



UNITED NATIONS DEVELOPMENT PROGRAMME

Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin

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Report of the Mid-term Evaluation Mission

May 2012

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Following completion of the Draft Report on 26th April 2012, review comments were received from the UNDP-CO, the Xinyang Municipal Government, the Project Management Office, and the UNDP-GEF Regional Technical Adviser in Bangkok by 21st May 2012. These comments have either been included into the revised text where these related to factual inaccuracies in the draft, or have been reproduced in full and unedited as footnotes to the appropriate text to ensure a fair and transparent hearing to all parties. The Mid-term Evaluation Team has made responses to some of these comments. We thank the reviewers sincerely for their efforts and insights which have undoubtedly improved this final report.

The views expressed in this report are intended to offer an overview of, and some of the lessons learned from, the HHRB Project at its mid-point. We have tried to balance our thoughts and offer fair perspectives of what was observed and learned from people far more knowledgeable about the Project than we will ever be. Our sincere apologies in advance if anyone should take anything written to be anything other than constructive criticism.

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25th May 2012

ACRONYMS AND TERMS

Currency of China is the yuan or renminbi (RMB). At the time of the final evaluation, US\$ 1 = RMB 6.308.

CBPF	China Biodiversity Partnership Framework
ECBP	European Union-China Biodiversity Programme
EPB	Environmental Protection Bureau
et seq.	and sequence (and the following)
FECO	Foreign Economic Cooperation Office (Ministry of Environmental Protection)
GEF	Global Environment Facility
ha	Hectare(s)
HCLG	HHRB National Ecological Function Conservation Area Construction Leading Group
HHRB	Headwaters of Huaihe River Basin
IEFA	Important Ecological Function Area
KEFZ	Key Ecological Function Zone
LPLG	Local Project Leading Group
LPMO	Local Project Management Office
M&E	Monitoring and Evaluation
MEP	Ministry of Environmental Protection
MoF	Ministry of Finance
MTE	Mid-term Evaluation
MTET	Mid-term Evaluation Team
NGO	Non-governmental Organisation
NPD	National Project Director
NTA	National Technical Advisor
PIR	Project Implementation Report
PLG	Project Leading Group
PMO	Project Management Office
PSC	Project Steering Committee
RTA	Regional Technical Advisor
TAG	Technical Advisory Group
TCM	Traditional Chinese Medicine
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNDP-CO	UNDP-Country Office
US\$	United States Dollar
XMEEA	Xinyang Municipal Eco-Environmental Association
XMG	Xinyang Municipal Government

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EXECUTIVE SUMMARY

KEY POINTS

- *Project overall evaluated as **Marginally Unsatisfactory**. Despite this rating, the evaluators are not writing the project off as beyond repair – far from it. There are opportunities ahead, which if grasped and the recommendations from this report implemented, give the Project a chance of achieving most of its original objectives.*
- *Implementation of the Project has been poor, with low capacity within the Project Management Office exhibited through insufficient technical understanding, an ineffectual strategic grasp of the Project, inadequate project management skills, and little ability to influence government processes from an outside position in an NGO. While some changes have been made recently, they appear insufficient to make a decisive difference, hence the implementation approach is evaluated as **Unsatisfactory**.*
- *The Inception Report lists seven groups of stakeholders but there is little evidence that five of these have actually been involved, and stakeholder involvement has been evaluated as **Marginally Unsatisfactory**.*
- *Project monitoring and evaluation has been evaluated as **Marginally Unsatisfactory**.*
- *The signs are that if the Project is re-structured to actually achieve some of its aims, these would be largely sustainable, hence sustainability has been evaluated as **Satisfactory**.*

Key successes – are far too few for this stage of the Project, but include: mainstreaming the concept of biodiversity into the overarching policy framework of the Xinyang Municipality through its inclusion in the Outline of Xinyang Municipality on the 12th Five-Year Plan for National Economic and Social Development; incorporation of biodiversity and ecological function conservation into the 12th Five-Year (2011-2015) Plan of Xinyang Municipality on Rural Poverty Alleviation and Development; formulation of the Overall Plan of Jiangwan Village – A Typical Design of the 12th Five-Year Plan on Whole Village Advancement by Poverty Alleviation Office of the State Council; development of the Guidelines of Xinyang Municipality on Poverty Alleviation and Development Lending; baseline surveys of the ecological impacts arising from various sectors or sub-sectors including the supply of flowers; medicinal herbs; mining; forestry; agricultural non-point-source pollution; and tourism; reports of the impacts of policies and regulations in the agriculture, forestry, mining and tourism sectors on ecological function and biodiversity; a report “Survey Plan of Impact of Poverty Alleviation and Development on Ecosystem Function and Biodiversity”; and increased awareness amongst the municipal and county policy makers and practitioners, and the public about the critical nature of the HHRB as an IEFA/KEFZ and area with rich biodiversity¹.

Key problem areas – the PMO demonstrates minimal understanding of the technical requirements of the Project and as a result has not yet embarked upon key aspects of mainstreaming; very little progress has been made on the lower level documents necessary for converting the policy framework into progress on the ground, e.g. regulations, operational guidelines, technical manuals, standards and enforcement strategies, zoning plans, incentive programmes and monitoring systems; the generation and dissemination of lessons learned, vital to the Project’s success, have not yet started and have been confused with an irrelevant public awareness campaign; most of the achievements quoted above are of low quality; there is no evidence of demonstration activities or of technical training on the ground; there is no apparent strategy for taking forward the outputs of numerous big meetings into an integrated end product; and a very large amount of money has been spent with very little to show for it.

¹ **XMG/PMO comment:** About Key successes: the Project has achieved some successes for this stage, besides [what is listed]; the overriding is that awareness of biodiversity conservation has grown into the national strategy and been enshrined in “Guidance of the State Council on Support Henan Province to Accelerate Construction of Central Plains Economic Zone”.

The Mid-term Evaluation (MTE) of the Project was conducted over a period of 21 days between 19th March and 26th April 2012 by a team comprising one international and one national consultant. It was carried out somewhat behind schedule 33 months into a 48-month Project. The Evaluation's ToR is given in Annex I, its itinerary in Annex II and the list of people interviewed in Annex III. A list of indicators, their end of Project achievement level, together with performance rating is given in Annex IV. After receipt of comments on 21st May 2012, which have been added as footnotes to the main text, the report was finalised on 25th May 2012.

RESULTS

Output 1.1: Institutional arrangements and capacities for mainstreaming the conservation of biodiversity and ecosystem functions into local governance – Satisfactory. Institutional arrangements created and capacities raised.

Output 1.2: Biodiversity-friendly land use planning mechanisms (Municipal and County levels) and associated plans – Marginally Unsatisfactory. The concept of biodiversity has been introduced into a number of overarching policy framework documents but plans are of poor quality and work appears to have been costly and inefficient.

Output 1.3: Revised standards and monitoring system for biodiversity and other ecological functions – Highly Unsatisfactory. Monitoring system not yet developed and the progress that has been made is not fit for purpose.

Output 2.1: Enhanced knowledge, understanding and quantification of the impacts of key HHRB productive sectors on biodiversity and ecological functions – Marginally Unsatisfactory. Surveys and assessments of the impacts of the key production sectors on ecological functions and biodiversity have reportedly been produced, but there is little evidence that any linkages have been made to other outputs. No environmental economic analyses appear to have been undertaken.

Output 2.2: Sectoral policies, laws, regulations, incentives, enforcement methods and standards are assessed and IEFA-specific alternatives are developed – Marginally Unsatisfactory. Reports on the impacts of the regulatory environment of various sectors have been completed, but there is no evidence that they have been used for policy making. No IEFA-specific policies, regulations, standards and enforcement strategies, or incentive programmes have yet been planned or implemented.

Output 2.3: Increased awareness and capacities among public and private sector stakeholders to respond to revised regulations and incentives – Marginally Satisfactory. Some good public awareness undertaken and evidence shows that the capacity of government organisations has increased as a result, but the central plank of this output is missing, i.e. increased stakeholder awareness and capacity to respond to revised regulations and incentives, as is any form of demonstration of land-use management systems.

Output 3.1: A strategy to capture potential synergies between poverty alleviation lending, ecosystem function conservation and biodiversity conservation – Marginally Satisfactory. Baseline survey of HHRB's existing poverty lending portfolio completed and Guidelines of Xinyang Municipality on Poverty Alleviation and Development Lending developed but these are of little use since the seven principles are very general. Biodiversity and ecological function conservation has been incorporated into the 12th Five-Year (2011-2015) Plan of Xinyang Municipality on Rural Poverty Alleviation and Development which is the first time that this has been achieved anywhere in China, and also into the Overall Plan of Jiangwan Village – A Typical Design of the 12th Five-Year Plan on Whole Village Advancement by Poverty Alleviation Office of the State Council but for reasons unknown, a field visit to this village was not included in the MTE mission.

Output 3.2: Poverty alleviation lending and associated technical support programmes that directly encourage biodiversity and ecosystem function conserving production – Unsatisfactory. No evidence of any action under this output. The PMO's claims that the Guidelines have been applied to US\$ 77.8 million loaned to local people during the 24 months of 2010-2011 are fanciful since the Guidelines were finalised only on 17th June 2011 and no precise operational guidelines nor any mechanism for implementing them exist.

Output 4.1: National and local-level learning networks gather and/or generate lessons learned – Unsatisfactory. Little activity undertaken – some national study tours completed but no National Knowledge Management Officer employed, no lesson learning networks established, very few lessons learned have been captured or generated, and there is no evidence of any exchange. The few lessons learned are of a very low standard and simply describe the Project’s experiences. FECO were contracted by the Project in December 2011 to undertake the work associated with this Outcome and it now appears in safe and extremely professional hands.

Output 4.2: Communication, dissemination and exchange of lessons learned among HHRB project stakeholders, IEFA managers and, through CBPF network, relevant sectoral agencies (mining, forestry, land use management) – Unsatisfactory. Project added “media publicity” as an activity and most work carried out on this rather than on the intended communication, dissemination and exchange of lessons learned and has resulted in a serious confusion between the task of exchanging lessons learned and that of awareness-raising.

Output 4.3: Revision of Guidelines for IEFA Planning and adoption of IEFA policy measures, biodiversity indicators and targets with water retention and biodiversity values – Marginally Satisfactory. Activities under this Output naturally fall into the later stages of the Project. Training book produced appears to offer a reasonable introduction to many of the concepts and issues.

