Desertification in Asia*. Manila (RETA 5941, approved on 29 September)*;* (iv) ADB. 2001. *Technical Assistance to the People's Republic of China for Optimizing Initiatives to Combat Desertification in Gansu Province*. Manila (TA 3663-PRC, approved on 5 June)*;* and (v) ADB. 2001. *Technical Assistance to the People's Republic of China for the PRC–GEF Partnership on Land Degradation in Dryland Ecosystems*. Manila (TA 3657-PRC, approved on 25 May, cofinanced by GEF)*.*

[9] These include (i) Gansu province, (ii) Inner Mongolia Autonomous Region, (iii) Ningxia Hui Autonomous Region, (iv) Qinghai province, (v) Shaanxi province, and (vi) Xinjiang Uygur Autonomous Region.

[10] In 2008, SEPA was upgraded to the Ministry of Environmental Protection.

(iii) project selection and design criteria to prioritize investment packages and TA projects for sustainable development and global environmental outcomes in selected eco-regions; (iv) capacity building for the implementation of IEM; and (v) project monitoring and evaluation.

6. **Soundness of design.** The project design was generally sound. It provided appropriate support for addressing the major constraints impeding the implementation of IEM in the western PRC and for strengthening the enabling environment and developing institutional capacity to combat land degradation in the PRC. The design, as envisioned (i) developed the foundation for promoting the concept of IEM; (ii) strengthened national and local capacities for applying the IEM approach for combating land degradation; (iii) produced a pool of professionals with IEM expertise; (iv) intensified coordination and cooperation among various international partners under the partnership; (v) improved the cost-effectiveness of the project; (vi) accumulated experience from other GEF partnerships and land degradation projects; and (vii) contributed to global environmental benefits.

7. The programmatic approach adopted in the project design allowed greater stakeholder participation in implementation, which generated strong ownership among central and provincial government agencies, the private sector, and local communities. Flexibility in design facilitated adjustments in activities and schedules as necessary. The project facilitated leveraging investment funds from various development partners for scaling up pilot investment projects for combating land degradation that were initiated under the project. As of the end of 2009, over $500 million from the Government of the PRC and various development partners[11] was earmarked for investment and capacity building projects under the partnership to combat land degradation in the PRC.

B. Project Outputs

8. The project, as designed, comprised six outputs and supporting activities, which were determined through discussions and consultations with government agencies and other stakeholders. The six key outputs are (i) improving policies, laws, and regulations for land degradation; (ii) strengthening national and provincial coordination; (iii) improving operational arrangements in provinces and autonomous regions and counties; (iv) capacity development for land degradation investment projects; (v) a monitoring and evaluation system for land degradation; and (vi) implementation arrangements for the CPF. Generally, the project was completed as planned. The project framework (Appendix 1) outlines the activities and corresponding achievements against targets set at appraisal. Overall, the implementation of project activities was as intended and targets were achieved as planned.

1. Output 1: Improving policies, laws, and regulations for land degradation control

9. Under this output, the three major activities were to (i) develop procedures and mechanisms to improve the quality of relevant laws and policies, and implement IEM; (ii) build capacity in legislative and policy aspects of land degradation and IEM; and (iii) provide support for policy, advice, and problem solving. Six provincial legal and policy expert advisory groups (LPEAG) were established to assess the legal instruments relevant to natural resources and

[11] These include ADB (about $101 million), GEF (about $40 million), the International Fund for Agricultural Development (about $6.5 million), the World Bank ($169 million), and the government (about $210 million).

land degradation.[12] A central LPEAG,[13] comprising representatives of related ministries and universities, was created to guide the activities of the various provincial LPEAGs. The central LPEAG took the lead in developing a methodology for assessing existing laws and regulations from an IEM perspective, which was adopted by the provincial LPEAGs for reviewing the body of provincial laws and regulations, and determining their relevance and effectiveness for promoting the control of land degradation. Strengthening of the legal and policy framework of provincial governments, within the context of IEM and land degradation control, was carried out through the dissemination of publications and conducting numerous training sessions, consultations, study tours, and national and international workshops.[14] Through their participation in these types of forums, many technical officials and legal officers from the forestry, water resources, agriculture, land resources, and environmental protection sectors were made aware of the IEM approach.

10. A substantial number of project-related reports, research articles, and proceedings of national and international workshops on land degradation control and IEM practices were produced, with key reports and publications (printed in Chinese and English) shared and disseminated among national and provincial policy decision makers and legislators.[15] Existing laws, regulations, and measures for IEM implementation were compiled and incorporated in a comprehensive legislative toolbox for legal, policy, and institutional arrangements for land degradation management, and computerized for easy access by policy decision makers and legislators. At the end of the project, 25 new provincial regulations were formulated and adopted, and eight existing provincial regulations were revised in support of IEM principles and approaches to land degradation control.[16] Increased understanding and acceptance of the IEM concept are reflected in some of the promulgated laws. The list of newly formulated and revised provincial regulations on IEM is in Appendix 4.

2. Output 2: Strengthening national and provincial coordination

11. Output 2 was designed to ensure that IEM approaches and budget allocation were incorporated in the strategy and action plans (SAPs) of involved provinces and autonomous regions and that the development of the provincial 11th Five-Year Plans, 2006–2010 reflected greater harmonization in sector strategic planning. An institutions and planning expert group

[12] A total of 115 legal instruments were assessed and revised as follows: (i) Gansu province–15, (ii) Inner Mongolia Autonomous Region–20, (iii) Ningxia Hui Autonomous Region–20, (iv) Qinghai province–14, (v) Shaanxi province–20, and (vi) Xinjiang Uyghur Autonomous Region–26.

[13] The central LPEAG consisted of experts and researchers from the Legislation Commission of the People's Congress, the Legal Office of the State Council, SFA, MWR, MLR, MOA, and the Political and Legal University of China. The provincial LPEAG comprised legal experts from the provincial Legislation Commission of the People's Congress; the Legal Office of the Government; and the Forestry, Agriculture, Water Resource, and Environmental Protection Departments.

[14] The two international workshops were the (i) IEM, Beijing, PRC, 1–2 November 2004; and (ii) IEM Approach and Application, Beijing, PRC, 6–7 November 2008.

[15] A major publication entitled the Legal and Policy Framework for Dryland Ecosystem Management in the Western PRC (Chinese version) was printed and disseminated in December 2009. The English version is being prepared in cooperation with the International Union for Conservation of Nature.

[16] Of the 33 newly formulated and revised regulations, nine were in Gansu province, two in Inner Mongolia Autonomous Region, four in Ningxia Hui Autonomous Region, eight in Qinghai province, seven in Shaanxi province, and three in Xinjiang Uyghur Autonomous Region. The annual report submitted by the central project management office on 30 January 2009 indicated that another 40 or more local legislations for land degradation control were being considered for revision and formulation following IEM concepts for 2009–2012.

(IPEG)[17] was formed to assist the participating provinces and autonomous regions in conducting an institutional review and recommend appropriate measures, including a mechanism for improving central, provincial, and regional interagency collaboration and coordination. With the guidance of the IPEG, province and autonomous region-specific strategic action plans were formulated[18] following the guidelines for assessing economic costs and benefits[19] of land degradation control. The conduct of workshops, and regional and interprovincial study tours and exchanges promoted the importance of and facilitated the dissemination of the IEM approach among experts and government officials.[20] For example, the national and provincial 11th five-year plans incorporated measures for effective soil and water conservation for land degradation control and desertification management, which ensured the provision of government budgetary allocations for land degradation control projects and interventions. Some of the proposed land degradation control activities and priority projects in each of the provincial and regional IEM SAPs are to be included in the respective provincial 12th five-year plans.

3. Output 3: Improving operational arrangements at provincial, autonomous region, and county levels

12. Output 3 was designed to enhance the provincial and county agencies' capacity to work with rural communities in bottom-up participatory planning and implementing field-level land degradation control using an IEM approach. Under the guidance of and with assistance from the IPEG, provincial and county officials assessed existing operational arrangements, institutional capacity, and training needs to facilitate work with communities following a bottom-up approach as well as for implementing an IEM approach to land degradation control at the field level. Following the criteria for site selection, 22 representative pilot sites from the six participating provinces and autonomous regions[21] were identified for formulating and implementing community participatory plans.[22] These sites were used for the demonstration of IEM-driven practices for combating land degradation through community participatory planning, farmer field schools, and study tours; and were used to develop the indicators and tools for participatory monitoring and evaluation for land degradation control. Several guidelines and training manuals were also developed for improving capacity for IEM in the communities, including (i) Guidelines for Community-based Participatory Planning for IEM, (ii) Guidelines for Farmer Field Schools for IEM, (iii) Strategic Guidelines for the Development of Provincial Level Public Environmental Education Programs for IEM, and (iv) a set of generic templates for preparing province-specific materials for use in public environmental education programs.

4. Output 4: Capacity development for land degradation investment projects

13. Output 4 was designed to develop capacity in the provinces and autonomous regions for

[17] The central IPEG comprised representatives from the (i) Ministry of Finance (MOF), (ii) National Development and Reform Commission, (iii) Legislative Work Committee of the National People's Congress, (iv) SFA, (v) MWR, (vi) Ministry of Science and Technology, (vii) Legislative Affairs Office of the State Council, (viii) MOA, (ix) Chinese Academy of Science, and (x) SEPA (now MEP). The IPEG was tasked to guide the implementation of outputs 3 and 4.

[18] Based on the Guidelines for the Formulation of Provincial IEM Strategies and Action Plans, which was developed under this output.

[19] Based on the Guidelines on the Use of Cost–Benefit Analysis to Determine the Economic and Financial Viability of Potential IEM Investments, which was developed under this output with the guidance of the IPEG.

[20] Five regional training workshops were held in the Inner Mongolia Autonomous Region, the Ningxia Hui Autonomous Region, and the Xinjiang Uyghur Autonomous Region.

[21] Of the 22 pilot sites identified, four were in Gansu province, five in Inner Mongolia Autonomous Region, four in Ningxia Hui Autonomous Region, three in Qinghai province, three in Shaanxi province, and three in Xinjiang Uyghur Autonomous Region.

[22] At the end of 2009, the implementation of these plans at 18 pilot sites had been completed. The local governments continue support to the plans by providing their own resources.

designing, implementing, and financing future investment projects based on an IEM approach to combat land degradation. With assistance from the IPEG, training needs were identified for each province and autonomous region to undertake feasibility studies of high-priority investment projects for possible funding by development agencies under the PRC–GEF Partnership. Through the SAPs, 26 projects for investment financing were identified and developed into proposals by stakeholders of the six provinces and autonomous regions. The proposed investment projects were consistent with the priorities of the national and local governments' agenda for ecological protection and conservation, with high demonstration value in dryland ecosystem management and cross-regional efforts to combat land degradation, and contributed to the national New Socialist Countryside Policy (2006). Designed to generate global benefits, these investments were also consistent with the GEF-supported international conventions and met the requirements of the GEF's operational program 12 and the criteria of IEM projects. Some of the proposed investment projects are being pursued by the local government for implementation.

5. Output 5: Monitoring and evaluation system for land degradation

14. Output 5 was designed to (i) facilitate the development of a national coordination mechanism for collecting, sharing, and analyzing land degradation-related data; (ii) clarify agency roles and mechanisms in the provinces, autonomous regions, and counties that will contribute to land degradation assessments at the national level; (iii) establish a universally agreed definition of land degradation, including common definitions of specific land degradation types (e.g., wind erosion, water erosion, soil fertility decline, and biodiversity loss) as well as common standards and indicators for monitoring of specific land degradation types at the national level; and (iv) develop compatible software programs and standards that will facilitate sharing of data sets. A land degradation monitoring and evaluation expert group (MEEG)[23] was formed to guide and advise activities under this output. A special study[24] was commissioned to provide the basis for establishing a national land degradation monitoring and assessment data sharing system.[25] The study provided the basis for drafting and signing data-sharing agreements among concerned agencies in each province and autonomous region, thereby reducing sectoral segregation. Subsequently, an IEM information center was established, complete with technical staff and equipment, in each province and autonomous region, providing the foundation for information analysis and sharing for land degradation control and capacity building for land degradation monitoring and evaluation. The IEM information centers are currently being utilized for data management and documentation of other projects outside of the partnership. While the IEM information centers and data sharing mechanisms have been

[23] The central MEEG included representatives from the (i) Chinese Academy of Forestry; (ii) Chinese Academy of Agricultural Sciences; (iii) Chinese Academy of Surveying and Mapping; (iv) Chinese Research Academy of Environmental Sciences; (v) Institute of Geographical Sciences and Natural Resources, Chinese Academy of Sciences; (vi) Research and Development Center for Combating Desertification; (vii) Institute of Remote Sensing Applications, Chinese Academy of Sciences; (viii) Monitoring Center of Soil and Water, MWR; and (ix) China Meteorological Administration.

[24] Government of the People's Republic of China. 2007. *National Land Degradation Monitoring and Assessment Data Coordinating and Sharing Network Mechanism*. Beijing.

[25] Output 5 adopted the methods and techniques of the World Overview of Conservation Approaches and Technologies to summarize and evaluate the best practices of the PRC land degradation control and ecosystem management. These were prepared through cooperation between the central project management office (CPMO) and the land degradation assessment project (LADA). The compiled content mainly covered techniques and models of land degradation control in the six provinces and autonomous regions. The inventory included 27 technologies from GEF operational program 12 and 19 technologies from LADA. The technical writers included seven strategic planning experts group of GEF operational program 12 (Gansu province, Inner Mongolia Autonomous Region, Qinghai province, and Xinjiang Uyghur Autonomous Region) and 11 experts of the LADA project.

established, monitoring arrangements and financing mechanisms need to be streamlined for more effective monitoring of land degradation.

15. Participatory methods used in land degradation monitoring and evaluation in pilot sites have likewise improved farmers' and technicians' appreciation, understanding, knowledge, and application of land degradation monitoring and evaluation methods. The impact of the participatory and bottom-up approach to land degradation monitoring and evaluation, and in IEM strategic planning, was unprecedented in the PRC. However, cooperation and coordination with other ongoing programs and agencies for monitoring of land degradation needs further improvement and strengthening. This is one of the issues to be addressed by the follow-up ADB TA project on Management and Policy Support to Combat Land Degradation.[26]

6. Output 6: Implementation arrangements for the country programming framework

16. Output 6 was designed to develop the capacity of central and local government agencies to support the 10-year CPF's implementation, including future IEM projects and development partner coordination. The output was to provide logistical and technical support to the already established central project coordination office (CPCO) in the Ministry of Finance (MOF) and the central project management office (CPMO) in SFA. SFA was the executing agency for the project. An interagency coordination mechanism for the partnership was established through the creation of a national project steering committee, which provided overall guidance and supervision for the partnership and project implementation. A CPCO was established within MOF, while the CPMO was established at SFA with a core cadre of full-time staff. Provincial project coordination offices (PPCOs) and provincial project management offices (PPMOs) were also established. The PPCOs and PPMOs, with the assistance and guidance of the LPEAG, IPEG, and MEEG, raised awareness on the IEM approach, promoted project IEM-related activities, and identified potential demonstrations of IEM investment projects. The CPMO, PPCOs, and PPMOs were supported by consultants and staff. The high rate of turnover in the CPMO staff in 2007 and 2008, however, resulted in a lack of continuity with regard to certain project implementation arrangements. After the fielding of a review mission during mid-2008, a new senior staff was appointed to head the CPMO and an effective coordination and cooperation mechanism was re-established with the PPCOs, PPMOs, and other stakeholders.

C. Project Costs

17. The project's total cost was estimated at $15.0 million equivalent, of which $7.7 million was financed by GEF and administered by ADB, about $1.0 million was provided by ADB as a TA grant through its TA special fund,[27] and about $6.3 million was provided by the government as counterpart funds (mainly used for office operations, workshops, training and study tours, pilot project cost, and incremental staff cost). At the end of the project, the total contribution of the government was about $6.9 million. Substantial cost increases in incremental staff and office operations contributed to the additional government expenses.

18. Three budget reviews were conducted on (i) 20 August 2006, after the midterm review; (ii) 6 May 2008, which facilitated the reallocation of GEF funds across budget categories and

[26] ADB. 2009. *Technical Assistance to the People's Republic of China for Management and Policy Support to Combat Land Degradation*. Manila (TA 7439-PRC, approved on 8 December, co-financed by the GEF).