KEY ISSUES

The Project exhibits a worrying lack of progress at a point almost two-thirds of the way through its lifespan. Significant advances have been made with regard to mainstreaming biodiversity into the overarching policy framework of the Municipality, facilitated by strong political support which is one of the most commendable features of the Project. However, this major achievement represents only one stage of the mainstreaming process, and the lower level documents such as the regulations, operational guidelines, technical manuals, standards and enforcement strategies, zoning plans, incentive programmes and monitoring systems, show little if any progress and where they do, quality is very low. On the ground, progress is conspicuous by its absence, e.g. there are no demonstration activities, and no technical training was evident. There is also a lack of understanding of the importance of the two-way communication of lessons learned. Confusion is also evident between the idea of public awareness-raising (an activity introduced into the logframe in the Inception Report) and that of the communication of lessons learned to benefit the wider IEFA/KEFZ process. While unforeseen faults in the Project’s design (initial use of an NGO to implement the Project with little ability to influence government processes, low capacity of stakeholders, and over ambition) are partly the cause, the main problem is the low capacity of staff within the PMO with insufficient technical understanding, an ineffectual strategic grasp of the Project, and inadequate project management skills. There is a technical vacuum at the heart of the Project which manifests itself through there being no clear understanding of what the Project is trying to achieve or the steps needed to achieve it. As a result, there is no clear technical strategy in place or technical leadership displayed. The PMO displays an alarming air of complacency and self-congratulation on achievements that are very limited, and this pervades downwards so that most people interviewed indicated that they believed progress was satisfactory. An overly large team of experts has been employed, perhaps in an attempt to fill the technical vacuum, but without strong leadership and clear guidance they have been able to achieve little besides a series of uncoordinated meetings and reports with no clear evidence that these have been followed up with some form of implementation on the ground. Much of the work that has been achieved is of such low quality that its usefulness is highly questionable, e.g. the biodiversity overlays and initial designs of the biodiversity monitoring system. The Project displays a worrying inability to differentiate between its own achievements on the ground and those of other projects or of baseline activities and this has led to inaccurate reporting. While the XMG made significant efforts in mid-2011 to try and improve the Project by enhancing its leadership through bringing the PMO inside of the Municipality’s EPB and appointing a new NPD and Deputy-Director (Management), it remains hamstrung by the lack of relevant technical skills, although Outcome 4 now appears to be in the safe, professional hands of the Foreign Economic Cooperation Office to whom it has been subcontracted.

The evaluators believe that the Project requires radically restructuring in order to achieve the success that the considerable levels of political capital and finance invested deserve. Actions involved in such restructuring (approximately chronological order) include: extension of the Project's timeframe (including modelling finances); analysis of Project spending to date to find means for improving cost-effectiveness; suspension of the Project while the changes are made; replacement of the majority of the PMO; provision of strong technical leadership through a National Technical Advisor; simplification of the logframe and the activities; and restructuring of the TAG and Experts' contracts.

Recommendations and Lessons Learned are listed on pages 48-49.

APPROACH AND METHODOLOGY

1. The Monitoring and Evaluation Policy at the project level in UNDP/GEF has two overarching objectives, namely to promote accountability for the achievement of GEF objectives through the assessment of results, effectiveness, processes and performance of the partners involved in GEF activities; and to promote learning, feedback and knowledge sharing on results and lessons learned among the GEF and its partners, as basis for decision-making on policies, strategies, programme management, and projects and to improve knowledge and performance. With this in mind, this Mid-term evaluation (MTE) was initiated by UNDP China as the GEF Implementation Agency for the *Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin* Project to measure the effectiveness and efficiency of Project activities in relation to the stated objectives, and to collate lessons learned.

2. The MTE was conducted over a period of 21 days between 19th March and 26th April 2012 by a team comprising one international and one national consultant. It was carried out on somewhat behind schedule, 33 months into a 48-month Project (although there is some confusion over the official closing date which one PIR lists as December 2013 (see paragraph 64)). The approach was determined by the terms of reference ([Annex I](#)) which were closely followed, via the itinerary detailed in [Annex II](#). Full details of the objectives of the MTE can be found in the TOR, but the evaluation has concentrated on assessing the concept and design of the Project; its implementation in terms of quality and timeliness of inputs, financial planning, and monitoring and evaluation; the efficiency and effectiveness of activities carried out and the objectives and outcomes achieved, as well as the likely sustainability of its results, and the involvement of stakeholders. The report was finalised on 25th May 2012 after receipt of comments on 21st May.

3. The Evaluation was conducted through the following participatory approach:

- extensive face-to-face and Skype interviews with the project management and technical support staff, including some members of the Project Steering Committee (PSC) and the Project Management Office (PMO). Throughout the evaluation, particular attention was paid to explaining carefully the importance of listening to stakeholders' views and in reassuring staff and stakeholders that the purpose of the evaluation was not to judge performance in order to apportion credit or blame but to measure the relative success of implementation and to determine learn lessons for the wider GEF context. The confidentiality of all interviews was stressed. Wherever possible, information collected was cross-checked between various sources to ascertain its veracity, but in some cases time limited this. A full list of people interviewed is given in [Annex III](#).
- face-to-face interviews with a small number of local stakeholders in three of the five counties/districts covered by the Project – Luoshan, Shangcheng, and Xinxian;
- a thorough review of project documents and other relevant texts, including the Project Document, logframe, Inception Report, and monitoring reports, such as annual progress and financial reports prepared for UNDP, GEF, annual Project Implementation Reviews (PIR), relevant correspondence, and other project-related material produced by the project staff or partners including a mid-term self-assessment report by the PMO; and
- field visits to farmers growing organic tea, cultivating medicinal herbs, and running tourist-related businesses.

4. Wherever possible the MTE has tried to evaluate issues according to the criteria listed in the *UNDP-GEF Monitoring and Evaluation Policy*, namely:

- Relevance – the extent to which the activity is suited to local and national development priorities and organisational policies, including changes over time.

- Effectiveness – the extent to which an objective has been achieved or how likely it is to be achieved.
- Efficiency – the extent to which results have been delivered with the least costly resources possible.
- Results – the positive and negative, and foreseen and unforeseen, changes to and effects produced by a development intervention. In GEF terms, results include direct project outputs, short-to medium term outcomes, and longer-term impact including global environmental benefits, replication effects and other, local effects.
- Sustainability – the likely ability of an intervention to continue to deliver benefits for an extended period of time after completion. Projects need to be environmentally as well as financially and socially sustainable.

5. The original logframe in the Project Document has remained unrevised to date. This logframe with four Outcomes, 11 Outputs, and 27 indicators has been used throughout as the basis for the this evaluation (see [Annex IV](#)), and the MTET has evaluated the Project’s performance against these according to the current six-point evaluation criteria provided to it by the GEF. This is reproduced in Table 1 for clarity.

TABLE 1: CRITERIA USED TO EVALUATE THE PROJECT BY THE FINAL EVALUATION TEAM

Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
Marginally Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.
Marginally Unsatisfactory (MU)	Project is expected to achieve some of its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (U)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.

6. The results of the evaluation were conveyed semi-formally to the Project Director and subsequently to the UNDP-CO prior to the lead evaluator’s departure from China.

CONSTRAINTS

7. The initial logistics of the evaluation were seriously inconvenienced by the insistence of the implementing partner (the Xinyang Municipal Government (XMG)) to restrict the in-country mission to just seven days², a position that representations from the UNDP-CO eventually managed to change

² **XMG comment:** *The initial itinerary was fixed after repeated communications among Evaluators, UNDP-CO and XMG. XMG arranged the evaluation itinerary reasonably, which had been informed of the MTET in advance. Upon receiving the requirements of the Lead Evaluator for an extension, XMG and UNDP-CO gave full respect and understanding to it and accepted. Moreover they provided MTET with all facilities in work and logistics for the extension. The debriefing meetings which were indispensable to the evaluation and conformed to the national conditions of China were arranged in the course of evaluation. Such meetings in the project counties were cancelled later by PMO according to the requirements of the Lead Evaluator. In short, XMG and PMO tried their best to respect the ideas of the MTET and made corresponding adjustments in a timely manner in accordance with requirements of the evaluators and tried their best to provide all facilities for the evaluation. XMG had to devote additional administrative cost to the provisional changes. XMG expects the MTET can understand it. **MTET response:** The MTET expresses its gratitude to the XMG for its hospitality and flexibility in*

to nine days, prior to the mission. In order to accommodate this and avoid diplomatic difficulties, the Lead Evaluator agreed to this arrangement initially but made repeated requests to the XMG for an extension during the mission itself; an extension that was subsequently granted five days into the mission. However, this situation meant that the MTET was unable to schedule a meeting with the UNDP-CO staff (Team Leader of Energy and Environment Cluster and Programme Manager) until the end of the in-country mission, hence had to forego a detailed briefing on, or gain important insights into, the Project's context, e.g. its synergy with the China Biodiversity Partnership Framework the EU-China Biodiversity Programme. Since this was not obtained until after it was possible to ask further questions on these with other stakeholders, potentially valuable lessons learned were missed. However, one gain did transpire – by not learning the UNDP-CO's views until the end of the mission, this did mean that the MTET came to its conclusions independently of those interviews and of the debriefing process, where many of their concerns were confirmed.

PROJECT CONCEPT AND DESIGN

8. China is recognised as one of 12 mega-biodiversity countries in the world, and was one of first countries to sign the *Convention on Biodiversity* in June 1992. Since then, while the Government of China has made considerable efforts on strengthening the enabling environment for biodiversity conservation, initially focussing on the establishment of a system of strictly protected areas (Nature Reserves), “*biodiversity continues to be lost at troubling rates*”³. In November 2000, the State Council issued an “*Outline of National Ecological Environment Protection*” in which the concept of the Important Ecological Function Area (IEFA) was introduced, but with no immediate practical or legal implications for management or planning. In 2004, the State Environmental Protection Agency (now the Ministry of Environmental Protection (MEP)), working in close collaboration with China's Academy of Sciences, drafted a national ecological functions zoning scheme, identifying 50 IEFAs, including the Headwaters of Huaihe River Basin (HHRB), which was published jointly in July 2008. These areas cover a total of 2.2 million km², approximately 22% of China's total land area.

9. In 2006, under the preparatory phase of the China Biodiversity Partnership Framework (CBPF), UNDP-GEF and the Government of China undertook an in-depth Gap Analysis to identify major shortcomings in the strategies, systems and implementation of biodiversity conservation in China. Amongst the major themes was mainstreaming biodiversity into development planning and policy making. The analysis found that, in general, previous measures to conserve biodiversity had focused mostly on time-bound, isolated efforts to protect specific habitats or to change behaviour of a limited number of resource users.

10. The concept for the Project originated as a proposal under the umbrella of the China Biodiversity Partnership Framework for Action submitted to GEF in August 2007. Within this, the HHRB Project was identified as one of seventeen projects needed to help address the issues identified, and one of nine addressing the CBPF's second theme – that of “*Mainstreaming biodiversity into socio-economic sectors, plans and investment decision-making*”. The HHRB Project entered the GEF pipeline on 5th October 2007 with the approval of PIF and inclusion in the November 2007 work programme. The CEO Endorsement request, Project Document and associated papers were submitted to the GEF Secretariat on 29th May 2008) and, following receipt of comments, a final submission was made on the 24th November 2008. GEF CEO endorsement was received on 21st January 2009 as a Full-sized Project as part of Strategic Objective Biodiversity #2 Mainstreaming Biodiversity in Production Landscapes and Sectors, and in keeping with Strategic Programme (SP) 4: Strengthening

ultimately making the mission a success. Nonetheless, the fact remains that from the outset the Lead Evaluator made the point that the mission required a minimum of 11 days in-country and made requests to that effect, yet despite the “*repeated communications*”, the XMG agreed to only nine days and that after significant persuasion by the UNDP-CO. The full 11-day period was finally granted only some five days into the mission after yet further repeated requests by the Lead Evaluator – the results of which are the constraints outlined in the text.

³ Project Document.

the Policy and Regulatory Framework for Mainstreaming Biodiversity and SP 5: Fostering Markets for Biodiversity Goods and Services of the GEF Business Plan.

11. The Project itself is conceptually elegant, recognising the need to provide biodiversity conservation actions at the landscape scale and fitting it closely with the political initiatives the Chinese Government has launched to meet the same end. There is a strong logical structure to the Project with mutually supporting outcomes aimed at the policy environment; various productive sectors where particular serious threats to biodiversity have been targeted, e.g. the medicinal plant market, ornamental trees and flowers; cross-sectoral aspects concerned with poverty alleviation actions; and, importantly, a strong communication function to meet the key need of the project, namely

“The key barrier that this project seeks to address in promotion of IEFAs as [a] viable nationally replicable approach for mainstreaming biodiversity into areas identified for high values of ecological services is that [a] replicable approach for implementing this concept has not been demonstrated”.

For the most part, the Project Document is argued coherently and is well written in places. Unfortunately, this is not the case throughout and several authors appear to have been responsible, a fact that may underlie some of the aspects discussed further below. Basic proof-reading would also have helped remove many of the errors –poor punctuation, poor capitalisation, and different fonts all present in a single paragraph; mis-numbering of lists; poor choice of words; confusion over measurements such as tons and tonnes, typographical errors in acronyms where no explanation of the abbreviation has been given (e.g. NUICEF instead of UNICEF).

12. However, there are a number of key flaws in the design that have had a major detrimental impact on its subsequent implementation. These include:

- Use of an NGO as the Project Management Office (PMO) for a mainstreaming project⁴: Superficially, the identification of the Xinyang Municipal Eco-Environmental Association (XMEEA) to be the PMO appears to have significant attractions, e.g.:
 - approved by the XMG and registered in civil administration government, as an independent juridical association for preparing the HHRB national Ecological Function Conservation Area;
 - a mandate to conduct survey, research, training and project development related to eco-environment and biodiversity conservation in HHRB, and to engage in international exchange and cooperation to promote construction of the HHRB national IEFA;
 - an apparently impeccable track record having, since its establishment in 2001, “*directly applied for and implemented various international, bilateral and/or multilateral cooperation projects granted by WFP, UNDP, UNICEF and EU, and has achieved satisfactory social results and won the unanimous appraisal and recognition at home and abroad*”; and
 - an ability to provide US\$ 1,480,000 of in-kind co-finance;

However, a greater understanding of mainstreaming would have recognised the central role of Government in the process, and the significant difficulties (or even inability) of an NGO to influence government policy from the outside should have been identified and avoided by embedding the PMO within the XMG.

- Lack of capacity: Low capacity is included in the first of the barriers identified for the Project to overcome and yet the concept appears to have been ignored in the design of the implementation where multiple new ideas (biodiversity conservation, environmental protection, Important

⁴ There are many circumstances in which an NGO is an excellent choice as a PMO and the lead evaluator has seen many; however perhaps not for the context of mainstreaming.

Ecological Function Area) are being introduced to line ministries of local government where inevitably capacity is limited⁵.

- **Over-ambition:** Mainstreaming takes time – lots of it. The Project was designed for only four years, a short period even if everything were to run smoothly. While the strong political engagement of the XMG was recognised (and has proved a strength – see paragraph 70 *et seq.*) and factored in, the weaknesses in capacity and the practical aspects of the demonstrations (e.g. organic certification of demonstration agriculture requiring three years) were not. In short, no margin for error or delay was allowed for.
- **Poorly-designed logframe⁶:** While most of the planned strategy in the text of the Project Document is captured by the indicators, the indicators themselves are often ambiguous, e.g. in indicator #4⁷ the performance indicator is “*Biodiversity conservation and poverty alleviation in China are mutually supportive*” but the target is “*By project completion, biodiversity and ecosystem function conservation widely recognized within HHRB as being fully compatible with, and in many cases complementary to, poverty alleviation objectives*” – but the idea that recognition equates to active mutual support is false, and both concepts are qualitative and not quantitative. Indicator # 24 appears to have no activities connected to it so it would seem hard to achieve. Furthermore, many of the targets are extraordinarily high, e.g.
 - Indicator #14 “*At least 70% of medicinal plants collected in at least one (demonstration) county are being harvested according to sustainable practices, resulting in enhanced viability of 15 threatened plant species*”;
 - Indicator #15 “*At least 100,000 ha of agricultural lands close to high biodiversity and other ecologically important areas under eco-friendly management*”;
 - Indicator #21 “*80% of the market supply of 3 to 5 threatened herbs from HHRB are from certified sustainable sources*”;
 - Indicator #22 “*30,000 hectares of organic teas and other agricultural practices certified*”;

further indication of over-ambition.

13. In addition to these key flaws, others are also present, for example:

- The choice of just a single municipality in which to demonstrate lessons learned in seeking to address the “*promotion of IEFAs as a viable nationally replicable approach for mainstreaming biodiversity into areas identified for high values of ecological services*” when most of these IEFAs (including the HHRB area) extend across more than one province. Demonstration of inter-provincial or inter-municipality cooperation would appear to be an important aspect to be addressed and yet the Project’s implementation strategy appears to ignore this.
- The arrangement whereby the Project establishes an HHRB National Ecological Function Conservation Area Construction Leading Group (HCLG), under the leadership of the Deputy Mayor of Xinyang Municipality to which the PMO reports appears to the MTET to be strange, since the PMO would be leading the implementation and requiring assistance from the HCLG to coordinate and facilitate key actions within the XMG⁸. Reporting to a body which is implicitly

⁵ No disrespect is intended to those involved in the Project, but it is a fact of life that in a meritocracy, those in County Government aspire to a position in Municipal Government, those in Municipal Government to Provincial Government, and those in Provincial Government to State Government.

⁶ **XMG comment:** *In technology, XMG agrees the proposal of MTET to simplify the Project logframe. In fact after the municipal EPB took over the Project, some big and ambitious targets, which can’t be achieved in the short-termed Project with the limited funds, were found out in Project document and there are inconsistencies. In the near future, PMO will employ experts and organize technicians to make reach about the Project and further simplify the logframe and achieve the core targets of the Project under guidance of UNDP China.*

⁷ Indicator numbers are those applied in Annex IV.

⁸ **GEF-UNDP RTA comment:** I don’t find it particularly strange. My understanding was that the HCLG is an entity embedded in the government structure and it is in the driving seat and the PMO (the project) will be supporting the HCLG.

led by the body doing the reporting appears to be illogical, especially when oversight of the Project is already provided by a joint PSC/Tripartite Review. Better would have been having the PMO and HCLG working cooperatively at the same level.⁹

- Some statements in the Project Document text have no corresponding actions in the logframe and seem to fall outside the immediate ability of the Project to influence, e.g. “*the project will help in the identification of global biodiversity values of all planned IEFAs*”.

14. The following are the key objectives formulated under the Project’s logframe and these have been used throughout this evaluation as the basis for assessment (see also Annex IV):

Objective

To demonstrate practical mechanisms to mainstream biodiversity in China’s IEFA

Outcome 1

Biodiversity and ecosystem function conservation mainstreamed into HHRB planning and monitoring.

Outcome 2

Biodiversity and ecological function conservation mainstreamed into key productive sectors.

Outcome 3

Biodiversity and ecosystem function considerations are regularly mainstreamed into poverty alleviation strategies and programmes at HHRB.

Outcome 4

Lessons learned at HHRB inform and strengthen ongoing efforts to manage IEFAs throughout China.

PROJECT IMPLEMENTATION

15. UNDP signed the Project Document with the Government of China on 2nd June 2009, thereby commencing the Project, however, first disbursements were not made until 14th December 2009, a full six months later. A UNDP-GEF Project inception workshop was organised and held on 6-7th January 2010 and an Inception Report was produced immediately after.

PARTICIPATING AGENCIES

16. The Project has been executed in accordance with the standard rules and procedures of the UNDP National Execution Modality. The Project’s executing partner agency is the **Ministry of Finance** (MoF) which is the GEF National Focal Point in China. The Project’s implementing partner has been the **Xinyang Municipal Government** (XMG) and through this the Government has exercised financial management with the National Project Director acting as the approving officer and the National Project Manager as the certifying officer for payments; but it has not been involved in the flow of funds. The UNDP-CO has signed the quarterly budgets and annual workplans, provided an assurance role by always having a presence on any selection panel, and on occasion has made direct payments (thereby acting as a business agent to provide those services). UNDP has acted through the Project Document to empower the Project to enter into contractual arrangements with physical and legal persons on their behalf, and to manage project funds, including budget planning, monitoring, revisions, disbursements, record keeping, reporting and auditing that all observe UNDP rules.

MTET response: The MTET agrees with the RTA, but suggests that there is a difference between “supporting” the HCLG and “reporting” to it which is what the Project Document shows.

⁹ **UNDP-CO comment:** HCLG in highest decision-making body, which has the function to coordinate all the related projects implemented in Xinyang City, it’s workable for avoid duplication and overlaps, etc. MTET response: Again, the MTET acknowledges this and can see that the PMO would have to work through the HCLG in order to accomplish most of its tasks; but as with the previous footnote, this is still markedly different from the PMO reporting to this body. Perhaps the MTET is being a little pedantic, but it still comes across as a strange arrangement as written, even if commonsense has been applied to the actual implementation.

17. Project oversight has been undertaken at the strategic level by an inter-institutional Committee, known in this Project as a **Project Steering Committee**¹⁰ (PSC). The PSC has been chaired by the Vice-mayor of Xinyang Municipality and, according to the list provided to the MTET, comprises members drawn from eight bodies, thus: Xinyang Municipal Government, International Department of MOF, Foreign Economic Cooperation Office (FECO) of MEP, Henan Provincial Finance Bureau, Henan Development and Reform Commission, Henan Provincial Environmental Protection Bureau, UNDP-CO, and CBPF Programme Manager. The PMO provided secretariat services and project staff attend meetings as observers. The PSC has met only once a year (see paragraph 67). In addition, a **Project Leading Group** (PLG) was established a week after the Project Document was signed (9th June 2009) in order to organise and coordinate project activities amongst government departments and to oversee the formulation of various policy documents. This body meets four times per year, or on an ad hoc basis as required by the Project. The PLG is also chaired by the Vice-mayor of Xinyang Municipality, and comprises the following 11 bodies within the XMG: Agriculture Bureau, Development and Reform Commission, Drug Administration Bureau, Environmental Protection Bureau, Finance Bureau, Forestry Bureau, Land and Resources Bureau, Poverty Alleviation Office, Tourism Bureau, Water Resources Bureau, Women's Federation; plus the NGO Xinyang Municipal Eco-Environmental Association. At the county level, **Local Project Leading Groups** have also been established with similar functional structures to assist coordination within County Governments and with the XMG.

18. Financing contributions have been in cash from GEF (US\$ \$2,727,200), and the Xinyang Municipal Government (US\$ \$4,250,000); plus in-kind co-financing from the Xinyang Municipal Government (US\$ 4,125,000), the Xinyang Municipal Eco-Environmental Association (US\$ 1,480,000), and the Henan Jinghua Biological Engineering Limited Company (US\$ 500,000); Total : US\$ 13,082,200

19. The Project has worked closely with, and through, a range of stakeholders, mostly within the XMG and associated County-level governments, and a small number of pilot villages. The Inception Report provides a list of stakeholders as given below, but the MTET could find little evidence that groups iii to vii were much involved:

- (i) Municipal and county-level officials at HHRB,
- (ii) production sector agents in the agriculture, mining, tourism and forestry sectors at HHRB
- (iii) MEP officials responsible for the planning of IEFAs,
- (iv) national-level officials in relevant sectoral ministries and other Government departments, particularly those involved with issues such as ecologically sound land use management, ecological certification and other incentive programs;
- (v) officials at other IEFAs throughout China, and;
- (vi) municipal and county-level women's federations to represent the interests of the aging and women's populations.
- (vii) The wider CBPF partnership is considered the seventh main stakeholder group¹¹.