[27] ADB. 2004. *Technical Assistance to the People's Republic of China to Support Implementation of Capacity Building to Combat Land Degradation Project* (TA 4358-PRC, approved on 28 June).

extended the project's completion date from 31 December 2008 to 31 December 2009;[28] and (iii) 6 May 2009, which facilitated the reallocation of funds from savings under incremental staff and contingency funds to capacity building. By the end of the project, all funds allocated under the GEF grant were utilized within budget. The detailed project cost estimates are in Appendix 5.

D. Disbursements

19. Initial disbursement of GEF funds was slow. By May 2008, only about 65% of total GEF funds had been disbursed. The project was the first GEF project that the PPMOs implemented, and strict internal processing and approval of withdrawal applications from the PPMOs contributed to the low fund utilization. While the structure for the imprest account was meant to facilitate the flow of funds for project activities, in reality funds were provided to the PPMOs only on a reimbursement basis. This process required several weeks before actual reimbursement to the PPMOs was made. To enable the project to fully achieve the expected objectives, consolidate its achievements, and provide additional time to utilize allocated funds, the government requested a 1-year extension of the project's closing date. The government made corresponding adjustments in its formal procedural steps for withdrawal applications as well as in its remittance procedures to provincial implementation agencies to avoid further delays. The use and disbursement of GEF funds accelerated and they were fully utilized by 31 December 2009.[29] By the closing date, the grant fund had been fully disbursed and the advance to the imprest account had been fully liquidated. The status of disbursement is in Appendix 6.

E. Project Schedule

20. The project was envisaged to be implemented over a 4-year period. It commenced as scheduled in July 2004 and an ADB project inception mission was fielded during the same month. A review of the project was carried out during September–December 2004, which resulted in the revision and consolidation of outputs 2, 3, and 4 as an integrated planning package, given that their activities contributed to strengthening the links between macro-level and field-level strategic planning. Following the revisions and reconsideration of the budget, a detailed work program was formulated and implemented starting in January 2005. The original project completion date was extended from 30 June 2008 to 30 June 2009. In spite of slight delays during the first 2 years of project implementation, the implementation of the project outputs was completed as planned during the 1-year extension. The project implementation schedule is in Appendix 7.

F. Implementation Arrangements

21. Despite the high rate of turnover of CPMO staff, the project was implemented in a satisfactory manner and in line with the arrangements envisioned at appraisal. The PCPOs and PPMOs, under the guidance of the CPCO and CPMO, coordinated and implemented project activities in the provinces and autonomous regions in conjunction with the relevant agencies in the agriculture, land and resources, water resources, environmental protection, and forestry sectors. Overall, the implementation arrangements as designed, provided the mechanism for effective cooperation among the CPCO, CPMO, PPCOs, PPMOs, and other government agencies involved. The arrangements likewise developed keen interest and strong ownership of province and autonomous region-specific IEM SAPs among government agencies, legislators,

[28] The government made the request through the GEF national operational focal point on 10 December 2007. ADB's final endorsement of the extension and budget reallocation was on 6 May 2008.

[29] The total of $7.7 million included the initial advance to the imprest account of $0.7 million. Of this total, about $7.696 million (or 99.95% of the GEF grant funds) was actually disbursed by 31 December 2009.

planners, and communities, which in turn paved the way for improved environmental awareness and sustained participation in IEM planning.

22. Coordination meetings among development partners were held to (i) appraise the implementation status of the CPF, especially the projects under the partnership; and (ii) share experiences from related activities in the fields of environmental protection and rural development. The meetings, however, were few and too widely dispersed to be able to effectively provide information on current opportunities to support the mainstreaming of IEM and sustainable land management through the PRC–GEF Partnership. Regular and more frequent coordination meetings could have facilitated effective programming of the national GEF portfolio.

G. Conditions and Covenants

23. Most of the GEF grant covenants were complied with, as listed in Appendix 8. Only one covenant was partly complied with, i.e., the submission of annual, midterm, and semi-annual progress reports (Financing Agreement, Article III, Section 3.08(b)). Regular annual and semi-annual progress reports were only submitted since 2008.

H. Related Technical Assistance

24. The ADB TA grant, amounting to $1.0 million equivalent from the TA Special Fund, was provided to monitor the overall implementation of the CPF and assist in the implementation of the project, particularly with regard to providing advice and recommendations for combating land degradation. Its salient features were (i) identification of best practices using IEM approaches for combating land degradation, including forming an IEM expert group consisting of national experts who were tasked to promote networking among the PRC scientists, researchers, and organizations and provide advice on project implementation; (ii) compilation of results of past land degradation interventions; (iii) conduct of planning of studies, workshops, seminars, and training programs; (iv) establishment of international links to on-going land degradation-relevant programs and projects; (v) identification of relevant projects and programs in the PRC and overseas; and (vi) compliance with appropriate ADB safeguard policies.[30] The TA covered the cost of international and national consultants, international and domestic travel, related reporting, office operations, and communication costs, while the government provided $0.2 million equivalent in local currency to cover office accommodation, transport, and remuneration of counterparts. Overall, the implementation of the TA is assessed as *satisfactory*. The TA completion report is in Appendix 9.

I. Consultant Recruitment and Procurement

25. Three consulting firms, each under separate contract packages, were recruited to provide assistance and guidance in the implementation of (i) output 1; (ii) ouputs 2, 3, and 4; and (iii) output 5. All contract packages financed under the GEF grant were procured in accordance with ADB's Guidelines on the Use of Consultants.[31] The project as envisioned at appraisal was processed and administered by applying loan procedures, which shifted the responsibility for engaging consultants to the government and executing agency. ADB assessed

[30] Compliance with appropriate ADB safeguard policies included (i) legal standards and procedures relevant to poverty relief, incentive-based mechanisms, and private sector involvement, covering land tenure, land use rights, gender rights, and market access; (ii) provincial-level compensation procedures for grassland closure, banning activities in protected areas, and measures to improve sustainable livelihoods and minority rights; (iii) legal standards for EIA, legislative enforcement, regulation, and sanctions; and (iv) improving public participation in land degradation prevention, land use, decision making, community participation, and resolving disputes.

[31] ADB. 2002. *Guidelines on the Use of Consultants by Asian Development Bank and its Borrower.* Manila.

SFA's capability and considered it to have the capacity and experience to handle consultant recruitment.

J. Performance of Consultants, Contractors, and Suppliers

26. All of the consultants, contractors, and suppliers involved in the project adequately met their responsibilities in delivering quality services in a timely manner. No major problems were encountered in this regard during project implementation and their performance was assessed as *satisfactory*. Each of the three consultant firms adequately fulfilled their responsibilities and delivered their services on time. All the consulting firm's reports were fully submitted by 2008.

K. Performance of the Executing Agency

27. SFA performed satisfactorily. It was able to establish an effective interagency coordination mechanism for the partnership. Through the CPCO, CPMO, PPCOs, and PPMOs, it was able to generate interest in the IEM approach among policy decision-makers, planners, legislators, experts, and communities. This ensured the adoption of IEM concepts and principles in provincial SAPs and subsequently in the provincial five-year plans. SFA was also able to establish links with donor agencies, which opened opportunities for possible financing of IEM project proposals.

L. Performance of the Asian Development Bank

28. Overall, ADB performed satisfactorily during implementation. It was quick in making adjustments for ensuring that project outputs and outcome are effectively achieved within the allocated time frame. During 2004–2010, ADB fielded a total of 13 project administration and review missions, comprising members with varied disciplines and specializations, to provide technical advice and monitor the progress of project implementation. During these missions, ADB discussed problems and issues encountered by SFA, CPCO, CPMO, PPCOs, and PPMOs, provided timely recommendations for their resolution, and ensured that these solutions met the requirements of SFA. ADB backstopping provided the necessary support and supervision for ensuring that all activities were completed within the time frame allowed. ADB carried out regular monitoring of the withdrawal, disbursement, and use of funds to determine how efficiently the project was progressing through review missions and annual reports.

III. EVALUATION OF PERFORMANCE

A. Relevance

29. The project was *highly relevant* to the development strategy of the PRC, which gave priority to addressing several environmental concerns, including land degradation. It supported the government's efforts to improve environmental and natural resource management through more effective coordination and collaboration among planning agencies and sectors, and the harmonization of relevant developmental and environmental plans in the national and provincial and autonomous regional five-year plans. The project remains relevant, considering the importance of climate change adaptation, and some of the proposed land degradation control activities and priority projects that are proposed to be included in the provincial and regional 12th five-year plans. The project is also consistent with ADB's strategic agenda outlined in Strategy 2020—inclusive growth and environmentally sustainable growth.[32] The project is

[32] ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

likewise in line with the PRC–GEF Partnership and remains consistent with the GEF's land degradation focal area strategy. Overall, the project is assessed as *relevant* and its design as generally sound and adequate.

B. Effectiveness in Achieving Outcome

30. The project was *effective* in achieving its outcome to strengthen the enabling environment and develop institutional capacity to combat land degradation in the PRC. It was effective in generating interest in, and acceptance of, the IEM approach to land degradation control among policy decision makers, planners, legislators, experts, and communities; and was instrumental in the adoption of a bottom-up participatory approach in policy decision making, strategic planning, and legislation of laws and regulations through interagency and multisector collaboration and cooperation. Improved awareness and knowledge of IEM concepts and principles encouraged the incorporation of investment projects in provincial SAPs and five-year plans. The project also provided a mechanism for establishing links with development partners, which opened new avenues for information exchange on IEM-related activities and opportunities for possible financing of IEM project proposals.

C. Efficiency in Achieving Outcome and Outputs

31. The project was *efficient* in achieving its outcome and outputs within the five-year implementation period. It was able to strengthen capacities of the government, private sector, and communities for integrating IEM with medium- and long-term provincial, autonomous region, and national policies, plans, laws, and regulations. This provided a framework for stronger and more effective cooperation and collaboration in discussing and addressing interrelated issues and problems concerning land degradation. The project was able to achieve its outcome and outputs in a cost-efficient manner with all of the funds under the GEF grant utilized as intended. Project monitoring and evaluation, however, could have been more effective had there been a clearer delineation of responsibilities in monitoring arrangements among the CPMO and PPMOs. At project completion, the partnership produced 28 studies and guidelines on combating land degradation in the western PRC, held 211 workshops and seminars, and organized 122 training sessions and study tours. Relative to what was envisioned during appraisal, the total number of studies, workshops, and training sessions carried out under the project exceeded targets.

D. Preliminary Assessment of Sustainability

32. The project is *likely to be sustainable*. This is supported by the mainstreaming of IEM for land degradation control into central and provincial SAPs and in five-year plans, which demonstrated the acceptance of this approach by the government and other stakeholders. The project has trained a significant number of technical experts, policy decision makers, legislators, private sector representatives, and communities on participatory IEM, which ensures that the IEM approach will continue to be integrated in provincial and autonomous regional plans. Continued central and provincial government financial support for investments that apply the IEM approach in combating land degradation will ensure the long-term sustainability of activities initiated under the project. A follow-up ADB TA on Management and Policy Support to Combat Land Degradation was included in the partnership's consolidated Program Framework Document for 2008–2010 (footnote 26).

E. Impact

33. The project has made significant achievements in improving the enabling environment for combating land degradation. The impact is evident in the six western provinces and autonomous regions where the implementation of the project strengthened local legislation for

land degradation control and the application of the IEM approach ahead of others in the country. The most apparent impacts are (i) improved interagency and intersectoral cooperation and collaboration, (ii) improved policy and planning for combating land degradation, and (iii) a functioning IEM data management and documentation system. The impact of the project was discussed in an ADB publication.[33]

1. Institutional Capacity

34. The project was able to increase the awareness and knowledge of a large number of technical experts and government officers from the forestry, water resources, agriculture, land resources, and environmental protection sectors in each of the participating provinces and regions on IEM concepts and approach. Their knowledge of the IEM approach and application of its concepts and principles in their daily work ensured the institutionalization of the IEM approach into the policy and planning framework of the government. Practical training of local communities on IEM concepts and land degradation control likewise increased awareness on and enhanced grassroots-level participation in IEM for combating land degradation.

2. Interagency and Sectoral Cooperation and Collaboration

35. The project was instrumental in changing the government's traditional top-down approach in strategic planning, particularly in the preparation of provincial five-year plans, to a more participatory and community-based approach that required interagency and multisectoral participation, collaboration, and cooperation. Such an approach was unprecedented in the PRC. The project is the first to bring together such a large number of agencies, including institutions of the highest level, to address land-related issues and problems. More than 500 government officials at different levels and national experts of various disciplines participated directly in project activities. This included about 400 experts from the central level and over 100 experts from the provinces and counties, covering nearly all government agencies involved in natural resources management, and major research institutions and educational units.[34]

3. Policy and Planning

36. The compilation and dissemination of existing laws, regulations, and measures for IEM implementation in a comprehensive and computerized database facilitated information sharing, thereby strengthening the capacity of provincial policy and legislative officials for adopting an IEM approach in the preparation of the six provincial SAPs and, subsequently, in contributing to their respective 11th five-year plans. Continued government support for the IEM approach to combat land degradation is reflected by the inclusion of land degradation priority projects developed during the project into their respective provincial and autonomous regional 12th five-year plans.

4. IEM Data Management and Documentation

37. With policy decision makers and legislators requiring realistic and accurate data and information for strategic planning and programming, there is now an appreciation of and need for a systematic and organized IEM data management and documentation system as well as a mechanism for information exchange and sharing. The establishment of six IEM information centers has facilitated the compilation and dissemination of information on successful methods

[33] ADB. 2010. *Dryland Ecosystems. Introducing an Integrated Management Approach in the People's Republic of China*. Manila.

[34] Central Project Management Office. *Review of Implementation of Phase I, PRC–GEF Partnership on Land Degradation in Dryland Ecosystems.* Beijing (31 May 2007).

and best practices for land degradation control, and strengthened participatory land degradation monitoring and evaluation demonstrations at local levels. These have provided information for incorporating IEM plans and projects into the provincial and autonomous regional SAPs and five-year plans, which ensured government attention and budgetary allocations for implementation. The centers are now being utilized in the management and documentation of IEM-related data of other projects outside of the partnership.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

38. The project is assessed as *successful*. It was rated (i) *highly relevant* to the government's and ADB's development strategy, (ii) *effective* in achieving outcome and outputs, (iii) *efficient* in achieving outcome and outputs, and (iv) *likely to be sustainable*. The project was implemented efficiently with satisfactory performance of the LPEAG, IPEG, MEEG, and project consultants who guided the CPCO, CPMO, PPCOs, PPMOs, and relevant stakeholders. The interest generated by the project on the IEM approach and wide acceptance of its concept and principles by policy decision makers, planners, legislators, the private sector, and local communities facilitated the mainstreaming of IEM for land degradation control into provincial SAPs and five-year plans. This participatory approach in strategic planning, and the key role of provincial governments and line agencies, ensured the government, interagency, and multisectoral support for maintaining an enabling environment for combating land degradation on a sustained basis.

B. Lessons

39. **Acceptance and application of IEM.** The IEM approach is highly relevant to combating land degradation in the PRC and is a significant departure from traditional practices and therefore, requires time to become fully accepted. Good progress to date suggests that the full 10-year period, as originally designed, will be required. Moreover, with numerous central and provincial agencies involved in programs to combat land degradation and alleviate poverty, mainstreaming of the IEM concept and approach into central and provincial policies and plans requires sustained reinforcement to prevent stakeholders from reverting to agency-based approaches for combating land degradation.

40. **Integrated approach to achieving long-term success.** International experience demonstrates that an integrated approach is appropriate to achieving long-term success in combating land degradation that is mostly caused by interacting socioeconomic factors (e.g., overexploitation of natural resources, poverty, and population pressure). Participatory and science-based IEM approaches are essential for successfully combating ecosystem degradation, including in dryland areas. IEM concepts and principles have been demonstrated to be effective in influencing the ways in which people use natural resources and how they benefit from viable ecosystems. IEM has also been effective in addressing the poverty-resource degradation cycle at the grassroots level, as it generates solutions from the stakeholders that are directly and most affected by land degradation.

41. **Institutional capacity building for establishing an enabling environment.** For IEM to be effective and successful, cooperating and collaborating institutions and sectors must be supported by IEM knowledge and skills for policy making, planning, legislation, and joint management of the environment and natural resources. Joint and effective management of environmental and natural resources requires improving the capacities of cooperating and collaborating with government institutions for combining top-down and bottom-up approaches. The legitimacy of the joint management system within the provincial and autonomous regional

government structure may be enhanced through the guidance and assistance of lead expert and advisory groups. The pool of experienced local experts trained by such groups, as well as the members of these groups, play an important role in providing guidance for future land degradation prevention and control in other provinces and autonomous regions.