As a result, the MTET evaluates stakeholder participation as **Marginally Unsatisfactory**.

¹⁰ Not a Project Board in accordance with UNDP's results-based management approach.

¹¹ **UNDP-CO comment:** *While it is correct that little participation of other CBPF projects and partners has happened it cannot be considered a fault of the project as most of the CBPF projects have only just started (2011) or are in the process of being started up. Also the projects under CBPF differ quite substantially and many do not relate directly to the issues being addressed under the current project. Because of this it might be harsh to provide a rating of MUs based on that.* **MTET response:** The MTET acknowledges the point, but since it remains that there was little evidence that stakeholders in groups iii to vi were involved with this Project (as well as the wider CBPF partnership (group vii)), the rating is retained.

NATIONAL LEVEL ARRANGEMENTS

Project Direction

20. Overall guidance and coordination of the project implementation has been the responsibility of the **National Project Director** (NPD), currently a part-time position held by the Director of the Xinyang Environmental Protection Bureau, Mr. Liang Jihai¹², who indicated that he spends between 25-33% of his time on Project-related work. He took up this position in June 2011 when at UNDP's suggestion, the XMG decided to enhance Government leadership of the Project. Prior to that time, the NPD had been the Director of the Xinyang Municipal Eco-Environmental Association, Mr. Wang Zengguo, who subsequently became Project Vice-Director (Technical), and he is assisted by a Project Vice-Director (Management), Ms. Shao Bing. The NPD and the Vice-Director (Management) are state employees and are unpaid positions covered by the Government's in-kind contribution to the Project. The NPD has been responsible for overseeing the execution of the Project on behalf of the Government, for achieving the Project's objectives, and has been accountable to UNDP for the use of Project resources.

Project Management

21. Day-to-day implementation has been the responsibility of the **Project Management Office** (PMO) located in the offices of the Environmental Protection Bureau of the Xinyang Municipal Government in Xinyang. It comprises a part-time **National Project Manager** (NPM), a position held throughout by Mr. Yu Guozhong; a Biodiversity Expert, a position also held throughout by Mr. Zhang Liyun; an Information Officer, an accountant, a cashier, and a translator. A number of Xinyang EPB officers appear to form an extended PMO, but the MTET could not determine what role they actually played in the Project. A **Chief Technical Adviser** has also been hired, Mr. Yang Qingwen from the Agricultural Science Academy of China, based in Beijing, who visits for periods of one to two weeks, two or three times per year.

22. Five **Local Project Management Offices** (LPMO) have also been established, housed in offices of the County EPBs, each with a **Local Project Director**, usually the Director of the County EPB. The LPMOs comprise a similar management and staffing structure to the main PMO. In addition, a multi-disciplinary **Technical Advisory Group** comprising national and international experts was established on 24th September 2009 to provide technical support to the PMO and LPMOs.

Implementation Approach

23. There have clearly been problems with the implementation of this Project, mostly arising from capacity issues within the PMO. Key amongst these have been insufficient technical understanding, an ineffectual strategic grasp of the Project, inadequate project management skills, and little ability to influence government processes from an outside position in a NGO. There is a technical vacuum at the heart of the Project which manifests itself through there being no clear understanding of what the Project is trying to achieve or the steps needed to achieve it. The Vice-Director (Technical) (formerly the NPD) and the Biodiversity Expert display little evidence that they understand the differences between biodiversity conservation and environmental protection, nor that they fully appreciate what mainstreaming entails. As a result, there is no clear technical strategy in place or technical leadership displayed. As one senior Project interviewee stated "*Many workshops have been held without a clear aim or giving substantive support to the local population, and which do not fit an overall strategy*"; while another interviewee indicated that "[The Project] *produces much material, but all paper with nothing on the ground. It holds lots of big meetings, spends lots of money, and paper comes out*". An overly large team of experts has been employed, perhaps in an attempt to fill this vacuum, but without strong leadership and clear guidance they have been able to achieve little besides a series of uncoordinated meetings and reports with no clear evidence that these have been followed up with some form of implementation on the ground. Much of the work that has been achieved is of such low

¹² Standard Chinese format for names has been observed in this report with family names given first.

quality that its usefulness is highly questionable, e.g. the biodiversity overlays and initial designs of the biodiversity monitoring system. The Project displays a worrying inability to differentiate between its own achievements on the ground and those of other projects or of baseline activities and this has led to unintentional (or in places perhaps deliberate) inaccurate reporting. It is clear that the UNDP-CO has had some misgivings, since in the 2010 PIR it is stated “*the project team was having difficulties in planning the activities in accordance to the design of the project*”, while in 2011, with a change in the Programme Manager, a suggestion was made to the XMG which decided to enhance its leadership of the Project by bringing the PMO inside of the Municipality’s EPB and appointing a new NPD and Vice-Director (Management). As a result, significant efforts have been made by the XMG to try and improve the Project but it remains hamstrung by the lack of relevant skills. As a result, the implementation approach is evaluated as Unsatisfactory.

Project Progress and Financial Assessment

24. Total disbursement of funds to the end of December 2011 (the most recent figures available to the MTE) amounted to US\$ 7,853,694 (see Table 2). If Project spending can be taken as a crude measure of the progress of implementation, then the Project is achieving the progress originally envisaged, since this sum represents 69.4% of the total budget projected in the Project Document, with 62.5% of the Project period elapsed (30 out of 48 months). It should also be noted that the total budget for the Project has now grown from the US\$ 11,309,600 given in the Project Document to US\$ 113,082,200 as per the 2010 PIR. Table 2 also shows that total spending on each of the four Outcomes, and that on Project management, is largely at a similar level with the exception of Outcome 2 which appears to be about 20% higher. Table 2 also shows that disbursement of GEF funds (51.9%) and those of the XMG (50.8%) were of effectively equal proportions, but disbursement of co-financing from the XMEEA was three times higher at (147.6%), as well as 2.3 times higher than would be expected at this stage of the Project. This simple analysis assumes that the budget for the Project is spread evenly across the years when in fact it could be front-end or rear-end loaded for one or more components. To investigate this, Table 3 presents the same analysis but for GEF funds only, and using the actual projected budget for the same stage of the Project, i.e. the budget to 31st December 2011 (rather than total project budget). Interestingly, this shows up that for all four Outcomes and for Project management the proportion of GEF funds used is higher in Table 3 than Table 2 suggesting that the budgeting is rear-end loaded and that the Project is overspending slightly on everything except Outcome 4.

TABLE 2: TOTAL DISBURSEMENT OF FUNDS BY OUTCOME BY SOURCE TO 31ST DECEMBER 2011 (US\$) AGAINST TOTAL PROJECT BUDGET AS IN THE PROJECT DOCUMENT (FIGURES ROUNDED)

	GEF			XMG			XMEEA			Total		
	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
Outcome 1	382,554	711,600	53.8%	1,050,000	2,662,500	39.4%	930,000	737,500	126.1%	2,362,554	4,111,600	57.5%
Outcome 2	474,780	716,800	66.2%	1,000,000	1,737,500	57.6%	752,000	362,500	207.5%	2,226,780	2,816,800	79.1%
Outcome 3	271,745	465,800	58.3%	873,500	1,655,000	52.8%	162,000	150,000	108.0%	1,307,245	2,270,800	57.6%
Outcome 4	137,562	560,400	24.6%	728,400	1,320,000	55.2%	341,000	230,000	148.3%	1,206,962	2,110,400	57.2%
Proj. Man.	150,153	272,600	55.1%	600,000	1,000,000	60.0%				750,153	1,272,600	59.0%
Total	1,416,794	2,727,200	51.9%	4,251,900	8,375,000	50.8%	2,185,000	1,480,000	147.6%	7,853,694	11,309,600	69.4%

SOURCE: PMU/UNDP from Atlas. Note, it is outside the scope of the MTE to independently verify the financial figures contained in any of the tables and figures presented here through an audit.

TABLE 3: TOTAL DISBURSEMENT OF GEF FUNDS BY OUTCOME TO 31ST DECEMBER 2011 (US\$) AGAINST PROJECT BUDGET FOR THE SAME PERIOD (TO 31/12/11) AS IN THE PROJECT DOCUMENT (FIGURES ROUNDED)

	Actual	Budget	%
Outcome 1	382,554.27	572,300	66.9%
Outcome 2	474,779.72	645,850	73.5%
Outcome 3	271,745.33	377,200	72.0%
Outcome 4	137,562.07	415,300	33.1%
Proj. Man.	150,152.78	204,450	73.4%
TOTAL	1,416,794.17	2,215,100	64.0%

SOURCE: PMU/UNDP from Atlas.

25. Table 4 gives the figures for the disbursement of GEF funds by Outcome against budget in each of the Project half-years as per the Project Document. Figure 1 illustrates these figures as a percentage of the budget disbursed in each period by Outcome, and Figure 2 shows the same but cumulatively. These Figures illustrate a number of points:

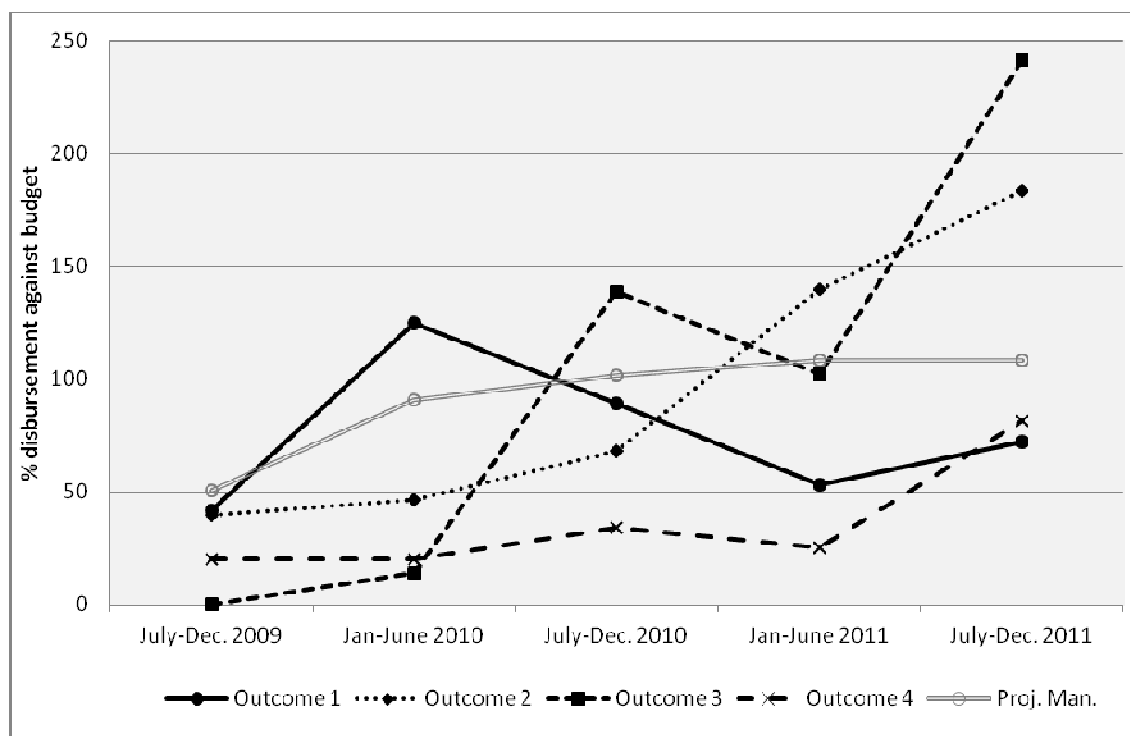
- that the common pattern of slow spending at the start of the Project is also apparent here
- that work concentrated on Outcome 1 in the first 12 months of the Project, responding to the opportunity afforded by the unified arrangements of Henan Province for a new round of land use planning formulation, and has then decreased;
- that work on Outcome 2 started quite early, but remained at a little over half-budget through 2010 but has steadily increased to make up lost ground;
- Outcome 3 started very slowly and has fluctuated greatly since, but in the last six months for which figures are available it has become the main focus of activities;
- Outcome 4 has been relatively ignored with very low levels of expenditure, running at under 33% of budget until the second half of 2011. Furthermore, since most of the work undertaken under this Outcome has related to public awareness under a new Activity *Media Publicity* introduced at the inception phase and which did not have a budget in the Project Document, it can be seen that the work associated with the original Activities in the Project must be very low indeed;
- Project management costs appear to be running at or slightly above budget, but with no cause for concern; and
- Cumulative spending on each of the Project components remains below budget.