42. **Interagency cooperation and collaboration in policy and planning.** Improved institutional coordination and harmonization of land degradation policies, legislation, programs, and budgets is needed.[35] Interagency cooperation and collaboration in policy and planning of IEM strategies and plans ensure that complex problems related to land degradation control are addressed following a participatory approach and that government agencies, private sector agencies, and local communities have a clear understanding of their delineated tasks and responsibilities. A consistent legislative, regulatory, and planning framework for land degradation control must likewise be created to ensure efficient coordination of land degradation prevention and control projects funded by various government and donor sources, and cost-effective use of funds.

43. **Importance of awareness building.** Strong awareness among stakeholders, especially the public, on the state of the environment and natural resources is important for gaining support for government plans and strategies for land degradation control and for overall environmental and natural resource management in general. Disclosure of government plans for management, and conservation and protection provides a solid foundation for cooperation in planning and implementing IEM plans and strategies. Important decisions, plans, and proposed investment projects should be disclosed through public media for soliciting public opinion. Awareness building should be complemented by an effective information-sharing multimedia system.

44. **Importance of a database system and information-sharing mechanism.** Clarification on the institutional role of each agency regarding IEM and land degradation control provides a clear basis for defining the type and level of data to be collected by each participating agency in the joint and collaborative management of environmental and natural resources. For information sharing to be effective and useful, the “institutional value” of data should be recognized and access to data should be made available for all government agencies in a timely and practical manner.

C. Recommendations

1. Project Related

45. **Future monitoring.** The project benefit monitoring and evaluation system should be operated more effectively and used as a tool for monitoring and evaluating the progress of project implementation compared to its activity targets and outputs. It should also be used as a basis for making decisions for adjusting project scope and budgetary allocations as necessary and in a timely manner, to maintain implementation within the intended time frame and budget.

46. **Covenants.** The key project covenants refer to the establishment of the institutional setup of the partnership. It is recommended that the institutional setup of the partnership be maintained. In particular, lead expert and advisory groups—having played key roles in facilitating the necessary changes required for raising awareness, improving policy decision

[35] The lessons are very similar to those derived from ADB. 2007. *Technical Assistance Completion Report: Songhua River Water Quality and Pollution Control Management.* Manila. *(*TA 4061-PRC; approved 19 December 2002; closed 23 November 2006), which has had a significant impact in the design of succeeding projects and identified follow-up lending activities by ADB.

making, planning, and legislation for land degradation control and management, as well as in strengthening bottom-up participatory, interagency, and multisectoral coordination in strategic planning—must be sustained and be used as a mechanism for building a pool of experienced local experts that may be tapped for providing guidance for future land degradation prevention and control in other provinces and autonomous regions.

47. **Further action and follow up.** Through the project, the partnership has gained strong support from international development partners. The partnership has likewise gained acceptance of the coordinating role it has provided. The enthusiasm gained by the partnership must be sustained and its function as a platform for mutual learning on land degradation control must be expanded beyond the participating provinces, regions, and counties that were involved during project implementation. Continued linking with development partners will also open opportunities for financing of investment projects.

48. **Additional assistance.** A continuation of GEF's support to build capacity for the partnership was already recommended during the preparation of the consolidated Framework Program (2008–2010) of the partnership, and the technical assistance for Management and Policy Support to Combat Land Degradation was approved by ADB management on 8 December 2009 (footnote 26).

49. **Timing of the project performance evaluation report.** An appropriate timing for the project performance evaluation report would be mid-2013 when the follow-up CDTA (footnote 26) is completed or almost completed. At that time, an independent evaluation of GEF-3 and GEF-4 projects under the partnership will be completed, which could provide a justification for the sustainability and success of the partnership.[36]

2. General

50. **Multisectoral approach to address natural resource management issues.** For projects designed to address complex problems of environmental and natural resource degradation, an integrated, interagency, and multisectoral approach to policy making and planning will ensure that these problems are addressed in a comprehensive manner. For this approach to be effective, however, a consistent legislative and regulatory framework and environment for land degradation control must be created. A clear and carefully drafted SAP must be integrated into the government's medium- and long-term plans so that it is implemented within the context of an accepted development framework and provided with the necessary budgetary allocations for implementation.

51. **Greater community involvement in natural resource management.** Environmental and natural resource management issues and problems may be addressed through an effective public participation mechanism and incentives policy that clearly define the roles and functions as well as the benefits that communities may derive through their active participation. Community-based participatory strategic planning and implementation of environmental and natural resource management projects provide a conducive situation for mobilizing the enthusiasm of rural communities and private sector in combating environment-related problems. This facilitates finding practical and realistic solutions to addressing the environment degradation-poverty cycle at its roots.

[36] GEF-3 refers to the replenishment period covering 2002–2006 and GEF-4 refers to the replenishment period covering 2006–2010.

PROJECT FRAMEWORK

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
A. Goal				
Combating land degradation, reducing poverty, and conserving biodiversity in selected provinces and autonomous regions of the PRC	An enabling administrative, policy, and legislative environment to promote IEM in key provinces and/or regions. Sustainable practices (decision making, administration, and land-use management) that are ecologically sound, socially acceptable, and economically viable. Stakeholder participation and use of community-based and sustainable approaches to improved land-use decision making, land management practices, and reducing poverty. International commitments met under conventions on desertification, biodiversity, and the United Nations Framework Convention on Climate Change. Over the longer term, local benefits will result from the sustainable use of land, water, and forest resources in selected ecoregions, and global benefits will include biodiversity conservation, increased carbon capture, and reduced frequency and severity of sand and dust storms.	An enabling administrative, policy, and legislative environment to promote IEM has been established in the six project provinces and autonomous regions. Sustainable practices that are ecologically sound, socially acceptable, and economically viable have been established. Land-use decision making, land management practices, and strategies for poverty reduction now use stakeholder participation, and community-based and sustainable approaches. International commitments have been met under conventions on desertification, biodiversity, and the United Nations Framework Convention on Climate Change. The foundation for generating long-term benefits has been established, which will have a positive impact on the sustainable use of land, water, and forest resources in the project provinces and autonomous regions as well as on biodiversity conservation, increased carbon capture, and reduced frequency and severity of sand and dust storms, which will result in global benefits.	Reports on IEM reforms involving 11 major agencies, and six provinces and/or regions Reports on institutional capacity and land-use management in project areas Community-based participatory approaches established in selected project areas Country reports under international conventions Longer-term region-wide land, socioeconomic, ecological, and biodiversity surveys IEM investments in project areas in medium-term under the Operational Program 12 CPF, 2003–2012	High-level central and local government commitment for better coordination between agencies and an IEM approach to combat land degradation. Baseline funding can be secured from budget allocations and other sources (e.g., loans and grants). Implementation capacity exists in provincial and local governments. Results of policy, legislative, and institutional reforms are implemented in time to influence the effective implementation of IEM demonstration projects under CPF, 2003–2012.
B. Purpose				
Strengthening the enabling	Greater understanding of the root causes of land degradation. Introduction of IEM, including tools	Stakeholders have a greater understanding of the root	Project reports, including	High-level government

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
environment and developing institutional capacity for land degradation control	based on best practices and appropriate adaptive research. A more coherent, consistent, and responsive framework of policies, legislation, regulations, and procedures, including incentives for investment in combating land degradation. 11th FYP, 2006–2010 will reflect a more integrated approach, including a greater harmonization of sectoral plans and government budgets. Improved administrative capacity, including enhanced coordination inside government and with other stakeholders. Local strategic plans for combating land degradation operations in six provinces and/or areas, including institutional arrangements, increased budgets, and participatory processes. An effective and harmonized system of land and ecosystem M&E system in place. Effective co-financing mechanism for land degradation control, bringing greater coordination and feedback between government and funding agencies. The above primary impacts will lead to longer term gains from IEM investments under the CPF, and will lead to global benefits in terms of biological diversity conservation, reduction in the frequency and severity of dust and sand storms, and carbon sequestration.	causes of land degradation. The IEM concept, including tools based on best practices and appropriate adaptive research, has been introduced, accepted, and adopted. A more coherent, consistent, and responsive framework of policies, legislation, regulations, and procedures, including incentives for investment in combating land degradation has been established. A more integrated approach to land degradation control has been reflected in the 11th FYP, 2006–2010, including greater harmonization of sectoral plans and government budgets. Improved administrative capacity, including enhanced coordination inside government and with other stakeholders established. Local strategic plans for combating land degradation operations in six provinces and autonomous regions, including institutional arrangements, increased budgets, and participatory processes have been developed and mainstreamed into their respective development plans. An effective and harmonized system of land and ecosystem M&E system is already in place. Effective co-financing mechanism for land	international workshop on IEM Revised policies, laws, and regulations National and provincial 11th FYPs, 2006–2010 Reforms and coordination mechanisms in place. Operational action plans to combat land degradation in place and funded. Coordinated M&E system for land degradation in place. Evaluation reports, training review, progress reports, PCR, IEM project reports, guidelines, workshop proceedings, publications, and study tour reports	commitment, given strongly in the design phase, continues during implementation at central and provincial and/or area levels. Steering committee is able to effectively coordinate the leadership of the participating agencies and the provinces and/or regions. Willingness to implement recommended reforms, approaches, and coordinating mechanisms. Sustained commitment of funding agencies. Operational Program 12-financed IEM projects are well coordinated. Best practices from these and other proven area-based approaches are accepted by the government as models for future

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
		degradation control, bringing greater coordination and feedback between government and funding agencies, established. The foundation for ensuring that the above primary impacts will lead to longer term gains from IEM investments under the CPF has been established. This will lead to global benefits in terms of biological diversity conservation, reduction in the frequency and severity of dust and sand storms, and carbon sequestration.		land degradation investments. Full use is made of the new national ecozone classification system.
C. Outputs				
1. Improving policy and laws for land degradation control	a. Recommended mechanisms and procedures result in improved quality and effectiveness of key environmental policies and laws by 2009. b. Institutional capacity improved for legislative and policy aspects of land degradation management by 2008. c. Policy and regulatory advice and problem-solving capacity improved by 2009.	a. Relevant policy and legal framework established. b. Six provincial legal and expert advisory group established. c. A central legal and policy expert group was established.	Completed reports on recommended procedures, relevant aspects of laws and regulations, and training programs for participating legal and other agencies, PCR Project reports and PCR Project reports and PCR	Government sustains its commitment to reform institutional, legal, and regulatory barriers; and to harmonize programs and budgets. Risk mitigation through the coordinating role of the steering committee, MOF, the incorporation of reforms into the 11th FYP; and sensitization of decision makers to best international practices.
2. Strengthening national and provincial coordination	a. Planning mechanisms set up for coordinating land degradation sector investments under the forthcoming 11th FYP by 2005–2006. b. IEM approach accepted for use during 11th FYP.	a. Province and region-specific strategic action plans formulated. b. IEM approach incorporated in national and provincial 11th FYP.	Project reports and PCR Completed land degradation strategies and action plans, project reports, and PCR	

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
3. Improving operational arrangements in the provinces and counties	a. Participatory processes begun to promote (i) common understanding of IEM principles, (ii) community involvement, and (iii) land-use planning. b. Land degradation strategies and action plans harmonized and IEM approach in place for six provinces and/or regions by 2009. c. Trained staff to support IEM investment projects identified for all participating provinces and/or regions by 2008.	a. Full participatory process promoted in all project sites. b. Relevant strategies incorporated in all provincial action plans. c. Achieved relevant training in designing IEM investment projects successfully.	Progress reports on first IEM project (World Bank-Operational Program 12 Gansu-Xinjiang Grasslands Dev. Project, 2003); and new IFAD-Operational Program 12 project for several provinces, for approval in 2005 Project reports and PCR	Policy and regulatory reforms need to be in place in time to influence effective implementation of demonstration IEM projects. Risks mitigated by the development of measures to strengthen the enabling environment and build institutional capacity, and by continually emphasizing the importance of timely reforms to key decision makers. Major risk that effective cooperation between agencies at all levels may not be achieved. To be mitigated by involving all stakeholders through national and local leading groups, coordination offices, and workshops promoting the proven advantages, including financial investments under
4. Capacity development for land degradation investment projects	Provincial capacity for land degradation projects upgraded. Initial IEM investment projects identified for all participating provinces and/or regions by 2008.	Developed 26 investment projects to address land degradation.	Project reports and PCR	
5. Monitoring and evaluation system for land degradation	Coordinated system for land degradation monitoring ensures that a national mechanism is operational for collecting, sharing, analyzing, and reporting land degradation related data by 2009.	A monitoring and evaluation expert group established. A special study to establish effective M&E was completed.		
6. Implementation arrangements for the CPF	a. Project implementation capacity in place to support Operational Program12 Partnership by 2005. b. Funding coordination capacity in place to maximize concessional financing for Operational Program 12 Partnership by 2005.	a. An interagency coordination committee established and guided the project implementation. b. The PPCOs and PPMOs with LPEAG, IPEG, and MEEG guidance promoted IEM-related activities.		

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
				the CPF, of a cooperative approach.
D. Activities				
1. Improving the Policy and Laws for Land Degradation Control				
a. Toolbox: legislative, policy, institutional, ecology elements; and computerizing toolbox	a. Operational legal toolbox for land degradation management, 2004–2006. Operational digital version of toolbox by 2007.	a. Appropriate laws and regulations were compiled and incorporated in a legal toolbox.	a. Published reports, project progress reports	Full cooperation of governments to improve quality of laws and policy.
b. Provincial procedures to assess and improve IEM principles in laws, regulations, and policy	b. Agreed provincial criteria, guidelines, mechanism covering sustainable land management, participation, monitoring, financial arrangements, and information exchange by 2006.	b. A substantial number of relevant reports and research articles on IEM practices produced and disseminated.	b. Project progress reports	Improvement of provincial legal and institutional systems is a high priority for effective land degradation management.
c. Assess and recommend ways to harmonize laws, regulations, and policy	c. Recommendations to harmonize laws on desertification, grasslands, water and soil conservation, water, forestry, agriculture, land administration, environment protection, and EIA. Legal and policy studies completed (2005).	c. 25 new provincial regulations were formulated and adopted, and 8 existing provincial regulations revised.	c. Reports covering each law and integrated impacts of all laws, published case studies	Recommendation changes are acceptable and operational.
d. Develop capacity for implementation and surveillance of land degradation laws and policies	d. Mechanisms and procedures for the (i) coordination for natural resource management; and (ii) provincial-level integration of eco-function zones with agricultural, forestry, desertification, control, and other zones by 2005.	d. Achieved as planned.	d. Established mechanisms and procedures, including for EIA Act and provincial land degradation programs	Recommended changes are acceptable and operational under 11th FYP, to comply with new national ecozone classification system.

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
			under the 11th FYP	
e. Assess the role of EIA in land degradation control and improve implementing procedures	e. Monitoring and supervision mechanism for provincial standards and procedures on (i) farmland quality, (ii) grassland management and conservation, (iii) ecozone functions, and (iv) land husbandry by 2006.	e. Monitoring and supervision mechanism for EIA established.	e. Monitoring and supervision mechanism established, provincial standards and procedures set up	Adequate resources and interest at all levels. To comply with new national ecozone classification system.
f. Assess and advise on legal and policy measures for private sector roles and public participation	f. Rights of land users and administrators clarified. Improved compensation measures for land closure, conversion, and protection; measures for sustainable rural livelihoods on small holdings; and improved public participation procedures by 2007.	f. Necessary laws and regulations established.	f. Project progress reports	Willingness of government to accept advice provided.
g. Develop program for capacity building in legislative, policy, and institutional measures	g. Training program for legal officers and draftsmen, judicial officials, policy makers, local organizations, NGOs, and private sector, and eight workshops during 2005–2006.	g. Several training, consultations, and study tours undertaken for staff and stakeholders.	g. Project progress reports	Adequate interest of local-level officials and other organizations.
h. Training workshops in environmental law	h. Training, including training of trainers. Central level: 2 training sessions; and provincial level: 6 training sessions during 2004–2006.	h. Achieved as planned.	h. Training program and trainees each category	Suitable course can be organized for the participants.
i. Study visits and exchanges	i. Completed intensive training course for 15 people for 4 weeks, 2005. Completed exchanges for 12 people for 3 weeks during 2004–2006.	i. Achieved as planned.	i. Project progress reports	Advisory group proves to be effective in its role.
j. Legal, Policy, and Advisory Group	j. Ten-member committee set up (2004) comprising central and provincial agencies and academics; 2 central meetings per year, 2004–2007; and 6 provincial level meetings.	j. Achieved as planned.	j. Project progress reports	Adequate demand and an appropriate institutional arrangement exist.
k. Study of options for training in	k. Completed feasibility options training study in 2005.	k. Achieved as planned.	k. Project progress reports	Studies are undertaken on high priority topics.

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
environmental law related to land degradation in Western Region				
l. Legal studies	l. Amended land degradation-related laws and regulations, especially in the provinces, 3 studies during 2005–2008.	l. Achieved as planned.	l. Project progress reports	
2. Strengthening National and Provincial Coordination				
a. Institutional review and recommendations for improved coordination mechanisms	a. Institutional review by institutions and planning expert group. Mechanisms adopted for improved national and provincial interagency coordination during 2004–2006. Central: 5 workshops, 1 study; and provincial: 2 workshops per province during 2004–2007.	a. Necessary institutional reviews undertaken by provincial expert group.	a. Completed reviews and progress reports	High-level political commitment given (vice-governors and vice-minister levels).
b. Introducing IEM for land degradation control into provincial and national 11th FYPs	b. Central and provincial 11th FYPs, 2006–2010 feature land degradation control in line with IEM principles during 2004–2005. One international workshop on IEM by 2004. Two regional workshops by 2005.	b. Achieved as planned. Several workshops were conducted at national, international, and regional levels.	b. 11th FYP specific and regional planning, September 2005; 11th FYP documents	NDRC and provincial development planning commissions fully support reform of land degradation approaches in 11th FYP.
c. Formulate regional and provincial land degradation strategies and action plans	c. IEM strategies and action plans formulated for six provinces. Mechanisms for private sector involvement in land degradation during 2004–2005. Central: 1 study, 3 training sessions, and 1 seminar; and provincial: 3 studies, 1 training session, and 1 review meeting during 2004–2005.	c. Achieved as planned. Required IEM strategies and action plans formulated.	c. Reviews of provincial IEM strategies and action plans	Controlling land degradation is a high strategic priority for national and provincial development plans.
d. Assess economic costs and benefits of land degradation control	d. Field study completed in selected areas to estimate economic impact of land degradation control measures during 2004–2005.	d. Achieved as planned with IPEG support, province and region-specific economic costs and benefits assessed.	d. Completed studies	Stakeholder institutions are willing to collaborate and coordinate activities.

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
e. Revisit the National Action Program prepared under the UNCCD	e. National Action Program under UNCCD harmonized with PRC–GEF Partnership, Biodiversity Action Plan, and related action plans; and improved funding coordination during 2004–2005. One central workshop and one workshop per province during 2004–2005.	e. Achieved as planned. Relevant workshops were conducted.	e. Review of revised National Action Program under UNCCD	Funding agencies are prepared to support activities outlined in the provincial IEM strategies and action plans. Willingness to update the National Action Program under the UNCCD.
f. Workshops to review and promise strategic IEM planning	f. Completed workshops and cadre of trained personnel in resulting increase of IEM by 2006. During 2005–2006, three regional workshops.	f. Achieved as planned. About 211 workshops completed.	f. Workshop proceedings	The new skills learned are accepted by the trainees and their institutions.
g. Study tours and/or exchange visits	g. In 2005, one regional and one international study tour completed.	g. Achieved as planned. Regional, interprovincial, and international study completed.	g. Progress reports	
h. Workshop paper presentations	h. During 2005–2006, four papers presented at international forums.	h. Achieved as planned. Several related research papers presented at various forums.	h. Papers published	
3. Improving Operational Arrangements in the Provinces and Counties				
a. Assessment of operational arrangements, institutional capacity, and training needs	a. During 2004–2007, three operational reviews by institutions and planning expert group and six provincial meetings held.	a. Achieved as planned. Through IPEG guidance, relevant operational reviews undertaken.	a. Completed report	Rural communities see land degradation as a problem and are willing to work together to improve the management of their local land resources.
b. Development of guidelines, manuals, and training materials	b. Guidelines, training materials, and manuals developed; and one study conducted during 2004–2005.	b. Achieved as planned. About 28 studies and guidelines prepared and disseminated.	b. Progress reports	
c. Capacity building and training	c. Trained local staff to formulate and implement land degradation control plans and investment projects. Central: three training sessions, and	c. Achieved as planned. About 122 training sessions were conducted.	c. Trained staff	The community-based participatory planning approach

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
	provincial: two training sessions for each (2004–2005).			is accepted by provincial and
d. Identification of the best field-level practices	d. Review of best practices and catalogue of best field-level practices prepared, one central and six provincial studies (2005).	d. Achieved as planned.	d. Completed reviews	county government authorities. Stakeholder
e. Formulation of community-based participatory land degradation control plans	e. Land degradation control plans for each province (in selected sample countries), 18 (three per province). One training program per province during 2004–2007.	e. Achieved as planned.	e. Finalized plans	institutions are willing to collaborate and coordinate field activities.
f. Implementation of community-based land degradation demonstrations	f. Land degradation control following IEM approach in sample of communities and/or villages per province during 2004–2007. Minimum of three sites per province.	f. Achieved as planned.	f. Community land degradation control plans and demonstrations	Individual research agencies are willing to collaborate with others to form interagency consortia.
g. Adaptive research and participatory technology for land degradation control	g. Minimum of 10 lump sum grants for research during 2004–2006.	g. Achieved as planned.	g. Research consortia progress reports	Government provides baseline finance and GEF provides incremental costs to demonstrate the
h. Education program in IEM	h. Provincial public environmental education programs on IEM in all six provinces during 2005–2007.	h. Achieved as planned.	h. Education posters, handouts	participatory approach to IEM. Coordination with
i. Workshops on community-based land degradation control planning	i. During 2006, two workshops per province completed.	i. Achieved as planned.	i. Workshop reports	ongoing government programs, will be undertaken. Examples are (i)
j. Study tours and exchange visits	j. During 2005–2006, 1 international, 1 regional, and 18 provincial intercountry study tours completed.	j. Achieved as planned.	j. Progress reports	SFA's six key nationwide forestry programs, and (ii)
k. Workshop paper presentations	k. During 2004–2007, four papers presented at international forums.	k. Several publications and research papers presented at international forums.	k. Progress reports	Ministry of Water Resources' small watershed comprehensive management demonstrations. Internationally financed

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
				participatory projects will also be included as examples of "best practice" and may be visited by stakeholders during implementation (e.g., FAO's ongoing LADA program).
4. Capacity Development for Land Degradation Investment Projects				
a. Project identification and planning	a. Existing land degradation projects documented. Potential projects identified. Central: three group meetings, and provincial: one group meeting for each (2004–2006).	a. About 28 potential investment projects identified and relevant groups meetings held.	a. Completed reports	New Operational Program 12 IEM investment projects will take into account (i) best practices from existing land degradation investments in the PRC and overseas; (ii) lessons from previous area-based participatory projects and approaches; and (iii) recent Operational Program 12 projects, including (a) World Bank Gansu-Xinjiang Grasslands Development Project, 2003; and (b) IFAD Poverty
b. Training and capacity development in land degradation projects	b. Training needs defined, training completed, and capacity developed (2004–2005). Activities: 2 regional training workshops, 3 study tours, and 1 central study; and 6 provincial studies on IEM projects (2004–2006).	b. Achieved as planned.	b. Training report	
c. Assess impact of land degradation projects and programs, co-financing options study	c. During 2005–2006, six provincial land degradation project impact studies completed. Reports presented to senior leaders. Co-financing options studied and co-financing mechanism agreed by 2004.	c. Achieved as planned.	c. Six impact studies, co-financing study report, and co-financing mechanisms	
d. Prepare land degradation projects based on IEM principles	d. Provincial land degradation projects (one for each) designed to feasibility level based on IEM approach. During 2004–2007, 3 GEF-eligible workshops; and 1 study.	d. Several land degradation projects formulated by the six provinces, with substantial GEF grants.	d. Six completed project feasibility studies, 2005–2007	

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
				Reduction Project in Ningxia, Gansu, and Shanxi, 2005. PPTA grants are in ADB's Country Program[a] for 2004, 2005, and 2006. Other funding support has been indicated.
5. Monitoring and Evaluation System for land degradation				
a. National coordination mechanism for coordinating and sharing land degradation data	a. Land degradation monitoring and evaluation expert group functional. Adaptive management mechanisms for sharing collection and analysis of land degradation related data. Central: 4 group meetings, 1 workshop, and 1 study on comprehensive land degradation assessment and validation or assessment tools and indicators. Provincial: four group meetings and one workshop (2004–2007).	a. An MEEG is effectively functioning. An IEM information center has been established and functioning effectively.	a. Minutes of Expert Group	A willingness on the part of existing agencies engaged in land degradation-related monitoring surveys to coordinate and share data. Linkage with the national research project on the 11th FYP for Scientific Data Sharing Program, conducted by the Ministry of Science and Technology. A need for comprehensive, consistent, and reliable assessments of land degradation International standards for documenting successful technologies and approaches are
b. Provincial GIS database development	b. Provincial GIS units established, inclusive of training modules development and publication; and two training sessions, 2005. Support to provincial offices, including equipment, vehicles, software, and on-the-job training (2004–2007).	b. Achieved as planned.	b. Progress reports	
c. Documentation of successful technologies and approaches for controlling land degradation	c. Prepared and distributed best practices guidelines, customized selected database (5 studies), training workshops (1 central and 1 per province), 2004–2006.	c. Achieved as planned.	c. Progress reports	
d. Local-level participatory land degradation assessment capacity building	d. Multi-agency cadre of provincial and county technicians at local level participatory land degradation assessment. Central: four training workshops. Per province: one study and three training workshops, and equipment support in the field (2004–2007).	d. Achieved as planned.	d. Progress reports	
e. Pilot	e. Models for building provincial and county	e. Achieved as planned.	e. Progress	

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
monitoring and assessment	capacity for participatory land degradation. During 2004–2006, six pilot tests conducted.		reports	accepted within the six provinces.
f. Senior officials consultations and expert workshops	f. Completed workshops and/or consultations (one for central and one per province) to agree on M&E reforms by 2006.	f. Achieved as planned.	f. Workshop proceedings and minutes of senior officials meetings	Availability of government funds and staff in the provinces and counties for land degradation
g. Workshop papers	g. During 2005–2006, four papers presented at international forums.	g. Achieved as planned.	g. Publications and papers	assessment activities. Ongoing LADA program has identified three pilot sites in Inner Mongolia, one in Gansu, and one in Ningxia.
6.Implementation Arrangements				
a. Implementation support	a. Completed steering committee meetings (4), national and 1 international study tours, donor roundtable (4), and other consultations with stakeholders (6). Training and 30 person-months staff exchanges (2004–2008).	a. Achieved as planned.	a. Progress reports, donor feedback, and support	High-level national and provincial interest, and commitment to the partnership are
b. PCO support	b. Functioning PCO with capacity to coordinate PRC–GEF Partnership on Combating Land Degradation in Dryland Ecosystems (Operational Program 12) within the CPF (2003–2012) and related operations. Target of $40 million–$70 million GEF Operational Program 12 projects with co-financing by 2006. Local PCOs in each province coordinate between participating sector agencies and are linked to other provinces and/or regions in partnership. Network and links between land degradation projects during 2004–2008. Improved funding coordination mechanism by 2005.	b. Achieved as planned.	b. Project newsletters, reports, Partnership project: (i) World Bank Gansu-Xinjiang Grasslands Development Project, 2003, $10.5 million; (ii) IFAD Poverty Reduction Project in Ningxia, Gansu, and	maintained. CPCO and PPCOs are able to effectively do their work. Trained staff is available. Donor commitment is sustained.

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
			Shanxi, 2005 approval, for at least $11 million; and (iii) ADB project $7.7 million for approval in 2004. Total approximately $30 million to date planned in GEF grants.	
c. PMO support	c. Central PMO effectively established to manage implementation of the project and overall partnership. Local PMOs set up in each province also operate effectively and achieve targets during 2004–2008. Management information and feedback system functioning during 2004–2006. Advisory expert groups functional and scientific networks to advise on implementation and impact of partnership. Total of four annual workplans and budgets approved.	c. Achieved as planned. An effective central PMO and six PPMOs were established. The proposed advisory expert groups and networks were also established.	c. Progress reports, annual work plans approved and implemented, number of completed consultancies, contracts, studies and surveys, workshops and seminars, and study tours completed.	Linkage and communications with the Office of the Western Region, major infrastructure ministries, and Poverty Alleviation Office set up for coordination. Media links are effective.

Design Summary	Performance Targets	Actual at Project Completion Review	Monitoring Mechanisms	Assumptions and Risks
E. Inputs – Project and ADB-Financed TA[b]				
Consultants (including under TA)	GEF-financed: international, 22 person-months; domestic, 187 person-months ADB-financed: international, 19 person-months; domestic, 103 person months	ADB-financed: international, 27.8 person-months; domestic, 68.9 person months	Contractual documents, financial agreement (PRC–ADB) covering implementation of GEF grant, ADB TA agreement and related documents, procurement documents, project progress reports, and PCR	Counterpart funds are fully available on time. Government will provide counterpart staff to PMO. Personnel will be available from central and provincial agencies to participate in training programs. International and domestic consultants will work effectively as a combined team.
Subtotal	GEF: $1.13 million ADB: $0.9 million $2.2 million	GEF: $1.175 million ADB: $0.948 million $2.123 million		
Equipment, Software, Supplies, and Vehicles	$1.1 million	$1.175 million		
Surveys and Studies	$1.5 million	$1.238 million		
Workshops	$2.5 million	$1.241 million		
Training and Study Tours	$2.8 million	$1.553 million		
Incremental Staff Office Operations	$1.0 million	$2.909 million		
Pilot Projects	$1.9 million	$3.302 million		
Total	$2.0 million **$15.0 million** (includes 10% contingencies)	$2.052 million **$15.593 million**		

ADB = Asian Development Bank, CPCO = central project coordination office, CPF = country programming framework, EIA = environmental impact assessment, FAO = Food and Agriculture Organization, FYP = five-year plan, GEF = Global Environment Facility, GIS = geographic information system, IEM = integrated ecosystem management, IFAD = International Fund for Agricultural Development, IPEG = institutions and planning expert group, LADA = Land Degradation Assessment in Drylands, LPEAG = legal and policy expert advisory group, M&E = monitoring and evaluation, MEEG = monitoring and evaluation expert group, MOF = Ministry of Finance, NDRC = National Development and Reform Commission, NGO = nongovernment organization, PCO = project coordination office, PCR = project completion report, PMO = project management office, PPCO = provincial project coordination office, PPMO = provincial project management office, PPTA = project preparatory technical assistance, PRC = People's Republic of China, SFA = State Forestry Administration, TA = technical assistance, UNCCD = United Nation Convention to Control Desertification.

[a] ADB. 2004. *Country Strategy and Program: People's Republic of China, 2004–2006*. Manila.

[b] Piggybacked TA in the amount of $1.2 million of which $1.0 million was financed by ADB from its TA Special Fund and $0.2 million equivalent was financed by the government.

CHRONOLOGY OF MAJOR EVENTS

YEAR	EVENTS
March 2001	Approval of the pipeline entry and project development facility grant by the GEF Secretariat
October 2002	Approval of the framework brief by the GEF Council
April 2003	Government-ADB joint fact-finding mission to Inner Mongolia and Shaanxi
November 2003	Establishment of the central project management office and PCOs
2–11 July 2003	Fact-finding mission
18 February 2004	Management review meeting
2–11 March 2004	Appraisal mission
7 April 2004	Staff review committee meeting
7 June 2004	Board circulation
28 June 2004	Board consideration and approval
16 July 2004	Inception mission
23 July 2004	Financing Agreement signing and effectivity
24 September 2004	GEF donor roundtable meeting in PRCM
14–20 October 2004	Review mission
1–2 November 2004	International workshop on IEM approaches and practices
8–19 November 2004	Review mission
13 January 2005	First GEF disbursement – initial deposit to the imprest account
28 October–12 November 2005	Review mission
26 February–16 March 2006	Review mission
19 June–7 July 2006	Midterm review mission; first wrap-up meeting for the midterm review mission (7 July 2006)
18 July 2006	Second wrap-up meeting for the midterm review mission
20 August 2006	ADB approved proposed reallocation of the GEF grant
20–21 August 2006	Workshop in Inner Mongolia on land degradation strategies for six provinces and autonomous regions
24–26 October 2006	Review mission
20 August 2007	ADB approved amendment to contract of URS Australia
30 November 2007	Review mission
17–18 January 2008	Phase II coordination consultation and planning workshop
29 May–12 June 2008	Review mission
6 May 2008	ADB approved extension of grant closing date from 31 December 2008 to 31 December 2009, and reallocated GEF funds
6 October 2008	Review mission
5–9 November 2008	Review mission; international workshop on IEM approaches and practices (6–7 November 2008)
24–29 April 2009	Review mission
6 May 2009	ADB approved proposed reallocation of the GEF grant
6 March 2010	Submission of the government's project completion report
26 April–7 May 2010	Final review

ADB = Asian Development Bank, GEF = Global Environment Facility, IEM = integrated ecosystem management, PCO = project coordination office, PRCM = People's Republic of China Resident Mission.
Source: ADB.