TABLE 4: TOTAL DISBURSEMENT OF GEF FUNDS (US\$) BY OUTCOME BY HALF-YEAR AGAINST BUDGET AS IN THE PROJECT DOCUMENT

	July-Dec. 2009			Jan-June 2010			July-Dec. 2010			Jan-June 2011			July-Dec. 2011		
	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
Outcome 1	111,300	46,725	42.0	111,300	139,171	125.0	99,300	88,600	89.2	99,300	52,971	53.3	75,550	54,686	72.4
Outcome 2	151,475	59,961	39.6	151,475	70,554	46.6	115,475	78,915	68.3	115,475	161,208	139.6	55,975	102,697	183.5
Outcome 3	81,000	0	0.0	81,000	11,194	13.8	60,300	83,743	138.9	60,300	61,686	102.3	47,300	114,107	241.2
Outcome 4	41,050	8,326	20.3	41,050	8,343	20.3	70,050	23,728	33.9	70,050	17,674	25.2	96,550	78,901	81.7
Proj. Man.	34,075	17,288	50.7	34,075	30,994	91.0	34,075	34,635	101.6	34,075	36,871	108.2	34,075	36,925	108.4
Total	418,900	132,300	31.6	418,900	260,256	62.1	379,200	309,621	81.7	379,200	330,410	87.1	309,450	387,317	125.2

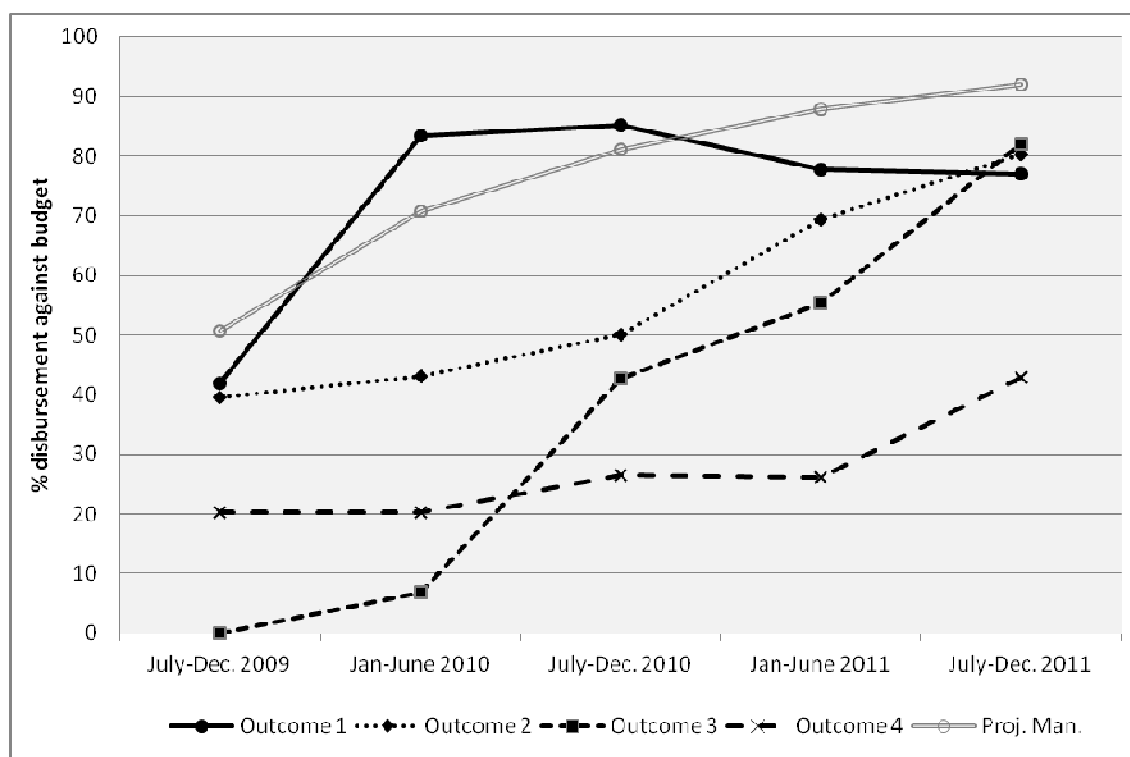
SOURCE: UNDP from Atlas. Note: the above table does not contain the unrealized gain/loss generated by Atlas from UNDP-CO (totalling -\$6,977.55), which accounts for less than -0.5%.

FIGURE 1: PERCENTAGE DISBURSEMENT OF GEF FUNDS (US\$) BY OUTCOME BY HALF-YEAR AGAINST BUDGET AS PER PROJECT DOCUMENT



SOURCE: PMO/UNDP from Atlas.

FIGURE 2: CUMULATIVE PERCENTAGE DISBURSEMENT OF GEF FUNDS (US\$) BY OUTCOME BY HALF-YEAR AGAINST BUDGET AS PER PROJECT DOCUMENT



SOURCE: PMO/UNDP from Atlas.

26. One of the big problems the Project has had to face in its external operating environment has been a significantly weakening exchange rate between the US Dollar and the Chinese Yuan. At the signing date of the Project (2nd June 2009) the exchange rate was US\$ 1 to RMB 6.831, but by the time of the MTE, this had decreased to US\$ 1 to RMB 6.308 – a 6.6% devaluation in the purchasing power of the dollar or the equivalent to a shortfall of US\$ 863,425 on the total value of the revised Project budget of US\$ 13,082,200 (PIR 2010). While this could be expected to have major repercussions for the Project, in fact the political buy-in to the project of the XMG is such that it has indicated that it will make up this shortfall itself in order to bring the Project to a successful conclusion.

27. There is one other minor issue. The co-financing of the Project includes a US\$ 500,000 in-kind contribution from the Henan Jinghua Biological Engineering Limited Company. This money is to be used to build a tree seedling and flower nursery to promote the conservation of rare plants where techniques can be developed by the company's technicians to cultivate them commercially, and local farmers will be employed to grow them providing increased incomes locally while removing the pressure from wild stocks. The idea is elegant and simple, but it turns out that none of the money will be directly under the control of the Project, and more importantly that this initiative would still have been developed irrespective of the presence of the Project. Therefore, technically, this contribution cannot be considered to be co-financing – at best it is parallel financing and should be considered as such for accounting and reporting purposes.

Cost effectiveness

28. This has been difficult to ascertain but the general impression is one of low cost-effectiveness – it is extraordinarily hard to see why the apparent small amount of progress that has been achieved has cost US\$ 7.8 million. There is absolutely no implication here of malpractice; the monies are all fully accounted for and have been approved by UNDP. The independent auditors found nothing amiss. But the MTET is seriously concerned at the low levels of achievement on the ground compared to the extremely high levels of expenditure made. Two recent Projects evaluated by the Lead Evaluator with much lower budgets than seen here showed significantly greater levels of intervention in a) a legal context and on the ground – *Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia's Altai Sayan Eco-region* now complete having spent US\$ 4.5 million – and b) in a biodiversity planning context – *Strengthening Sustainability of the National Protected Area System by Focusing on Strictly Protected Areas* in Uzbekistan (mid-term was November 2010) having spent just US\$ 1.175 million. There is nothing immediately obvious to the MTET as to where ineffective expenditure is going. Suspects include the large number of technical experts employed by the Project on a time-basis rather than a results-basis; the large number of large- and small-scale workshops and meetings that the Project appears to specialise in that seem just to produce paper¹³; and high levels of over-manning if the MTE mission is to act as a guide where, for example, large numbers of people accompanied the evaluators for most of the time without serving any apparent purpose; large numbers of people were called to very formal meetings which provided no benefit to the evaluation (and which were stopped by the MTET after the first two); and people waiting around for interviews throughout the day, even when those interviews were fixed for another day. As an important part of the radical re-structuring of the Project recommended later in this report (see paragraph 62 *et seq.*), the MTET recommends that the UNDP-CO and the XMG analyse the money already spent to learn lessons on how to make significant improvements to the Project's cost-effectiveness and apply these to re-budgeting the re-structured Project.

¹³ **UNDP-GEF RTA comment:** *These are some of the typical issues that need to be avoided. We must from now on ensure that all technical inputs are clearly result-based. Meetings should be held at government meeting rooms, etc. not to incur unnecessary costs, and each meeting which the project pays for must have clear objectives that relate directly to project outputs.*

The MTET recommends that the finances disbursed in the first part of the Project be analysed to determine ways to make significant improvements to the Project’s cost-effectiveness and apply these to re-budgeting the re-structured Project.			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
UNDP-CO/ XMG	Analyse monies already disbursed to find ways of making the Project more financially efficient	Immediately	Lesson learned on increased cost-effectiveness
UNDP-CO/ XMG	Apply lessons learned to new budget of re-structured Project	As appropriate	Cost-effective budget

MONITORING AND EVALUATION

29. Project monitoring and evaluation has been evaluated as **Marginally Unsatisfactory**. Monitoring and evaluation of Project activities have been undertaken in varying detail at three levels:

- i. Progress monitoring
- ii. Internal activity monitoring
- iii. Impact monitoring

30. Progress monitoring has been adequate and has been made through three quarterly reports and an Annual Project Report (APR) covering the calendar year (Jan-Dec) to the UNDP-CO. The annual work plans have been developed by a very lengthy, but only semi-participatory, process beginning in September each year when the NPM, Biodiversity Expert, and Information Officer discuss Project progress and produce the first draft of the plan according to a template supplied by the UNDP-CO. This draft is submitted to the Project’s Vice-Directors and to the Local PMOs for comments which are included in the second version as appropriate. This draft is sent to the NPD for approval for onward transmission to the UNDP-CO for its comments, and these are then incorporated into a final version for onward transmission and approval by the Vice-Directors, NPD, and PLG, and then submitted for endorsement by the joint PSC/Tri-partite Review, and subsequently sent to the UNDP-CO for formal approval. The Vice-Director (Management) has also been in communication with the UNDP-CO regarding progress, the work plan, and its implementation, on a regular basis, said to be 2-3 times per week by e-mail or verbal means. The PMO has also ensured that the UNDP-CO received quarterly progress reports providing updates on the status of planned activities, the status of the overall project schedule, the products completed, and an outline of the activities planned for the following quarter. These report formats contained qualitative estimates of technical progress and quantitative estimates of financial disbursements. The UNDP-CO generated its own monthly financial reports from Atlas from data provided by the PMO. These expenditure records, together with Atlas disbursement records of direct payments, served as a basis for expenditure monitoring. No budget revisions have yet been required. The UNDP-CO has also required delivery projections along with work plans and procurement tables (derived from the annual work plans) that are updated quarterly by the PMO, and these have served as an additional monitoring tool, especially for quantitative estimates of the project progress.