ASSESSMENT OF OVERALL PROJECT PERFORMANCE

A. Basic Information

GEF Secretariat Identificaton Number	956
Geographic scope	Asia
Region	Asia
Participating Countries	PRC
Implementing Agency	ADB
Focal Area	Multi-focal area – IEM
Operational Procedures	OP#12 – IEM
Project Type	Full size project
Project Title	PRC–GEF Partnership on Land Degradation in Dryland Ecosystems Project 1 - Capacity Building to Combat Land Degradation
GEF Approval date	15 October 2002
CEO Endorsement date	25 May 2004
ADB approval date	28 June 2004
GEF Grant ($ million)	7.7 equivalent
Co-financing ($ million)	7.3 equivalent (including piggybacked TA of $1.2 million)
Total Cost ($ million)	15.0 equivalent
Executing Agency	State Forestry Administration, PRC
Project Description	The PRC–GEF Partnership on Land Degradation in Dryland Ecosystems is a long-term CPF that covers a 10-year period (2003–2012) and seeks to combat land degradation, reduce poverty, and conserve biodiversity through capacity-building investments and developing viable model investment projects, consistent with the GEF's Operational Program 12 on IEM. The investments envisaged in the CPF are estimated at about $1.5 billion, of which the GEF is expected to provide $150.0 million in grant assistance. The Capacity Building to Combat Land Degradation Project is the first of an intervention series planned under the CPF, which is implemented at the national level and in six provinces and autonomous regions (Gansu province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Qinghai province, Shaanxi province, and Xinjiang Uyghur Autonomous Region).
Project Objective	Goal: Combat land degradation, reduce poverty, and conserve biodiversity in selected provinces and autonomous regions of the PRC. Purpose or objective: Strengthen the enabling environment and develop institutional capacity for land degradation control.
Project Status (December 2009)	Project activities were completed as of 31 December 2009, the closing date of the TA. The project was effective in promoting the application of the IEM concept and approach, enhanced national and local capacities to combat land degradation, produced a team of professionals with IEM expertise, intensified the coordination and cooperation among various international partners under the partnership, improved the cost-effectiveness of the project, accumulated experience for other GEF partnerships and land degradation projects, and contributed to global environmental benefits. Achievement of project outcomes has paved the way for further development and implementation of the partnership. The improved enabling environment has facilitated cooperation and collaboration in policy decision making and planning for land degradation control. Provincial integrated land degradation SAPs provided an effective framework for solving the problem of divided interests among sectors and industries, thus making use of funds more effectively. The establishment of provincial IEM information centers has enabled land degradation data to be shared. Community-based participatory land-use planning mobilized the enthusiasm of rural communities and the private sector in combating land degradation, thus solving the land degradation and poverty problem at its roots.

Expected completion date per last revision	31 December 2009
Disbursement (GEF) as of 31 December 2009 ($ 000)	7,696.3

ADB = Asian Development Bank, CEO = Chief Executive Officer, CPF = country programming framework, GEF = Global Environment Facility, IEM = integrated ecosystem management, PRC = People's Republic of China, SAPS = strategy and action plans, TA = technical assistance.

B. Project Background and Description

1. The People's Republic of China (PRC) faces some of the worst land degradation problems in the world, which threaten the quality of life of its 1.3 billion population. The drylands of the western PRC cover about 40% of the country and contain some of the most severely degraded land. The rate of land degradation more than doubled from the 1950s to the late 1990s, rising from 1,500 square kilometers (km^2) to 3,500 km^2 per year because of severe wind and water erosion, soil nutrient losses, waterlogging, salinization, river system sedimentation, deforestation, grassland degradation, and biodiversity decline. About 285 million people, considered the country's poorest and most vulnerable, reside in the western provinces and autonomous regions. These are predominantly rural and rely heavily on grazing and agriculture in a very arid and fragile environment. Combating land degradation in the western region has acquired global significance as a result of its endemic species richness, which is higher than elsewhere and is associated with a high degree of extinction threat. Dust storms and sandstorms emanating from the region have likewise become of national and global importance because of their social and economic impacts in the eastern PRC, the Republic of Korea, and Japan.

2. Although substantial public investments in land degradation programs were made in the 1990s, these achieved less than intended as plans and programs were mostly designed and implemented by sector agencies working in isolation and with a top-down perspective. As a consequence, land degradation control efforts were ineffective and uncoordinated in tackling cross-cutting sector issues. Programs in general, focused on forestry development, with minimal attention to rural development and environmental protection. A change in strategy emerged in the early 2000s with government commitment to sustainable natural resource and environmental management reflected in its 10th Five-Year Plan, 2001–2005.

3. The PRC–Global Environment Facility (GEF) Partnership on Land Degradation in Dryland Ecosystems is a long-term country programming framework (CPF) that covers a 10-year period (2003–2012) and seeks to combat land degradation, reduce poverty, and conserve biodiversity through capacity-building investments and developing viable model investment projects that are consistent with the GEF's Operational Program 12 on integrated ecosystem management (IEM). The Capacity Building to Combat Land Degradation Project constituted an essential part of the CPF, as its purpose was to strengthen the enabling environment and build implementation capacity for the investment projects envisaged under the CPF. The project was the first Asian Development Bank (ADB)–GEF project approved under the partnership. The project cost was $15.0 million equivalent; the GEF financed about $7.7 million, which was administered by ADB, while ADB provided an additional technical assistance grant of $1.0 million through its TA Special Fund.[1] The government contributed $6.3 million as counterpart funds. The project was implemented at the central level and in the six provinces and

[1] ADB. 2004. *Technical Assistance to the People's Republic of China for the Capacity Building to Combat Land Degradation Project*. Manila (TA 4358-PRC, approved on 28 June).

autonomous regions in the western PRC that are most affected by dryland degradation (Gansu province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Qinghai province, Shaanxi province, and Xinjiang Uyghur Autonomous Region).

4. The project comprised six outputs: (i) output 1 - improving policies, laws, and regulations for land degradation control; (ii) output 2 - strengthening national and provincial institutional coordination; (iii) output 3 - improving operational arrangements at provincial and autonomous region and county levels; (iv) output 4 - capacity development for land degradation investment projects; (v) output 5 - monitoring and evaluation system for land degradation; (vi) output 6 - project implementation arrangements for the CPF.

5. The project goal sought to combat land degradation, reduce poverty, and conserve biodiversity in selected provinces and autonomous regions of the PRC. Its purpose or objective was to strengthen the enabling environment through strengthening institutional capacity for land degradation control.

C. Project Evaluation

1. Summary of Evaluation

6. Overall, the project is assessed as *successful*. It was (i) in line with the PRC–GEF Partnership and consistent with the GEF's Operational Program 12 on IEM, (ii) consistent and very relevant to the government's and ADB's development strategy, (iii) able to achieve intended outcome and outputs effectively and efficiently, and (iv) evaluated *likely to be sustainable*. Flexibility in design and implementation reduced project risks and allowed minor changes in the scope of activities to attain quality outputs and outcome within the envisaged time frame. The project was implemented efficiently with satisfactory performance of the expert advisory groups and project consultants that guided the central project coordination office, central project management office, provincial project coordination offices, provincial project management offices, and relevant stakeholders on (i) policy, planning, and legislation; (ii) interagency, multilevel, and multisectoral coordination and collaboration as well as investment planning; and (iii) setting standards for monitoring and evaluation, and establishing a monitoring system for land degradation control. The interest generated by the project on the IEM approach and wide acceptance of its concept and principles by policy decision makers, planners, legislators, the private sector, and local communities facilitated the integration of IEM for land degradation control into provincial strategy and action plans, and five-year plans. This participatory approach in strategic planning, and the key roles of provincial governments and line agencies in coordination and collaboration, ensured government, interagency, and multisectoral support for maintaining an enabling environment for combating land degradation on a sustained basis.

2. Details of the Evaluation

7. Details of the project evaluation based on the evaluation criteria for ADB and GEF-supported projects are in Table A3.[2]

[2] ADB. 2010. *Preliminary Guidance Note on the Preparation of Terminal Evaluation Reports of ADB/GEF-Supported Projects*. Manila.

Table A3: Project Evaluation

Evaluation Criteria	Rating	Explanation and Justification
1. Assessment of Project Results		
Relevance	Highly Relevant	The project was and remains relevant and consistent with the priorities of the government in combating land degradation in the six provinces and autonomous regions of the western PRC. The project design was also consistent with both national and local economic and social development policies as well as government priorities on several environmental and natural resource concerns as stated in its 11th Five-Year Plan. The project was likewise in line with the PRC–GEF Partnership and consistent with the GEF's Operational Program 12 on IEM. It was also relevant and consistent with ADB's PRC country partnership strategy (2008–2010)[a] within the strategic areas of the agriculture and natural resources sector.
Effectiveness	Highly Effective	The project was effective in achieving its outcome, i.e., to strengthen the enabling environment and develop institutional capacity to combat land degradation in the PRC. It was also effective in generating interest in, and acceptance of, the IEM approach to land degradation control among policy decision makers, planners, legislators, experts, and communities; and was instrumental in the adoption of a bottom-up participatory approach in policy decision making, strategic planning, and legislation of laws and regulations through more effective interagency and multisector collaboration and cooperation. This facilitated the incorporation of investment projects in provincial SAPs and five-year plans, and more efficient use of funds. The project also provided the mechanism for establishing links with donor agencies, which opened new avenues for information exchange on IEM-related activities and opportunities for possible financing of IEM project proposals.
Efficiency	Efficient	The project was efficient in achieving its outcome and outputs within the five-year implementation period provided. Under the project, capacities of the government, the private sector, and communities were strengthened for integrating IEM with long-term provincial and autonomous regional and national policies, plans, laws, and regulations, thereby ensuring that complex problems related to land degradation control will be addressed following an interagency and multisector approach. This provided a framework for stronger and more effective cooperation and collaboration in solving interrelated issues and problems concerning the land degradation-poverty cycle at its roots. Despite some reallocations in GEF funds, the project was able to achieve its outcome and outputs in a cost-efficient manner with all of the funds under the GEF grant utilized as intended.
2. Assessment of Risks		
Financial risks	Unlikely	The mainstreaming of the IEM approach to combating land degradation into provincial and autonomous regional SAPs and five-year plans has ensured commitment of government funds, over the medium and long term, for projects geared to improve the management of the environment and natural resources, particularly those that mitigate human-induced land degradation

Evaluation Criteria	Rating	Explanation and Justification
		problems. However, continued linking with development partners and donors needs to be sustained as this will open more opportunities for financing of investment projects on land degradation control in the PRC.
Sociopolitical risks	Unlikely	The integration of IEM for land degradation control into central and provincial SAPs and in five-year plans is an indication of the acceptance and ownership of this approach by the government and other stakeholders as an integral part of the PRC's medium- and long-term plans and strategy for improved environmental management and overall economic development. At the community level, field demonstrations of IEM-driven practices for combating land degradation, together with implementation of public awareness campaigns, developed a common understanding of IEM principles and concepts among communities and encouraged greater participation and involvement in land degradation control and land-use planning. The adoption of a bottom-up multisectoral approach to IEM has ensured community participation, and interagency coordination and collaboration in policy and strategic planning on a sustained basis.
Institutional framework and governance risks	Unlikely	The project has trained a significant number of technical experts, policy decision makers, legislators, private sector representatives, and communities on participatory IEM, which ensures that the IEM approach will continue to be integrated in provincial and autonomous regional plans. The strengthened capacity of involved agencies, sectors, and communities in land degradation control provided a strong foundation for an enabling environment for combating land degradation in the PRC and subsequently facilitated interagency cooperation and collaboration, and community participation. The monitoring system established, with the provincial IEM information centers playing a key role, has provided an important mechanism for sustained information collection, dissemination, and sharing among stakeholders and for further expanding the adoption of a participatory approach to IEM and planning in other provinces and autonomous regions in the PRC. Continued government support (i.e., financial or otherwise) at both central and provincial levels for applying the IEM approach for land degradation control, in policy decision making and planning, has ensured long-term sustainability of activities initiated under the project.
Environmental risks	Unlikely	There are no foreseen environmental risks that may jeopardize the sustainability of project outcomes.
3. Catalytic Role		The project was instrumental in changing the government's top-down approach in strategic planning, particularly in the preparation of provincial five-year plans, to one that is participatory and community-based and requiring interagency and multisector participation, collaboration, and cooperation. Such an approach, at the time the project was designed, was unprecedented in the PRC. The project was also instrumental in involving a large number of agencies, especially institutions at the highest level, to address land-related issues and problems. A large proportion of the participants in the project held key positions in each of their respective institutions, which reflected the features of multisector and multidiscipline participation. More

Evaluation Criteria	Rating	Explanation and Justification
		than 500 government officials at different levels and national experts of various disciplines participated directly in project activities. This included about 400 people from the central level and over 100 people at the provincial and local levels, covering nearly all government agencies involved in natural resources management and major research institutions and education units. The acceptance of the IEM approach by numerous government agencies, and their involvement in its application in land degradation control projects, provided a solid foundation for sustained integration of the approach into the policy and planning framework of the government and a framework for the replication of the IEM approach in other provinces in the PRC.
4. Assessment of M&E System		
M&E design		At project design, it was envisioned that the monitoring system developed under output 5 would feed into the project monitoring system, which would have served as basis for tracking the progress and monitoring results of the project as well as for assessing the impacts in relation to combating dryland ecosystem degradation.
M&E plan implementation		The M&E services provided by the ADB TA consultants were assessed as *satisfactory* as they were able to deliver the intended outputs as prescribed under their terms of reference. However, it was not clear how their services contributed to the development of the project M&E system and how their outputs were utilized for tracking the project's progress and for assessing its impacts in relation to combating dryland ecosystem degradation. The project benefit M&E system must be operated in a more effective manner and used as a tool for monitoring and evaluating the progress of project implementation as compared with its activity targets, outputs, and outcome. It should also be used as a basis for making decisions for adjusting project scope and budgetary allocations as necessary, and in a timely manner, to maintain implementation within the intended time frame and budget. The project M&E system is likewise important for building institutional memory as well as for providing the required database and for assessing project outcome and impact.
Budgeting and funding for M&E activities		The ADB's $1.0 million TA covered the cost of international and national consultants, international and domestic travel, related reporting, office operations, and communication costs. The funds were utilized within the budgeted amount and within the time frame of project implementation.
5. Assessment of Processes Affecting Attainment of Project Results		
Preparation and readiness		The western region of the PRC was identified as having the worst land degradation problems in the world, which threatens the quality of life of more than 285 million people. To address the land degradation problems affecting the region, ADB provided five TA projects[b] between 2000 and 2003 to develop the PRC–

Evaluation Criteria	Rating	Explanation and Justification
		GEF Partnership on Land Degradation in Dryland Ecosystems. These projects facilitated discussions at the central, provincial, and regional levels for determining land degradation control and management SAPs suitable to the western region. They subsequently provided the foundation for developing the CPF, which focused on six priority provinces and autonomous regions in the PRC's western region.[c] The CPF, in turn, served as basis for a PRC–GEF agreement to commit resources for implementing a phased set of priority activities over a 10-year period (2003–2012) to address the interlinked problems of rural poverty, vulnerability, land degradation, and biodiversity loss within the drylands of the western PRC through the promotion of an IEM approach.
Country ownership and drivenness		In the 1990s, land degradation control plans and programs achieved less than intended mainly because of a top-down approach in policy decision making and planning, which resulted in inefficient and uncoordinated efforts in tackling cross-cutting sector issues. A change in government strategy emerged in the early 2000s, which emphasized a bottom-up approach that integrated IEM concepts and principles in rural development and environmental protection. The government's commitment to sustainable natural resource and environmental management has been reflected in central and provincial SAPs, and five-year plans. The government's increased awareness and commitment to addressing environmental challenges have drawn support from the international community, which is keenly aware of the global implications of the PRC's size and potential.
Stakeholder involvement		The ADB TA projects, implemented in preparation for the project, set the stage for extensive participation and stronger ownership among the relevant stakeholders during project formulation at all levels. The interest generated by the project on the IEM approach and wide acceptance of its concept and principles by policy decision makers, planners, legislators, the private sector, and local communities facilitated the mainstreaming of IEM for land degradation control into provincial SAPs and five-year plans. This participatory approach in strategic planning, and the key role of provincial governments and line agencies, ensured government, interagency, and multisectoral coordination, collaboration, and support for maintaining an enabling environment for combating land degradation on a sustained basis. This has solved the problem of divided interests among the stakeholders.
Financial planning		Following the review of the project, carried out during September–December 2004, a detailed project work plan was reformulated based on the consolidation of project outputs 2, 3, and 4 as an integrated institutions and planning package, given that their activities contribute to strengthening the links between macro-level and field-level strategic planning. A reallocation of GEF funds was made and the original project closing date was subsequently extended from 31 December 2008 to 31 December 2009 to provide additional time for achieving quality outputs and for ensuring that project objectives were met. The reallocation was budget-neutral and did not involve major changes in project scope or implementation arrangements. ADB carried out regular

Evaluation Criteria	Rating	Explanation and Justification
		monitoring of the withdrawal, disbursement, and use of funds to determine how efficiently the project was progressing through mission reviews and annual reports. Financial reports and plans, as well as the conduct of annual audits, provided management with relevant information for making decisions regarding the budget and timely release of funds. This, in particular, facilitated the establishment of special accounts in project provinces to expedite withdrawal applications and remittance procedures to provincial implementation agencies to avoid further delays in implementation.
ADB supervision and backstopping		ADB was quick in making adjustments for ensuring that project outputs and outcome were effectively achieved within the allocated time frame. During 2004–2010, ADB fielded a total of 12 project administration and review missions, comprising members with varied disciplines and specializations, to provide technical advice and monitor the progress of project implementation. During these missions, ADB discussed problems and issues encountered by the executing agency, CPCO, CPMO, PPCOs, and PPMOs; provided recommendations for their resolution in a timely fashion; and made sure that these solutions met the requirements of the executing agency. The backstopping support provided by ADB facilitated the physical progress of the project to be completed within the time frame provided.
Co-financing and project outcomes and sustainability		There was no difference in the level of expected GEF–ADB co-financing and the co-financing actually realized. The project's total cost was estimated at $15.0 million equivalent inclusive of the $1.2 million equivalent under the piggybacked TA. About $7.7 million was financed by the GEF and administered by ADB, while ADB provided an additional TA grant of $1.0 million through its TA Special Fund to complement the GEF grant. By the end of the project, all funds allocated under the GEF grant were utilized. The government contributed $6.3 million as counterpart funds, which were mainly used for office operations, workshops, training and study tours, pilot project cost, and incremental staff cost. At the end of the project, the total contribution of the government was estimated at $7.1 million (including the contribution under the piggyback TA in the amount of $0.2 million) or an overrun of $1.2 million equivalent. Substantial increases in incremental staff cost and cost of office operations, which were funded by government counterpart funds, contributed to the cost overrun.
Delays and project outcomes and sustainability		The original project closing date was extended from 31 December 2008 to 31 December 2009 following the revision and consolidation of project outputs 2, 3, and 4 into an integrated institutions and planning package. The 1-year extension provided additional time for achieving quality outputs and for ensuring that project objectives were met as envisioned at appraisal. In spite of slight delays during the first 2 years of project implementation, the implementation of all project outputs was completed as planned during the 1-year extension. The delay had no adverse effect on project outcomes or

Evaluation Criteria	Rating	Explanation and Justification
		sustainability.
Total	Successful	

ADB = Asian Development Bank, CPCO = central project coordination office, CPF = country programming framework, CPMO = central project management office, GEF = Global Environment Facility, IEM = integrated ecosystem management, M&E = monitoring and evaluation, PPCO = provincial project coordination office, PPMO = provincial project management office, PRC = People's Republic of China, SAP = strategy and action plan, TA = technical assistance.

[a] ADB. 2008. *Country Partnership Strategy: People's Republic of China, 2008–2010.* Manila.

[b] The TA projects were (i) ADB. 2000. *Technical Assistance to the People's Republic of China for the Global Environment Facility Partnership on Land Degradation in Dryland Ecosystems.* Manila; (ii) ADB. 2000. *Technical Assistance to the People's Republic of China for Preparing National Strategies for Soil and Water Conservation.* Manila; (iii) ADB. 2000*. Technical Assistance for Combating Desertification in Asia.* Manila*;* (iv) ADB. 2001. *Technical Assistance to the People's Republic of China for Optimizing Initiatives to Combat Desertification in Gansu Province*. Manila; and (v) ADB. 2001. *Technical Assistance to the People's Republic of China for the PRC–GEF Partnership on Land Degradation in Dryland Ecosystems.* Manila.

[c] These include (i) Gansu province, (ii) Inner Mongolia Autonomous Region, (iii) Ningxia Hui Autonomous Region, (iv) Qinghai province, (v) Shaanxi province, and (vi) Xinjiang Uyghur Autonomous Region.

Source: Asian Development Bank.

NEWLY FORMULATED AND REVISED PROVINCIAL REGULATIONS ON INTEGRATED ECOSYSTEM MANAGEMENT

1. The following is the list of regulations that were formulated or revised in each of the participating provinces under the guidance and assistance of the project:

A. Shaanxi Province

(i) *Regulations for Wetland Protection in Shaanxi Province* promulgated on 3 April 2006, adopted on 1 June 2006

(ii) *Measures for Implementation of China Water Act in Shaanxi Province* promulgated on 4 August 2006, adopted on 1 October 2006

(iii) *Measures for Implementation of Land Contracting Act of China in Shaanxi Province* promulgated on 28 September 2006, adopted on 1 January 2007

(iv) *Measures for Implementation of Environmental Assessment Act of China in Shaanxi Province* promulgated on 3 December 2006, adopted on 1 April 2007

(v) *Regulations for Environmental Protection in Coal, Oil, and Natural Gas Development in Shaanxi Province* promulgated on 2 December 2000, revised on 27 September 2007, adopted on 27 September 2007

(vi) *Regulations for Mountain Closure and Grazing Ban in Shaanxi Province* promulgated on 24 November 2007, adopted on 1 March 2008

(vii) *Regulations for Environmental Protection in Qinling Ecosystem in Shaainxi Province* promulgated on 24 November 2007, adopted on 1 March 2008

B. Gansu Province

(i) *Regulations for Environmental Protection in Liujiaxia Catchment in Linxia Hui Autonomous Prefecture in Gansu Province* promulgated on 23 September 2005, adopted on 23 September 2005

(ii) *Regulations for Environmental Protection in Oil Drilling in Gansu Province* promulgated on 8 January 2006, adopted on 1 March 2006

(iii) *Regulations for Nationwide Tree Planting in Gansu Province* promulgated on 29 March 2006, adopted on 1 May 2005

(iv) *Regulations for Lianhua National Mountain Nature Reserve in Gansu Province* promulgated on 1 June 2006, adopted on 1 July 2006

(v) *Regulations for Rangeland Protection in Gansu Province* promulgated on 1 December 2006, adopted on 1 March 2007

(vi) *Regulations for Integrated Use of Resources in Gansu Province* promulgated on 3 May 2007, adopted on 1 July 2007

(vii) *Regulations for Water Resource Management in Shiyang River Basin in Gansu Provinc*e promulgated on 27 July 2007, adopted on 1 September 2007

(viii) *Regulations for Environmental Protection of Agricultural Ecosystems in Gansu Province* promulgated on 20 December 2007, adopted on 1 March 2008

(ix) *Regulations for Management of National Anxi Extremely Dry Desert Nature Reserve in Gansu Provinc*e promulgated on 29 May 2008, adopted on 1 August 2008

C. Qinghai Province

(i) *Regulations for Water Pollution Control in Huangshui Basin in Qinghai Province*, promulgated on 28 February 1992, revised on 1 April 2005, adopted on 1 June 2005

(ii) *Measures for Implementation of China Water Act in Qinghai Province* promulgated on 25 May 1993, revised on 28 May 2005, adopted on 1 August 2005

(iii) *Measures for Implementation of Land Resource Management Act of China in Qinghai Province* promulgated on 31 August 1990, revised on 28 July 2006, adopted on 1 October 2006

(iv) *Measures for Implementation of Rangeland Act of China in Qinghai Province* promulgated on 28 September 2007, adopted on 1 January 2008

(v) *Meteorological Regulations of Qinghai Province* promulgated on 1 June 2001, revised on 28 July 2006, adopted on 1 October 2006

(vi) *Regulations for Forestry Management of Xining City* promulgated on 23 September 2005, adopted on 1 December 2005

(vii) *Regulations for Protection of Plants in Sandy Areas in Haixi Mongolian and Tibetan Autonomous Prefecture* promulgated on 22 November 1996, revised on 28 May 2005, adopted on 28 May 2005

(viii) *Regulations for Implementation of Water Extract Permit and Levying of Water Resource* promulgated on 20 November 2006, adopted on 1 January 2007

D. Inner Mongolia Autonomous Region

(i) *Regulations for Wetland Protection in Inner Mongolia Autonomous Region* promulgated on 31 May 2007, adopted on 1 September 2007

(ii) *Regulations for Meteorological Disaster Control* in *Inner Mongolia Autonomous Region* promulgated on 3 April 2007, adopted on 3 April 2007

E. Ningxia Hui Autonomous Region

(i) *Measures for Implementation of China Water Act in Ningxia Hui Autonomous Region* promulgated on 21 August 1993, revised in July 2008

(ii) *Regulations for Wetland Protection in Ningxia Hui Autonomous Region* promulgated in September 2008

(iii) *Regulations for Rangeland Protection in Ningxia Hui Autonomous Region* promulgated on 15 December 1994, revised on 16 November 2005, adopted on 1 January 2006

(iv) *Regulations for Implementation Water Extract Permit and Levying of Water Resource in Ningxia Hui Autonomous Region* promulgated on 20 June 2008, adopted on 1 August 2008

F. Xinjiang Uyghur Autonomous Region

(i) *Regulations for Wildlife Protection in Xnjiang Uygur Autonomous Region* promulgated on 29 September 2006, adopted on 1 December 2006

(ii) *Regulations for Karez Protection in Xnjiang Uygur Autonomous Region* promulgated on 29 September 2006, adopted on 1 December 2006

(iii) *Measures for Implementation of Desertification Control Act of China in Xnjiang Uygur Autonomous Region* promulgated on 29 May 2008, adopted on 1 August 2008

DETAILED PROJECT COST ESTIMATES

Table A5.1: Expenditure Accounts by Outputs

($'000)

	Output[a]														
	Estimates at Appraisal							Actual as of 31 December 2009							% Inc./
Item	**1**	**2**	**3**	**4**	**5**	**6**	**Total**	**1**	**2**	**3**	**4**	**5**	**6**	**Total**	**(Dec.)**
A. 1. International Consultants	44.0	88.0	132.0	132.0	88.0	0.0	484.0	87.1	174.3	261.4	261.4	174.3	0.0	958.4	198.03
2. Domestic Consultants	238.0	136.5	98.0	80.5	101.5	0.0	654.5	78.8	45.2	32.5	26.7	33.6	0.0	216.7	(33.12)
Subtotal (A)	**282.0**	**224.5**	**230.0**	**212.5**	**189.5**	**0.0**	**1,138.5**	**165.9**	**219.5**	**293.8**	**288.1**	**207.9**	**0.0**	**1,175.2**	103.22
B. Equipment and Vehicles															
1. Equipment	0.0	0.0	0.0	0.0	633.0	24.0	657.0	0.0	0.0	0.0	0.0	770.3	29.2	799.5	121.69
2. Vehicles	0.0	0.0	0.0	0.0	300.0	80.0	380.0	0.0	0.0	0.0	0.0	296.7	79.1	375.8	(98.91)
Subtotal (B)	**0.0**	**0.0**	**0.0**	**0.0**	**933.0**	**104.0**	**1,037.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1,067.0**	**108.3**	**1,175.4**	113.34
C. Surveys and Studies	65.0	148.0	343.2	408.0	349.5	0.0	1,313.7	61.3	139.5	323.5	384.5	329.4	0.0	1,238.2	(94.25)
D. Workshops	512.0	611.8	342.8	285.0	388.8	155.0	2,295.4	276.9	330.9	185.4	154.1	210.3	83.8	1,241.4	(54.08)
E. Training and Study Tours	190.0	282.0	967.0	15.0	682.0	381.3	2,517.3	117.2	174.0	596.5	9.3	420.7	235.2	1,552.8	(61.68)
F. Incremental Staff	138.6	0.0	86.4	0.0	0.0	607.2	832.2	484.4	0.0	302.0	0.0	0.0	2,122.3	2,908.7	349.52
G. Office Operation	0.0	0.0	0.0	0.0	0.0	1,599.4	1,599.4	0.0	0.0	0.0	0.0	0.0	3,301.7	3,301.7	206.44
H. Pilot Project Costs	0.0	0.0	1,800.0	0.0	12.0	0.0	1,812.0	0.0	0.0	2,038.0	0.0	13.6	0.0	2,051.6	113.22
Total Baseline Costs	**1,187.6**	**1,266.3**	**3,769.4**	**920.5**	**2,554.8**	**2,846.9**	**12,545.5**	**1,105.7**	**863.8**	**3,739.2**	**836.0**	**2,248.8**	**5,851.4**	**14,644.9**	116.73
1. Physical Contingencies	118.8	126.6	376.9	92.1	255.5	284.7	1,254.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.00)
2. Price Contingencies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.00)
Total Project Costs	**1,306.4**	**1,392.9**	**4,146.3**	**1,012.6**	**2,810.3**	**3,131.6**	**13,800.1**	**1,105.7**	**863.8**	**3,739.2**	**836.0**	**2,248.8**	**5,851.4**	**14,644.9**	106.12
Taxes	0.0	0.0	0.0	0.0	0.0	3.2	3.2	0.0	0.0	0.0	0.0	0.0	3.2	3.2	0.0
Foreign Exchanges	141.9	208.1	377.5	227.7	1,018.3	171.8	2,145.3	141.9	208.1	377.5	227.7	1,018.3	171.8	2,145.3	0.0

Inc. = increase, (Dec.) = decrease.

[a] Output 1 = Legal, Policy, and Regulatory Framework Strengthened; Output 2 = National and Provincial Institutional Coordination Strengthened; Output 3 = Field Level Land Degradation Control; Output 4 = Improved Capacity for Integrated Ecosystem Management Projects; Output 5 = Land Degradation Monitoring and Evaluation System; Output 6 = Implementation Arrangements.

Source: Asian Development Bank.