31. From the quarterly reports, the UNDP-CO has prepared Quarterly Operational Reports (150-word fixed-format) which have been forwarded to UNDP/GEF Regional Coordination Unit in Bangkok, and in turn submitted to UNDP HQ and to GEF. The major findings and observations of all these reports have been given in an annual report covering the period July to June, the Project Implementation Report (PIR), which is also submitted by the PMO to the UNDP-CO, UNDP Regional Coordination Unit, and UNDP HQ for review and official comments, followed by final submission to GEF. All key reports were presented to PSC members ahead of their annual meetings, but the MTET was unable to assess whether these reports were circulated to County governments.

32. The PMO and the UNDP-CO have maintained a largely adequate working relationship, with the UNDP Programme Manager calling project staff members whenever necessary to discuss implementation issues and problems. Somewhat worryingly, the MTET was informed that the Information Officer was responsible for liaison with the UNDP-CO, and that as a result, the Project Manager had reported only once spoken with the new UNDP-CO Programme Manager. The UNDP-

CO has also monitored the Project through field visits by the Environment Team Leader and/or the Biodiversity Programme Manager¹⁴. The Project risk assessment does not appear to have been undertaken properly until the present Programme Manager took over, with no risks logged¹⁵ prior to 1st June 2011 when eight are logged – three of them deemed critical, all relating to various aspects of the problem of having an NGO in control of the Project. As indicated in paragraph 20, these were removed by having the XMG exert stronger leadership. One other minor risk has been logged in November 2011 suggesting that the process is now being used effectively, even if the NPM displayed no understanding or awareness of such a process, and no risks have ever been identified by the PMO in their quarterly reports. The Project has been the subject of an annual audit undertaken by a national government agency – the National Auditing Centre attached to the State Auditing Administration. Such auditors were present during this Mid-term Evaluation. No significant issues have ever been raised.

33. Internal activity monitoring appears to have been barely adequate and has been undertaken largely by just the NPM – Local PMOs effectively do whatever they are told to do, when they are told to do it. The Project Document has been used as the over-arching framework guiding the development of each annual work plan where the terms for each activity and its milestones have been closely defined. The annual work plan is revised quarterly according to feedback on progress from staff. The Information Officer usually produces monthly work plans and at times even weekly ones for the PMO. No regular work coordination meetings appear to be held within the PMO on any regular basis and, unlike observations made on a recent project in Mongolia, project staff exhibit little capability for independent planning and organisation of their own work or that of technical consultants. This may be a cultural phenomenon, but this Project is run in a top down manner with strict adherence to the work plans and an almost slavish devotion to the Project Document which leaves little if any room for creativity or for adaptations to differing local needs and conditions. For example, a number of interviewees were asked about the Municipal Biodiversity Conservation Strategy and Action Plan, and while some indicated that they had heard of it, no-one paid any attention to it because it was not mentioned in the Project Document. The Project appears to lack an identity or a cohesiveness that would be expected, largely it seems as a result of poor communications. Coordination between the main PMO and the Local PMOs is not particularly close, although there is at least one annual meeting of all project staff in Xinyang along with representatives of the pilot villages, and the PMO makes periodic visits to the counties (at least twice a year). However, some of the Local PMO staff interviewed complained that not enough advice or resources were provided to them, while one indicated that he thought that *“the PMO knows what is going on, but that the purpose is not communicated to them [the Local PMOs]”*; another that the *“PMO should inform [the County] what the aim of the AWP is and how to evaluate activities when they have been completed”*; and a third that *“the Municipal PMO should give systematic and specific guidance, for example we get given a training workshop but no follow-up instructions. What should we do next? We want systematic advice but not to follow blindly”*. A total of 18 external consultants have been employed by the Project, 14 nationally-based and four internationally, on a mixture of long- and short-term based contracts. Unfortunately, those on long-term contracts are paid periodically, usually monthly, irrespective of the work done or the results produced, and most of these contracts have been placed for the duration of the Project, even though the actual period to be worked may vary within this elapsed-time. Those on short-term contracts are tied to results-based contracts with payments dependent upon satisfactory deliverables or milestones.

34. Impact monitoring by the Project is effectively absent outside of the immediate requirements of the indicators in the logframe. A great deal of awareness-raising activities have been undertaken, but nor formal monitoring of the effect of individual workshops, village meetings, or methods has been undertaken to determine the effectiveness of these activities, e.g. no before-and-after questionnaires have been carried out. There is no Monitoring and Evaluation Plan, and no indication that one has been considered. Issues concerned with monitoring biodiversity as required under the Project’s outputs, are discussed in paragraph 45 *et seq.*.

¹⁴ **2010:** January, April, December. **2011:** no details.

¹⁵ **PMO comment:** *In the Inception Report there was a risk analysis.*

PROJECT RESULTS

IMMEDIATE OBJECTIVE INDICATORS

35. Development objectives are those to which the project will *contribute towards* but which are not expected to be achievable within the lifetime of the project. In this case, the objective indicators selected appear to have been tailored well to the Project and, since the targets appear to be well within what the Project is trying to achieve in its lifetime or shortly thereafter, should be considered as Immediate Objectives. While objective indicators are notoriously difficult to assess at the mid-term, in this case this evaluation has been compounded by the inability of the PMO to either differentiate, or at least report the difference, between its own achievements and those of other Projects (the ECBP) or the baseline. The reason for this remains obscure; on the one hand genuine capacity problems may have resulted in confusion about what can and cannot be included, while on the other hand, given the lack of evidence for any significant achievements by the Project on the ground, the figures reported may be a deliberate attempt to mislead (see paragraphs 73 and 86). Whatever the cause, the situation at the mid-term is that not one of the three Immediate Objectives has been achieved, and much more importantly, only one of them appears as if it has a chance of being achieved by the end of the Project under the current management (see also [Annex IV](#)).

- CBPF Result 21: Land use planning and management systems contribute effectively to conserving biodiversity.
 - The proportion of the delivery of the forest and mining sectors directly attributable to Project interventions has not been calculated and, despite repeated requests, was unavailable to the MTE. Most of the claimed increase in forest cover (93,700 ha) and restored mining land (770 ha) against targets of 15,000 ha and 1,000-1,500 ha respectively appears to be the result of baseline activities since there is no evidence of direct intervention on the ground in these sectors by this Project¹⁶.
 - Of the claimed increase in the wetland area of 2,500 ha, only 500ha can actually be counted as restored reclaimed wetland since the other 2,000 ha was existing wetland which was given a formal designation of the Gushi Huaihe River Nature Reserve¹⁷.
 - The target of enhancing connectivity amongst 22 existing and four planned protected areas has stalled because the Project has given insufficient emphasis to the spatial aspects of land-use planning¹⁸.
- CPBF Result 13: An incentive framework for the natural resource based business sector to conserve or sustainably use biodiversity is established.
 - Although the MTET was informed that incentives are well advanced at the Municipal level for the flower and medicinal herb industries, no evidence to support this was presented. Interviews indicated that no other incentives were under development.
- CPBF Result 14: Biodiversity conservation and poverty alleviation in China are mutually supportive.
 - Guidelines have been produced and biodiversity considerations mainstreamed into planning documents relating to poverty alleviation activities, but these are very general in nature and have not yet had time to translate into results on the ground¹⁹.

¹⁶ **PMO comment:** See Annex IX.

¹⁷ **PMO comment:** See Annex IX.

¹⁸ **PMO comment:** See Annex IX.

¹⁹ **PMO comment:** See Annex IX.

SUMMARY EVALUATION

36. Overall, the Project *Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin* is expected to achieve some of its major global environmental objectives but with major shortcomings, and hence the MTE evaluates it as **Marginally Unsatisfactory**. The Project exhibits a worrying lack of progress at a point almost two-thirds of the way through its lifespan. Significant advances have been made with regard to mainstreaming biodiversity into the overarching policy framework of the Municipality, facilitated by strong political support which is one of the most commendable features of the Project. However, this major achievement represents only one stage of the mainstreaming process, and the lower level documents such as the regulations, operational guidelines, technical manuals, standards and enforcement strategies, zoning plans, incentive programmes and monitoring systems, show little if any progress and where they do, quality is very low. On the ground, progress is conspicuous by its absence, e.g. there are no demonstration activities, and no technical training was evident. There is also a lack of understanding of the importance of the two-way communication of lessons learned. Confusion is also evident between the idea of public awareness-raising (an activity introduced into the logframe in the Inception Report) and that of the communication of lessons learned to benefit the wider IEFA/KEFZ process. While unforeseen faults in the Project's design (initial use of an NGO to implement the Project with little ability to influence government processes, low capacity of stakeholders, and over ambition) are partly the cause, the main problem is the low capacity of staff within the PMO with insufficient technical understanding, an ineffectual strategic grasp of the Project, and inadequate project management skills. There is a technical vacuum at the heart of the Project which manifests itself through there being no clear understanding of what the Project is trying to achieve or the steps needed to achieve it. As a result, there is no clear technical strategy in place or technical leadership displayed. The PMO displays an alarming air of complacency and self-congratulation on achievements that are very limited, and this pervades downwards so that most people interviewed indicated that they believed progress was satisfactory. An overly large team of experts has been employed, perhaps in an attempt to fill the technical vacuum, but without strong leadership and clear guidance they have been able to achieve little besides a series of uncoordinated meetings and reports with no clear evidence that these have been followed up with some form of implementation on the ground. Much of the work that has been achieved is of such low quality that its usefulness is highly questionable, e.g. the biodiversity overlays and initial designs of the biodiversity monitoring system. The Project displays a worrying inability to differentiate between its own achievements on the ground and those of other projects or of baseline activities and this has led to inaccurate reporting. While the XMG made significant efforts in mid-2011 to try and improve the Project by enhancing its leadership through bringing the PMO inside of the Municipality's EPB and appointing a new NPD and Vice-Director (Management), it remains hamstrung by the lack of relevant technical skills.