Table A5.2: Expenditure Accounts by Financier

($'000)

	Estimates at Appraisal								Actual as of 31 December 2009							
			Government								Government					
	GEF		Cash		In kind		Total		GEF		Cash		In kind		Total	
Item	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
A. Consulting Services																
1. International Consultants	484.0	100.0	0.0	0.0	0.0	0.0	484.0	3.9	958.4	100.0	0.0	0.0	0.0	0.0	958.4	6.54
2. Domestic Consultants	654.5	100.0	0.0	0.0	0.0	0.0	654.5	5.2	216.7	100.0	0.0	0.0	0.0	0.0	216.7	1.48
Subtotal (A)	**1,138.5**	**100.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1,138.5**	**9.1**	**1,175.2**	**103.22**	**0.0**	**0.0**	**0.0**	**0.0**	**1,175.2**	**8.02**
B. Equipment and Vehicles																
1. Equipment	657.0	100.0	0.0	0.0	0.0	0.0	657.0	5.2	710.0	0.89	89.5	11.20	0.0	0.0	799.5	5.46
2. Vehicles	380.0	100.0	0.0	0.0	0.0	0.0	380.0	3.0	375.8	1.00	0.0	0.0	0.0	0.0	375.8	2.57
Subtotal (B)	**1,037.0**	**100.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1,037.0**	**8.3**	**1,085.8**	**104.71**	**89.5**	**8.6**	**0.0**	**0.0**	**1,175.4**	**8.03**
C. Surveys and Studies	777.0	59.1	300.6	22.9	236.0	18.0	1,313.7	10.5	710.1	0.57	405.9	32.79	122.1	9.86	1,238.2	8.45
D. Workshops	718.5	31.3	741.0	32.3	835.9	36.4	2,295.4	18.3	542.8	0.44	698.6	56.27	0.0	0.00	1,241.4	8.48
E. Training and Study Tours	1,456.7	57.9	460.0	18.3	600.5	23.9	2,517.2	20.1	988.7	0.64	564.1	36.33	0.0	0.00	1,552.8	10.60
F. Incremental Staff	545.2	65.5	164.6	19.8	122.4	14.7	832.2	6.6	1,755.8	0.60	228.0	7.84	924.8	31.80	2,908.7	19.86
G. Office Operation	727.1	45.5	378.5	23.7	493.9	30.9	1,599.5	12.7	605.7	0.18	1,078.0	32.65	1,618.0	49.00	3,301.7	22.55
H. Pilot Project Costs	600.0	33.1	909.8	50.2	302.2	16.7	1,812.0	14.4	832.2	0.41	704.5	34.34	514.9	25.10	2,051.6	14.01
Total Baseline Costs	**7,000.0**	**55.8**	**2,954.5**	**23.6**	**2,590.9**	**20.7**	**12,545.5**	**100.0**	**7,696.3**	**61.3**	**3,768.7**	**30.0**	**3,179.9**	**25.3**	**14,644.9**	**100.0**
1. Physical Contingencies	700.0	0.0	295.5	0.0	259.1	0.0	1,254.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Price Contingencies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Project Costs	**7,700.0**	**55.8**	**3,250.0**	**23.6**	**2,850.0**	**20.7**	**13,800.0**	**100.0**	**7,696.3**	**61.3**	**3,768.7**	**30.0**	**3,179.9**	**25.3**	**14,644.9**	**100.0**
Taxes	0.0	0.0	0.0	0.0	3.2	100.0	3.2	0.0	0.0	0.0	0.0	0.0	3.2	100.0	3.2	0.0
Foreign Exchange	2,145.4	100.0	0.0	0.0	0.0	0.0	2,145.4	15.5	2,145.4	100.0	0.0	0.0	0.0	0.0	2,145.4	15.5

GEF = Global Environment Facility.

Source: Asian Development Bank.

Table A5.3: Project Costs by Output and Financier

($'000)

	Estimates at Appraisal									Actual as of 31 December 2009								
		GEF		Government					Duties		GEF		Government					Duties
Item	Foreign Exchange	Local Currency	Total	Cash	In kind	Total	Foreign Exchange	Local Currency	and Taxes	Foreign Exchange	Local Currency	Total	Cash	In kind	Total	Foreign Exchange	Local Currency	and Taxes
Output 1[a]	129.0	595.0	724.0	226.0	237.6	1,187.6	129.0	1,058.6	0.0	115.3	531.9	647.3	220.5	238.0	1,105.7	115.3	990.4	0.0
Output 2	189.2	440.0	629.2	316.0	321.2	1,266.4	189.2	1,077.2	0.0	123.9	288.2	412.1	225.8	225.9	863.8	123.9	739.9	0.0
Output 3	343.2	1,357.6	1,700.8	1,291.2	777.4	3,769.4	343.2	3,426.2	0.0	326.9	1,293.1	1,620.0	1,342.0	777.2	3,739.2	326.9	3,412.3	0.0
Output 4	207.0	350.9	557.9	186.0	176.6	920.5	207.0	713.5	0.0	180.5	306.0	486.5	177.0	172.5	836.0	180.5	655.5	0.0
Output 5	925.8	985.1	1,910.9	171.3	472.6	2,554.8	925.8	1,629.0	0.0	782.5	832.6	1,615.1	158.0	475.8	2,248.8	782.5	1,466.3	0.0
Output 6	156.2	1,321.0	1,477.2	764.1	605.6	2,846.9	156.2	2,690.7	2.9	308.3	2,607.1	2,915.3	1,645.5	1,290.6	5,851.4	308.3	5,543.1	2.9
Total Base Cost	**1,950.4**	**5,049.6**	**7,000.0**	**2,954.6**	**2,591.0**	**12,545.6**	**1,950.4**	**10,595.2**	**2.9**	**1,837.4**	**5,858.9**	**7,696.3**	**3,768.7**	**3,179.9**	**14,644.9**	**1,837.4**	**12,807.5**	**2.9**
Contingencies	195.0	505.0	700.0	295.5	259.1	1,254.6	195.0	1,059.6	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**2,145.4**	**5,554.6**	**7,700.0**	**3,250.1**	**2,850.1**	**13,800.2**	**2,145.4**	**11,654.8**	**3.2**	**1,837.4**	**5,858.9**	**7,696.3**	**3,768.7**	**3,179.9**	**14,644.9**	**1,837.4**	**12,807.5**	**2.9**

GEF = Global Environment Facility.

[a] Output 1 = Legal, Policy, and Regulatory Framework Strengthened; Output 2 = National and Provincial Institutional Coordination Strengthened; Output 3 = Field Level Land Degradation Control; Output 4 = Improved Capacity for Integrated Ecosystem Management Projects; Output 5 = Land Degradation Monitoring and Evaluation System; Output 6 = Implementation Arrangements

Source: Asian Development Bank.

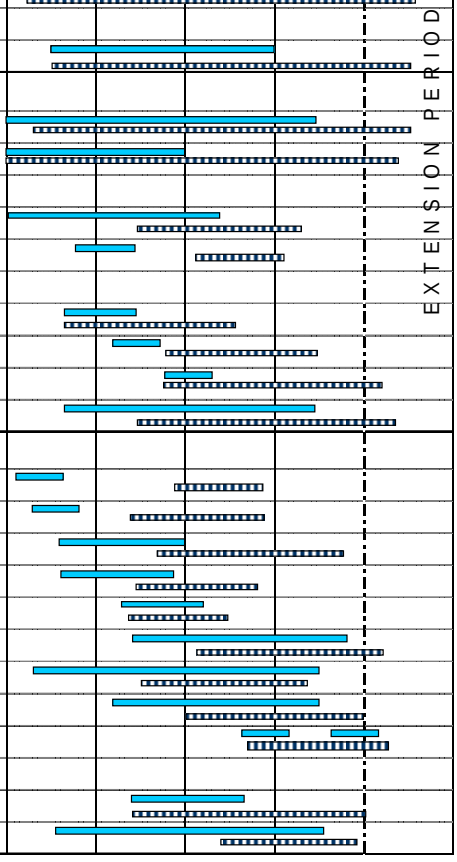
STATUS OF DISBURSEMENT OF GLOBAL ENVIRONMENT FACILITY GRANT FUNDS
($'000)

Item	Original Allocation	Last Revised Allocation	Disbursement as of Midterm (July 2006)	Disbursement as of Closing Date (31 Dec 2009)	Undisbursed Amount
A. Consulting Services					
1. International Consultants	484.0	958.9	129.9	958.4	0.5
2. Domestic Consultants	654.5	217.5	30.5	216.7	0.8
Subtotal (A)	**1,138.5**	**1,176.4**	**160.4**	**1,175.1**	**1.3**
B. Equipment and Vehicles					
1. Equipment	657.0	710.0	98.3	710.0	0.0
2. Vehicles	380.0	375.8	375.8	375.8	0.0
Subtotal (B)	**1,037.0**	**1,085.8**	**474.1**	**1,085.8**	**0.0**
C. Surveys and Studies	777.0	710.4	8.7	830.0	(119.6)
D. Workshops	718.5	542.4	56.2	476.9	65.5
E. Training and Study Tours	1,456.7	991.0	0.0	934.7	56.3
F. Incremental Staff	545.2	1,756.0	55.8	1,755.8	0.2
G. Office Operation	727.1	606.0	1.2	605.7	0.3
H. Pilot Project Costs	600.0	832.0	0.0	832.2	(0.2)
Total	**7,000.0**	**7,700.0**	**756.4**	**7,696.2**	**3.8**

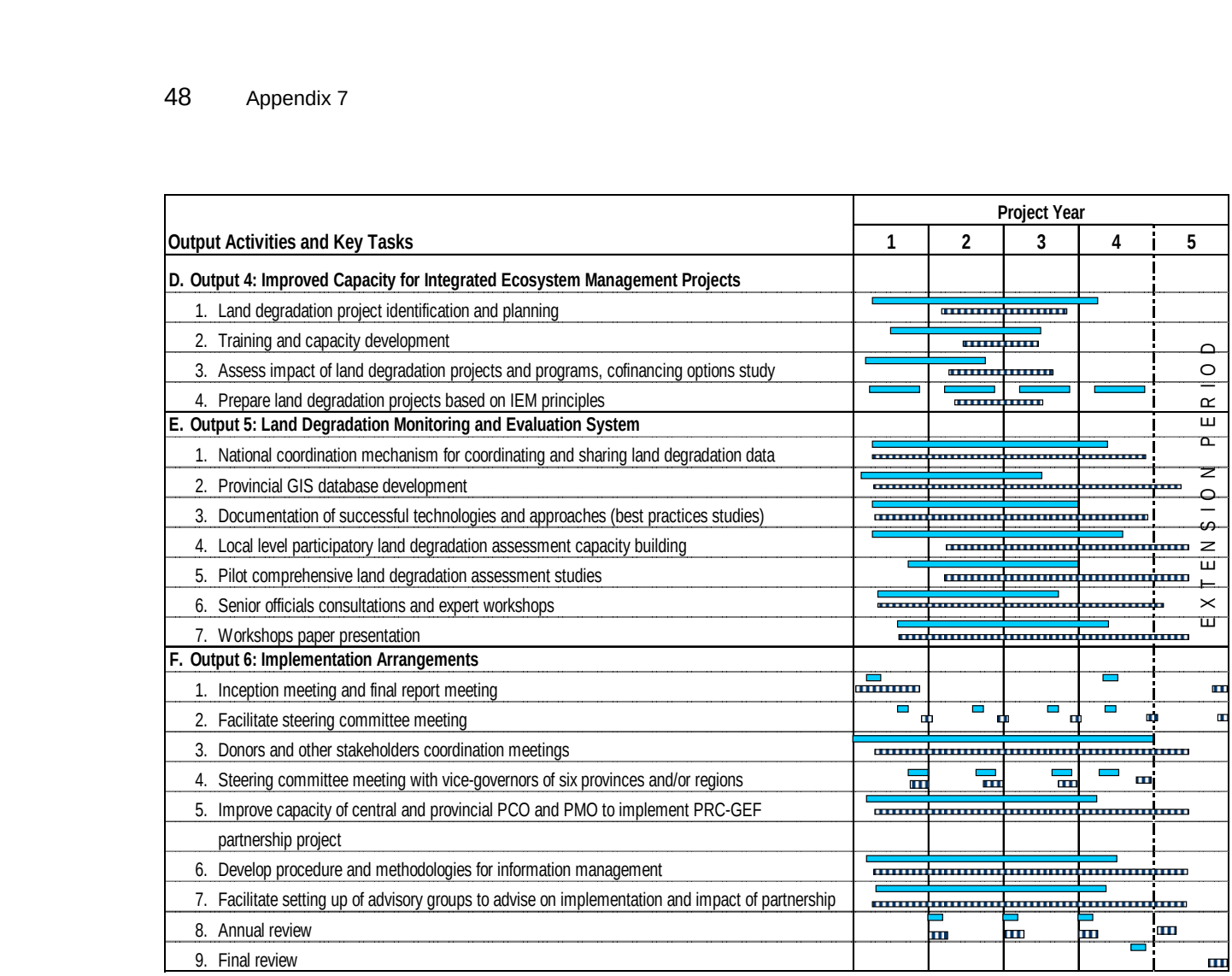
( ) = negative number.

PROJECT IMPLEMENTATION SCHEDULE

Output Activities and Key Tasks	Project Year 1	2	3	4	5
A. Output 1: Legal, Policy, and Regulatory Frameworks Strengthened					
1. "Toolbox": legislative, policy, institutional, ecology elements; computerizing "toolbox"					
2. Provincial procedures to assess and improve IEM principles in laws, regulations, and policy					
3. Assess and recommend ways to harmonize laws and regulations policy					
4. Develop capacity for implementation and surveillance of land degradation laws and policies					
5. Assess the role of EIA in land degradation control and improve implementing procedures					
6. Assess and advise on legal and policy measures for private sector roles and public participation					
7. Develop program for capacity building in legislative, policy, and institutional measures					
8. Training workshops in environmental law					
9. Study visits and exchanges					
10. Legal and policy experts advisory group					
11. Options study for training in environmental law related to land degradation in the Western Region					
12. Legal studies					
B. Output 2: National and Provincial Institutional Coordination Strengthened					
1. Institutional review and recommendations for improved coordination mechanisms					
2. Mainstreaming integrated approaches for land degradation control into provincial and national 11th FYPs					
3. Formulate regional and provincial land degradation strategies and action plans					
4. Assessment of the economic costs of land degradation; assess economic costs and benefits of land degradation control and the economic benefits from its control.					
5. Revisiting the national action program to combat desertification					
6. Workshops to review and promote strategic IEM planning					
7. Study tours and exchange visits					
8. Workshops paper presentation					
C. Output 3: Field Level Land Degradation Control					
1. Assessment of operational arrangements, institutional capacity, and training needs					
2. Development of guidelines manuals and training materials					
3. Capacity building and training					
4. Identification of locally appropriate field-level management practices					
5. Formulation of community-based participatory land degradation control plans					
6. Implementation of community-based participatory land degradation demonstrations					
7. Adaptive research and participatory technology development					
8. Public environmental education IEM program					
9. Workshops to promote and review experience with community-based land degradation control planning					
10. Study tours and exchange visits					
11. Workshops paper presentation					



Output Activities and Key Tasks	Project Year 1	2	3	4	5
D. Output 4: Improved Capacity for Integrated Ecosystem Management Projects					
1. Land degradation project identification and planning					
2. Training and capacity development					
3. Assess impact of land degradation projects and programs, cofinancing options study					
4. Prepare land degradation projects based on IEM principles					
E. Output 5: Land Degradation Monitoring and Evaluation System					
1. National coordination mechanism for coordinating and sharing land degradation data					
2. Provincial GIS database development					
3. Documentation of successful technologies and approaches (best practices studies)					
4. Local level participatory land degradation assessment capacity building					
5. Pilot comprehensive land degradation assessment studies					
6. Senior officials consultations and expert workshops					
7. Workshops paper presentation					
F. Output 6: Implementation Arrangements					
1. Inception meeting and final report meeting					
2. Facilitate steering committee meeting					
3. Donors and other stakeholders coordination meetings					
4. Steering committee meeting with vice-governors of six provinces and/or regions					
5. Improve capacity of central and provincial PCO and PMO to implement PRC-GEF					
partnership project					
6. Develop procedure and methodologies for information management					
7. Facilitate setting up of advisory groups to advise on implementation and impact of partnership					
8. Annual review					
9. Final review					



At appraisal
Actual

EIA = environmental impact assessment, IEM = integrated ecosystem management, FYR = five-year plan, GEF = Global Environment Facility, GIS = geographic information system, PCO = project coordination office, PMO = project management office, PRC = People's Republic of China.

Status of Compliance with Major Grant Covenants

Covenant	Reference	Status and Remarks
Project Executing Agency/CPMO SFA, in its capacity for carrying out the project, shall oversee the direct implementation of activities relating to capacity building through a CPMO.	Financing Agreement, Schedule 5, para. 1	Complied with. The CPMO was established in November 2003.
CPCO A CPCO under MOF shall coordinate activities between the participating central agencies and the participating provincial governments; and be responsible for project overview, direction and monitoring, liaison with GEF, and donor coordination. The CPMO and the CPCO shall share common office facilities in Beijing.	Financing Agreement, Schedule 5, para. 2	Complied with. The CPCO and PMO offices opened in Beijing in November 2003. CPMO moved its office in June 2005.
PSC The high-level steering committee comprising representatives of the participating central agencies that have been functioning since 2000 to guide the design phase of the project (the PSC) shall remain in existence throughout project implementation to guide implementation and resolve difficulties. The members of the PSC shall meet regularly, or as appropriate; and shall be responsible, among other things, for the project's annual work program and annual report. The PSC shall be assisted by the four advisory groups.	Financing Agreement, Schedule 5, para. 3	Complied with. The PSC comprises members from NDRC, MOF, MOA, SFA, MWR, SEPA, MLR, MOST, CAS, the Legislative Work Committee of the National People's Congress, and the Legislative Affairs of the State Council. Five PSC meeting were held on: - 26 May 2005 - 10 October 2006 - 28 January 2008 - 25 February 2009 - 28 January 2010 No PSC meeting was held in 2007.
PPMOs and PCOs In addition to the PMO and the PCO at the central level, there shall also be counterpart offices for the PMO and PCO under each participating provincial government. The government shall ensure that a provincial PCO is established within each finance bureau, reporting to the relevant vice-governor. Inter-agency groups (environment, forestry, soil and water conservation, and agriculture) may be established as appropriate to oversee field implementation.	Financing Agreement, Schedule 5, para. 4	Complied with. The provincial PMOs and PCOs were established in November 2003.
Advisory Groups The government shall ensure that the following four advisory groups are in existence throughout the life of the project to guide implementation of the various project outputs and to provide expert advice: (i) a legal and policy advisory group (for Part A of the project); (ii) an institutions and planning advisory group (for Parts B, C, D, and F); (iii) a land degradation monitoring and evaluation expert group (for Part E); and (iv) an advisory group on IEM (for the ADB technical assistance).	Financing Agreement, Schedule 5, para. 5	Complied with. Four advisory groups were established and three expert groups were funded by government counterpart funds. They include (i) the Central Legal and Policy Advisory Expert Group: held 11 meetings to support output 1 activity implementation; (ii) the Institutional Coordination and Planning Expert Group: held five meetings to support outputs 2, 3, and 4 activity implementation; (iii) the Monitoring and Evaluation

Covenant	Reference	Status and Remarks
		Expert Group: held 11 meetings to support implementation of output 5 activities; and (iv) the IEM Advisory Expert Group financed by ADB TA: held several meetings.
Counterpart Funds The government shall ensure that the counterpart funds are provided to the recipients in a timely manner. The counterpart funds shall cover, among other things, remuneration and per diem of counterpart staff, office accommodation and supplies, local transport and communications, workshops, training, and all duties and taxes.	Financing Agreement, Schedule 5, para. 6	Complied with. The government provided $6.949 million of counterpart funds as of 31 December 2009.
Imprest Account Except as ADB may otherwise agree, MOF shall establish immediately after the effective date, an imprest account at a bank acceptable to ADB. The imprest account shall be established, managed, replenished, and liquidated in accordance with ADB's Loan Disbursement Handbook dated January 2001, as amended from time to time; and detailed arrangements agreed upon between the government and ADB. The initial amount to be deposited into the imprest account shall be based on an amount estimated to be required to implement the GEF-financed outputs of the project over the first 6 months.	Financing Agreement, Schedule 2, para. 4(a)	Complied with. The imprest account was established under the administration of MOF. The initial advance of $700,000 was deposited on 24 January 2005.
Retroactive Financing Withdrawals from the GEF grant account may be made for reimbursement of reasonable expenditures incurred under the project before the date on which this financing agreement becomes effective, but not earlier than 1 November 2003, in connection with eligible goods and services, subject to a maximum equivalent to $700,000 relating to (i) office operations at the central and provincial and/or regional levels, (ii) workshops and preliminary training, (iii) office equipment and incremental staff, and (iv) consultant selection after 11 March 2004.	Financing Agreement, Schedule 2, para. 5	Complied with. Withdrawals were made for retroactive financing relating to expenses for office operations at the central and provincial levels, workshops and training, incremental staff, and procurement of office equipment. Total amount of retroactive financing was $107,000.
Audit of Project Accounts, Major Covenants of the Financing Agreement, Use of the Procedures for Imprest Account and Statement of Expenditures The government shall (i) maintain, or cause to be maintained, separate accounts for the project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience, and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 3 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors	Financing Agreement, Article III, Section 3.07(b)	Complied with. Audit reports were submitted on time.

Covenant	Reference	Status and Remarks
relating thereto (including the auditor's opinion on the use of the GEF Grant proceeds and compliance with the covenants of this financing agreement as well as on the use of procedures for imprest account and/or statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.		
Annual, Midterm, and Semi-annual Progress Reports The government shall furnish, or cause to be furnished, to ADB (i) semi-annual reports on the carrying out of the project and on the operation and management of the project facilities, (ii) annual workplans showing the projected work schedule for the coming year, and (iii) review reports including at the end of the first year of the implementation and at the midterm. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the 6 months under review, steps taken or proposed to be taken to remedy these problems, and the proposed program of activities and expected progress during the following 6 months.	Financing Agreement, Article III, Section 3.08(b)	Complied with. The midterm progress report was not submitted to ADB. The first annual report, from the start of project implementation to 31 December 2007, was only submitted in April 2008. The 2008 annual report was submitted in April 2009. The 2009 semi-annual progress report was submitted in August 2009.
Project Completion Report Promptly after physical completion of the project, but in any event not later than 6 months thereafter or such later date as may be agreed for this purpose between the government and ADB, the government shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and operation of the project, including its cost, the performance by the government of its obligations under the financing agreement and the accomplishment of the purposes of the GEF Grant.	Financing Agreement, Article III, Section 3.08(c)	Complied with. A draft project completion report was submitted to ADB in April 2010. An updated report will be submitted addressing ADB's comments.
Variations to consultancy contract: If any substantial amendment of the contract is proposed after its execution, the proposed changes shall be submitted to ADB for prior approval.	ADB requirement	Complied with. There were no substantial amendments to the consultants' contracts.

ADB = Asian Development Bank, CAS = Chinese Academy of Science, CPCO = central project coordination office, CPMO = central project management office, IEM integrated ecosystem management, GEF = Global Environment Facility, MLR = Ministry of Land Resources, MOA = Ministry of Agriculture, MOF = Ministry of Finance, MOST = Ministry of Science and Technology, MWR = Ministry of Water Resources, NDRC = National Development and Reform Commission, PCO = project coordination office, PMO = project management office, PPMO = provincial project management office, PSC = project steering committee, SEPA = State Environmental Protection Administration, SFA = State Forestry Administration.

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: EAAE

<table>
<tr><td colspan="3">TA Number, Country, and Name: TA 4358-PRC: Capacity Building to Combat Land Degradation</td><td colspan="2">Amount Approved: $1.0 million</td></tr>
<tr><td colspan="3"></td><td colspan="2">Revised Amount:</td></tr>
<tr><td colspan="2">Executing Agency:
MOF</td><td>Source of Funding:
ADB Technical Assistance Special Fund</td><td>Amount Undisbursed:
$36,531</td><td>Amount Utilized:
$963,469</td></tr>
<tr><td>TA Approval Date:

28 June 2004</td><td>TA Signing Date:

4 August 2004</td><td>Fielding of First Consultant:
20 September 2004</td><td colspan="2">TA Completion Date
Original: 31 July 2007 Actual: 31 October 2010

Account Closing Date
Original: 31 July 2007 Actual: TBD</td></tr>
</table>

Description

The problem of land degradation in the PRC has worsen over the last 50 years, rising from an annual rate of 1,500 km^2 in the 1950s to about 3,500 km^2 in the late 1990s, or an increase of about 230%. The country's land degradation problems are considered among the worse in the world. The arid, semi-arid, and sub-humid zones, or drylands of the western PRC cover about 40% of the country and contains some of the most severely degraded land. The PRC's drylands are adversely affected by severe wind and water erosion, soil nutrient losses, waterlogging, salinization, river system sedimentation, deforestation, grassland degradation, and biodiversity decline.

The rapid land degradation in the western PRC affects the life of about 285 million people, which includes a large portion of the country's poorest and most vulnerable people who rely heavily on grazing and agriculture in very arid and fragile environment. The western PRC, comprised of 12 provinces and autonomous regions, is predominantly rural. Its development is severely constrained by the area's massive territorial expanse, long distances between population centers and eastern markets, poor economic and social infrastructure, and low institutional capacity. Combating land degradation in the western PRC has global significance due to its endemic species richness, which is higher than elsewhere and is in grave danger of extinction. Dust storms and sandstorms emanating from the region, which have increased in severity since the 1950s, have likewise become of national and global importance due to their social and economic impacts in the eastern PRC, Japan, and the Republic of Korea.

The TA was aimed to monitor the implementation of the long-term CPF to combat land degradation in the PRC and to assist in the implementation of the Capacity Building to Combat Land Degradation Project (the project),[1] ADB's first project under the PRC–GEF Partnership on Land Degradation in Dry Land Ecosystems (partnership). The project constitutes an essential investment to strengthen the enabling environment and develop institutional capacity to combat land degradation in the PRC. As appraised, the project comprised six outputs: Output 1: improving policies, laws, and regulations for land degradation control; Output 2: strengthening national and provincial coordination; Output 3: improving operational arrangements at provincial and autonomous regions and counties; Output 4: capacity development for land degradation investment projects; Output 5: monitoring and evaluation system for land degradation; and Output 6: implementation arrangements for the CPF.

Expected Impact, Outcome, and Outputs

The expected impact of the TA was a strengthened enabling environment and institutional capacity to combat land degradation in the PRC. The envisioned outcome of the TA was effective monitoring of implementation of the overall CPF and assistance in the implementation of the project. The expected outputs were mainly advice, recommendations, and reporting on (i) best practices for IEM approaches to combating land degradation, including forming an IEM expert group consisting of national experts who were tasked to promote networking among the PRC scientists, researchers, and organizations and provide advice on project implementation; (ii) results of past land degradation interventions; (iii) planning of studies, workshops, seminars, and training programs; (iv) international links to on-going land degradation-relevant programs and projects; (v) identification of relevant projects and programs in the PRC and overseas; and (vi) compliance with appropriate ADB safeguard policies.

Delivery of Inputs and Conduct of Activities

The formulation of the TA was relevant and consistent with the envisioned impact of the project as well as with that of partnership. The terms of reference of the TA consultants were clear and relevant to the tasks that they were expected to carry out. The TA consultants provided principal technical guidance and oversight for the development and implementation of the various project activities under Outputs 1–5. In particular, they led in (i) formulating the methodology for the development of the provincial environmental law and policy frameworks under Output 1, (ii) preparing guidelines and supporting materials for the formulation of provincial IEM strategies and action plans for land degradation control under Output 2, (iii) documenting past experiences with participatory planning approaches under Output 3, (iv) preparing guidelines and supporting materials for the preparation of investment project concept notes under Output 4, (v) introducing international best practices for the documentation and assessment of land degradation technologies and approaches under Output 5, and (vi) identifying and reviewing international and national indicator sets for the local level assessment of land degradation. The TA consultants served as key resource persons and provided technical backstopping in various regional and provincial training activities undertaken in relation to the five outputs. The TA consultants also assisted the CPMO in preparing detailed annual work plans and in drafting the terms of reference of the three GEF-funded consultant packages.

The services provided by the ADB TA consultants were assessed as satisfactory as they played a vital role in assisting the government in implementing a complex multisector approach to land degradation control. They were able to effectively carry out their tasks and delivered the outputs as prescribed under their terms of reference. However, their services had minimal contribution to the development of the project M&E system for tracking the project's progress and for assessing its impacts in relation to combating dryland ecosystem degradation.

The ADB fielded 12 missions, which included a review of work undertaken by the TA consultants. ADB likewise responded to various government requests (e.g., extension and reduction in person-months of individual TA consultants and the corresponding reallocation of TA funds to accommodate these changes) on a timely basis, thereby facilitating effective implementation of the TA. ADB also allowed the extension of the TA from July 2007 to June 2008 to ensure that some tasks are sufficiently completed, such as the drafting of the provincial IEM strategic and action plans, and the identification of investment projects. A further extension of the TA was approved till 31 October 2010 to provide assistance to the government in the preparation of the project completion report and finalization of publications. Overall, the performance of the ADB in the implementation of the TA was satisfactory.

Evaluation of Outputs and Achievement of Outcome

A total of 19 person-months of international and 103 person-months of national consultant services were utilized for implementing the ADB TA. The contract of the national IEM Specialist and Strategic Planner was extended till the end of June 2010 to assist in the finalization of the government's project completion report. The TA consultants effectively provided principal technical guidance and oversight for the development and implementation of various activities under the five outputs of the project. They also served as lead resource persons and technical backstopping support in various regional and provincial training activities to ensure the effective implementation of the five outputs. Through the guidance and assistance of the TA consultants, the six provinces were able to complete their respective IEM strategies and action plans, formulate and revise a total of 33 local laws or government regulations, and implement 18 pilot sites. The TA was instrumental in facilitating a number of provincial, national, and international workshops and conferences on IEM, which served as important forums for information exchange on best practices. The TA played a catalytic role in strengthening interagency and multisector cooperation and collaboration for IEM, including the collection and sharing of IEM-related data and information among policy decision-makers, legislators, planners, private sector, and communities. This has increased awareness, and changed traditional thoughts regarding exclusive ownership of data and information by independent government agencies. The impact of the participatory and bottom-up approach to policy-making, planning, and land degradation M&E was unprecedented in the PRC and subsequently strengthened the enabling environment and institutional capacity for combating land degradation in the PRC.

Overall Assessment and Rating

The TA was assessed as highly successful. The TA was very relevant in facilitating the attainment of the impact of the project, i.e., strengthened enabling environment and institutional capacity to combat land degradation in the PRC, as well as efficient in achieving intended outcome and outputs within the envisioned implementation period and budget. The TA was effectively implemented by the MOF, particularly in the coordination, supervision, and management of the work of TA consultants and in monitoring the progress of their work. The consultants, mostly comprising national experts, effectively carried out their tasks as prescribed in their terms of reference and delivered high-quality outputs. The TA budget was adequate and appropriately utilized with minimum additional time required. In terms of sustainability, the outcome of the TA has led to the accomplishment of (i) reforms in policy and planning as reflected by the incorporation of the IEM approach in provincial strategies and action plans, and five-year plans;

(ii) adoption of participatory, bottom-up approach, and interagency multisectoral coordination and collaboration in IEM; (iii) increased community participation in policy decision-making and planning as well as in the identification of investment projects for land degradation control and management; and (iv) training a large number of government officials, experts, academic staff, farmers, legislators, etc., on the concept and principles of IEM and international best practices of IEM that may be applied in the PRC. Clearly, the TA has succeeded in strengthening the enabling environment and institutional capacity for combating land degradation.

Major Lessons

To effectively control and manage land degradation, a well-coordinated and clearly defined and targeted approach, such as the IEM approach, must be adopted and integrated into national and provincial strategies and plans as well as in their respective medium- and long-term plans. Integration ensures that land degradation strategies and plans are given adequate institutional, sectoral, and financial support, and are sustained over the long term. However, this can only be achieved if there is strong acceptance and ownership of the IEM approach among relevant stakeholders; and that involved agencies, institutions, and sectors are willing to coordinate and collaborate in the development and implementation of IEM strategies and plans despite that this is a lengthy and time consuming process. Moreover, for IEM to be effective and successful, cooperating and collaborating institutions and sectors must be provided with appropriate IEM knowledge and skills for policy-making, planning, legislation, and joint management. Joint or collaborative management of the environment and resources requires improving capacities of cooperating and collaborating government institutions for combining top-down and bottom-up approaches. The ADB TA played a key role in this regard.

Recommendations and Follow-Up Actions

Despite significant achievements, scaling up of the activities under the partnership will require (i) further strengthening the coordination and implementation through associated policy and institutional reforms; (ii) further developing and pilot testing of innovative instruments to improve sustainable land management; and (iii) seeking further cooperation and integration with other ongoing programs in and outside the PRC, notably with the United Nations Convention to Combat Desertification and the PRC–GEF China Biodiversity Partnership Framework for closer collaboration during the design and implementation of related projects. A continuation of GEF's support to build capacity for the partnership was discussed during the preparation of the consolidated Framework Program (2008–2010) of the partnership. The CDTA 7439-PRC: Management and Policy Support to Combat Land Degradation was included in the country program during the 2009 Country Programming Mission in December 2008. Endorsement of the grant by the GEF CEO was received on 14 October 2009 and the CDTA was approved by ADB management on 16 November 2009. ADB's CDTA for $200,000 was declared effective on 26 January 2010. The GEF grant in the amount of $2,727,455 became effective on 30 March 2010 upon the signing of the GEF grant agreement by MOF.

ADB = Asian Development Bank, CDTA = capacity development technical assistance, CPF = country programming framework, CPMO = central project management office, GEF = Global Environment Facility, IEM = integrated ecosystem management, km^2 = square kilometers, M&E = monitoring and evaluation, MOF = Ministry of Finance, PRC = People's Republic of China, TA = technical assistance.

[1] ADB. 2004. *Technical Assistance to the People's Republic of China for the Capacity Building to Combat Land Degradation*. Manila. (TA 4358-PRC, approved on 28 June). The project was approved by the GEF Council and ADB Board in June 2004.

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