37. Key Project achievements are far too few for this stage of the Project, but include:
- mainstreaming the concept of biodiversity into the overarching policy framework of the Xinyang Municipality through its inclusion in the *Outline of Xinyang Municipality on the 12th Five-Year Plan for National Economic and Social Development*;
 - incorporation of biodiversity and ecological function conservation into the *12th Five-Year (2011-2015) Plan of Xinyang Municipality on Rural Poverty Alleviation and Development*;
 - formulation of the *Overall Plan of Jiangwan Village – A Typical Design of the 12th Five-Year Plan on Whole Village Advancement by Poverty Alleviation Office of the State Council*;
 - development of the *Guidelines of Xinyang Municipality on Poverty Alleviation and Development Lending*;
 - baseline surveys of the ecological impacts arising from various sectors or sub-sectors including the supply of flowers; medicinal herbs; mining; forestry; agricultural non-point-source pollution; and tourism;
 - reports of the impacts of policies and regulations in the agriculture, forestry, mining and tourism sectors on ecological function and biodiversity;

- a report “*Survey Plan of Impact of Poverty Alleviation and Development on Ecosystem Function and Biodiversity*”; and
 - increased awareness amongst the municipal and county policy makers and practitioners, and the public about the critical nature of the HHRB as an IEFA/KEFZ and area with rich biodiversity.
37. The main problem areas identified by the MTET are that:
- the PMO demonstrates minimal understanding of the technical requirements of the Project and as a result has not yet embarked upon key aspects of mainstreaming;
 - very little progress has been made on the lower level documents necessary for converting the policy framework into progress on the ground, e.g. regulations, operational guidelines, technical manuals, standards and enforcement strategies, zoning plans, incentive programmes and monitoring systems;
 - the generation and dissemination of lessons learned, vital to the Project’s success, have not yet started and have been confused with an irrelevant public awareness campaign;
 - most of the achievements quoted above are of low quality;
 - there is no evidence of demonstration activities or of technical training on the ground;
 - there is no apparent strategy for taking forward the outputs of numerous big meetings into an integrated end product; and
 - a very large amount of money has been spent with very little to show for it.
38. A summary evaluation by Project Output is given in Table 5 and a more detailed summary of the level of achievements made against the indicators of success contained in the logframe is given in [Annex IV](#). Results are discussed below by Project Outcome and key sectoral or cross-cutting issues are then discussed in the ensuing section.

TABLE 5: EVALUATION OF THE END OF PROJECT SITUATION AS PER THE REVISED LOGFRAME

Component		Evaluation*					
		HS	S	MS	MU	U	HU
<i>Outcome 1</i>	<i>Biodiversity and ecological function conservation mainstreamed into HHRB planning and monitoring</i>				■		
Output 1.1	Institutional arrangements and capacities for mainstreaming the conservation of biodiversity and ecosystem functions into local governance		■				
Output 1.2	Biodiversity-friendly land use planning mechanisms (Municipal and County levels) and associated plans				■		
Output 1.3	Revised standards and monitoring system for biodiversity and other ecological functions						■
<i>Outcome 2</i>	<i>Biodiversity and ecological function conservation mainstreamed into key productive sectors</i>				■		
Output 2.1	Enhanced knowledge, understanding and quantification of the impacts of key HHRB productive sectors on biodiversity and ecological functions				■		
Output 2.2	Sectoral policies, laws, regulations, incentives, enforcement methods and standards are assessed and IEFA-specific alternatives are developed				■		
Output 2.3	Increased awareness and capacities among public and private sector stakeholders to respond to revised regulations and incentives			■			

Component	Evaluation*					
	HS	S	MS	MU	U	HU
<i>Outcome 3 Biodiversity and ecosystem function considerations are regularly mainstreamed into poverty alleviation strategies and programmes</i>						
Output 3.1 A strategy to capture potential synergies between poverty alleviation lending, ecosystem function conservation and biodiversity conservation						
Output 3.2 Poverty alleviation lending and associated technical support programmes that directly encourage biodiversity and ecosystem function conserving production						
<i>Outcome 4 Lessons learned at HHRB inform and strengthen ongoing efforts to manage IEFAs throughout China</i>						
Output 4.1 National and local-level learning networks gather and / or generate lessons learned						
Output 4.2 Communication, dissemination and exchange of lessons learned among HHRB project stakeholders, IEFA managers and, through CBPF network, relevant sectoral agencies (mining, forestry, land use management)						
Output 4.3 Revision of Guidelines for IEFA Planning and adoption of IEFA policy measures, biodiversity indicators and targets with water retention and biodiversity values						

* Note: HS = Highly satisfactory; S = Satisfactory; MS = Marginally satisfactory; MU= Marginally unsatisfactory; U = Unsatisfactory; HU = Highly unsatisfactory.

PROJECT OUTPUTS

39. This section attempts to provide an overview of the main achievements of the Project. Although it is not intended to be a comprehensive account, it is unfortunately less complete than normal because one of the biggest difficulties that the evaluation team has faced with this Project has been that of determining exactly what activities the Project has undertaken, and precisely what results have been achieved. There has been a great deal of confusion in reporting the Project results, with most figures claimed turning out to have included baseline actions and the results of other projects, most notably the European Union-China Biodiversity Programme that operated in this same area earlier (see paragraph 86 and [Annex IV](#)). The material has drawn heavily on *Mid-term Project Progress Report* produced by the PMO for the evaluation although liberally edited and interpreted by the evidence seen by the evaluators. The MTET acknowledges the work of the PMO and thanks them for allowing their efforts.

Outcome 1: Biodiversity and ecological function conservation mainstreamed into HHRB planning and monitoring

Output 1.1: Institutional arrangements and capacities for mainstreaming the conservation of biodiversity and ecosystem functions into local governance

40. The Project Leading Group comprising 11 bodies was established immediately after the Project Document was signed and has been meeting regularly since (see paragraph 17). In addition, Local Project Leading Groups have been established for each of the five Counties involved in the Project. All of these bodies have been important for coordinating the involvement of various government agencies within the Project's activities. A Technical Advisory Group has also been formed to provide relevant expertise to the Project from within and without government. It appears that this group has met on an *ad hoc* basis, but the results of its involvement appear to be limited (see paragraph 80 *et seq.*??). A number of training workshops and awareness-raising events were held for the members of the PLGs and the TAG in relation to environmental economic values and the complementarities between ecosystem functions and biodiversity, including national study tours to the Origin of Three

Rivers Key Ecological Function Zone²⁰ in Qinghai and Sichuan Provinces, and Tibet. A baseline survey of conservation capacity was completed under the ECBP.

Output 1.2: Biodiversity-friendly land use planning mechanisms (Municipal and County levels) and associated plans

41. A great deal of work has been undertaken on carrying out baseline surveys of the ecological impacts arising from various sectors or sub-sectors. These include the supply of flowers; medicinal herbs; mining; forestry; agricultural non-point-source pollution; and tourism. These appear to identify current problems fairly precisely, yet the recommendations contained in the reports aimed at rectifying them are very general with little direct guidance as to how they should be implemented, e.g. the translation of those taken from the agricultural sector report include: “*Making an overall plan with intensified management*” and “*Taking focused measures to enhance biodiversity conservation: 1) establishment of primary habitat conservation sites for wild plants; and 2) building artificial wetlands, ecological parks, nature reserves, etc.*”²¹. The report on tourism makes no mention of biodiversity, so it may be pertinent to ask what its point was.

42. The Project rescheduled work on land planning to its inception phase in order to take advantage of the revisions being made to the *Overall Plan of the Xinyang Municipal Land Use (2006-2020)*. As a result, five workshops were held between 9th June and 9th November 2009 to incorporate ecological function and biodiversity conservation into the plan; baseline surveys were conducted between 22nd June and 20th July 2009, and biodiversity overlays were produced along with preparatory work for the issue of the new plan between October 2009 and December 2010. These biodiversity overlays were evaluated by the MTET. Unfortunately, they contain no information whatsoever on biodiversity. Six overlays have been produced, thus:

- 1) Distribution of ecological conditions of land-use;
- 2) Land development and consolidation planning map (which identifies all land as for development, for reclamation, or for consolidation);
- 3) Base soil type map;
- 4) Remote sensing image (with no key);
- 5) Ecological service function (with qualitative terms such as “medium importance 1; medium importance 2, relative importance 1, relative importance 2, etc. which are said to be defined somewhere but not in the plan itself); and
- 6) Status of land-use in 2005.

There are almost no spatial plans included in the document (plans as in intentions for the future); no zoning; no priorities for land involving biodiversity; no ideas such as ecological corridors to link nature reserves or priorities for organic farming areas (or ecologically-friendly forestry or similar) to reduce impacts between nature reserves²². Indeed, on the contrary, one of the few “in the future” maps is the *Map of Town Spatial Development Strategy Planning Map 2006-2020*. This outlines the primary (Xinyang) and secondary (Guangshan and Huangchuan) foci for development and their associated development axes. The secondary development axis running south from the secondary development centre passes directly through the highest rated ecological rating contained in map 5 above (ecological service function), with no attempt made to divert around it²³. When the Deputy Director (Technical) was questioned over this, his reply was “*Oh, we can fight with the Government later*” which displays a telling naivety over the whole point of land-use planning – that of resolving conflicts and getting agreement within the land-use plan itself.

²⁰ No agreed official translation of this term yet exists. The Foreign Economic Cooperation Office of the Ministry of Environmental Protection use the term “*Key Ecological Function Zone*”, while all Project-based translations (including the Project Document) use the term “*Key Ecological Function Area*”. In this report the evaluators have followed FECO.

²¹ **PMO comment:** See Annex IX.

²² **PMO comment:** see Annex IX.

²³ **PMO comment:** see Annex IX.

43. The *Mid-term Project Progress Report* produced by the PMO makes a long quotation from the *Guidance of the State Council on Support Henan Province to Accelerate Construction of Central Plains Economic Zone* relating to ecological issues and noting that the fiscal transfer payments to the HHRB KEFZ will be strengthened, but the Project has played no part in achieving this. It goes on to quote from the *12th Five-Year Plan for National Economic and Social Development of Henan Province* which again it appears was beyond the Project's capability to influence, and finally quotes from the *Outline of Xinyang Municipality on the 12th Five-Year Plan for National Economic and Social Development* which the Project has made inputs to, thus:

“Based on the ecological foundation of the municipality, accelerate the construction of ecological municipality, promote the construction of ecological area along the Huaihe River and the Dabie Mountain, and strengthen the conservation and management of some important ecological function areas such as the Headwaters of the Huaihe River Basin, and Dabie Mountain, etc. to increase the capacity of soil and water conservation and conserve biodiversity.”

The MTET make two points – a) that this is the first time that the word “*biodiversity*” has ever occurred in a Municipality Five-year Plan, hence it is important recognition of the concept which it will be effectively impossible to reverse, and which the Project rightly points out is a major achievement; but b) questions whether it required quite so much apparent work to achieve²⁴.

44. A formulation plan to develop a Conservation and Construction Plan of the HHRB National KEFA was drafted in August 2011 but the Formulation Leading Group and the Formulation Expert Group remain to be determined. The budget for this formulation plan was prepared by the PMO in December 2011 and is proposed at RMB 3.346 million (US\$ 530,437), of which RMB1.083million (US\$ 171,686) is suggested to be funded from GEF.

Output 1.3: Revised standards and monitoring system for biodiversity and other ecological functions

45. The PMO's *Mid-term Project Progress Report* states that it has established a monitoring system. This was presented to the MTET in two reports – “*Monitoring Standards and Parameters System for Ecological Function and Biodiversity in HHRB National KEFA*” and “*Technical Specifications for Monitoring and Evaluations of Ecological Function and Biodiversity in HHRB National KEFA*”. The former covers six aspects of monitoring and provides for a comprehensive system. The latter defines only three of the six aspects covered in the “*Standards*”, namely the monitoring and evaluation of:

- Ecological function and biodiversity status in HHRB National KEFA
- Threats to ecological function and biodiversity in HHRB National KEFA
- Eco-Friendly development situation in HHRB National KEFA

Apparently, these have been approved by the PLG and monitoring has already started. Yet when the MTET questioned members of the PMO about the efficacy of the suggested monitoring system, the PMO insisted that although the expert group had recommended this system, the PMO had rejected it as unusable – something completely at odds with what the MTET had been told by the same PMO members a few days earlier when examining logframe indicators (see indicator # 8, [Annex IV](#)). The exact situation is, therefore, as with so much of this Project, unclear. However, it is clear that the system as it is currently formulated in both of these documents is not fit for purpose. The system has not been built upon existing governmental monitoring systems, but designed as a new system introduced and installed by the PMO. It is noted that the new system has been established without identified users, without the identification of any responsibility for long-term data collection (the Xinyang Research Institute of Environment Sciences has a short-term contract for this under the Project), and without any clear ideas stated of what the its aims are (questions asked, problems to be

²⁴ **PMO comment:** see Annex IX.

solved, likely decisions to be taken). The parameters identified cover a very wide range of environmental variables, but almost no biodiversity ones. One of the few biodiversity indicators involves endemic species, but without the context of the word “endemic” being defined – is this endemic to Xinyang Municipality, or to Henan Province, or to China? Five species are identified for monitoring under this parameter – and two of them (Golden Eagle (*Aquila chrysaetos*) and Fairy Pitta (*Pitta nympha*)) are not endemic even to China. Even assuming that the parameter was re-cast as “endemic and rare species” (Fairy Pitta is globally Vulnerable and Golden Eagle is probably rare in the context of China) the question remains as to why monitor them since they are unlikely to be good indicators of the health of various habitats, and the requisite skills to monitor at least Fairy Pitta are likely to be absent within the Municipality if not the Province.

46. The “*Technical Specifications*” are even more abstruse and comprise a series of indices calculated from measurements of the areas of various habitats with certain weightings applied. The copy which the MTET was furnished with does not appear to be complete but is reproduced as provided in Annex V. For example, the “*biological abundance (type of ecosystem) index*” is said to be calculated according to the following formula:

$$\text{“} = \textit{Abio} \times (0.35 \times \textit{forest land} + 0.21 \times \textit{grassland} + 0.28 \times \textit{water wetland} + 0.11 \times \textit{cultivated land} + 0.05 \times \textit{land for construction/regional area} \text{”}$$

where “*Abio*” refers to some normalization coefficient of biological abundance (whatever that means) and the parameters such as forest land are themselves made up of sub-categories each with a sub-weighting. There are to be 36 indices of this type. This nonsense is further compounded when calculating the “*Ecological Function Index*” which is said to be calculated thus:

$$\text{“} = 0.25 \times \textit{Biological abundance index} + 0.2 \times \textit{Vegetation coverage index} + 0.2 \times \textit{Water conservation index} + 0.2 \times \textit{Habitat naturalness} + 0.15 \times \textit{Basin water quality compliance rate} \text{”}.$$

Such gibberish is exactly that, for calculations of this type break the fundamental laws of mathematics as taught in every undergraduate basic statistics course, i.e. mathematical functions can be performed only on ratio scale data, and an index is at best interval level data, itself like trying to find the answer to two apples plus two oranges²⁵ – meaningless. The evaluators were told that the expert group had derived these indices from national level documents, namely the “*HJT192-2005 Technical Specification for Evaluation of Ecological Environment Status (trial)*”, “*Explanations of MEP on 2011 County Eco-Environment Quality Assessment Index System in National KEFA*”, and “*National Ecological Function Zoning by MEP, CAS*” and that advice coming from one workshop was reported as being “[The monitoring system] *should not be too simple because otherwise leaders will not think it worthwhile*”. If these are the cases then the expert group can be absolved to some extent, but this raises all sorts of difficult and uncomfortable questions for those involved in designing this at the national level, and the “leaders” would seem to be in need of education over the use of monitoring systems. Notwithstanding the breach of basic mathematics, the expert group should have been asking themselves how these indices would be used; what does it mean to a non-expert planner or decision-maker if the ecological function index rises from 0.4 to 0.5 or declines to 0.32? How can it be used to answer simple questions? At every level that an index is used, data is lost, and all too often the user has to return to that data to interpret the index – so what is the point? The MTET recommends that a simple monitoring system be designed, perhaps using just areas under different land use, or simple parameters designed to provide an indication of certain issues (e.g. levels of suspended solids at certain points in certain rivers as an indication of erosion levels), and that all indices are abandoned so as to provide data intelligible to educated laymen, particularly decision-makers. The monitoring system produced needs to be useable by the people who have to use it. Planners and politicians are non-specialists, so the system has to produce data that they are capable of using.

²⁵ **PMO comment:** See Annex IX.

The MTET recommends that a simple monitoring system be designed to provide data intuitive to decision-makers.			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
PMO/NTA ²⁶	Develop a monitoring system that is both simple to implement (data collection) and simple to understand (i.e. is intuitive and does not make use of complex indices).	By end of Project	Simple monitoring system
PMO/NTA	Ensure that the sustainability of the monitoring system is designed, i.e. that it is low cost; identifies who will be responsible for data collection and who will finance it; as well as determining what data will be collected, where, how often, and when.	By end of Project	Sustainable monitoring system

Outcome 2: Biodiversity and ecological function conservation mainstreamed into key productive sectors

Output 2.1: Enhanced knowledge, understanding and quantification of the impacts of key HHRB productive sectors on biodiversity and ecological functions

47. The PMO reports that it has completed surveys and assessments of the impacts of the key production sectors on ecological functions and biodiversity, but there is little evidence under this output that any linkages have been made to other outputs²⁷, as per the Project Document which states:

“Output 1.3 above will clearly identify a set of critical ecological functions and associated targets for HHRB. The present output will contribute to that process by identifying the specific sectoral drivers of deterioration of these functions and will attempt to quantify their respective impacts”.

While surveys and assessments have looked at the regulatory environment (see paragraph 48), the basic “*drivers of deterioration of these functions*” do not appear to have been examined in any meaningful way. Similarly, the PMO claims that since September 2010, four workshops on environmental economics were organised to conduct studies on the production of tea, flowers, medicinal herbs and on eco-tourism within the HHRB “*which laid foundations for the formulation of policies, laws and regulations related to ecological function and biodiversity in the HHRB*”. The MTET can find no evidence of this since no policies, laws or regulations appear to have been produced, nor is there evidence that any are in production. The basic idea expressed in the Project Document that such “*environmental economic analyses will estimate upstream and downstream values of HHRB ecosystem functions and biodiversity, as well as losses associated with negative impacts*” appears to have been totally missed. The trigger price analysis of cost effectiveness of mainstreaming has not been carried out.

Output 2.2: Sectoral policies, laws, regulations, incentives, enforcement methods and standards are assessed and IEFA-specific alternatives are developed

48. Several surveys and assessments of the impact of the regulatory environment on various productive sectors have been completed through contracts placed with specialist institutes. Reports have been published thus, with key findings and recommendations summarised:

- Report of Agricultural Policies and Regulations Impact on Ecological Function and Biodiversity;
 - technical proposals
 1. control and reduction of fertilizer and pesticide use in crop cultivation;
 2. use livestock wastes; and
 3. control and reduction of aquaculture pollutions;

²⁶ National Technical Advisor – see paragraph 76.

²⁷ **PMO comment:** See Annex IX.

- recommendations:
 1. enhance public awareness;
 2. making an overall plan with intensified management; and
 3. take focused measures to enhance biodiversity conservation e.g. a) establish primary habitat conservation sites for wild plants; and b) build artificial wetlands, ecological parks, nature reserves, etc.).
- Report of Forestry Policies and Regulations Impact on Ecological Function and Biodiversity;
 - outstanding problems:
 1. coverage of eco-compensation is very narrow with low standards;
 2. input to the Nature Reserves and the coverage of conservation is insufficient;
 3. input to wild plant resources protection is insufficient, and the destruction of wild resources is serious; and
 4. study and conservation of wild flora and fauna need to be improved.
 - recommendations:
 1. enhance survey and identification of biodiversity in HHRB;
 2. enhance technical research on the use of wild flowers, medicinal herbs and ornamental plants with important economic values to increase the amount of artificial planting; and
 3. enhance law/regulation enforcement to control illegal collections and related habitat destruction.
- Report of Mining Policies and Regulations Impact on Ecological Function and Biodiversity; and
 - outstanding problems:
 1. overall level of mining development and use is low;
 2. illegal activities occur from time to time; and
 3. the geological environment needs be much improved in mining areas.
 - recommendations:
 1. enhance awareness raising, education and direction guiding;
 2. standardise mining tenure and supervision and management of mining prospecting;
 3. deepen the integration of mining resources;
 4. enhance integrated use of mining resources; and
 5. enhancement management and rehabilitation of the geological environment in mining area.
- Report of Xinyang Municipal Tourism Sectoral Policies and Regulations Impact on Ecological Function and Biodiversity.
 - There was no mention of biodiversity in this report:

These are said to provide the basis for the development of the new sectoral policies and regulations, yet there is no evidence that the outputs have been used for policy making, perhaps because of the generality of the findings and recommendations. The PMO's *Mid-term Project Progress Report* also claims that:

“Driven by the project, government departments successively issued some regulations, policies and incentive mechanism including conservation ecological function and biodiversity in HHRB.”

and goes on to list a swathe of environmental protection documents issued by the XMG, but in many cases these pre-date the work outlined above and hence cannot have been derived from it, e.g. *Biodiversity Conservation Strategy and Action Plan in HHRB (Xinzhengwen N^o. [2009] 241)*; and *Opinion of Xinyang Municipal Government on Implementation of Deepening Collective Forest Tenure Reform (Xinzheng N^o. [2008] 70)*. However, some advances have been made, for example 500ha of rubbish-covered riparian land along the Shihe River on outskirts of Xinyang City were restored and designated as Pingqiao Wetland Park in 2010, while an additional 2,000ha of

existing wetland was formally designated as the Gushi Huaihe River Nature Reserve. Work has also been carried out by the XMG to prohibit aquaculture in sources of drinking water; to control environmental pollution of the Nanwan Reservoir; and to improve treatment and disposal of household waste.

49. No IEFA-specific policies, regulations, standards and enforcement strategies, or incentive programmes have yet been planned or implemented. While the MTET would expect these to be occurring in the second half of the Project, the MTET was carried out 33 months into a 48-month project (68%) and there was no sign that activities leading towards these had commenced, which is a concern. Furthermore, the MTET was taken to inspect pilot incentive programmes involving organic tea and cultivation of plants for the medicinal market, yet when the local people involved were questioned it became very clear that the organic tea farmers had been growing their tea organically for at least ten years, and that the Project was not involved with the cultivation of the medicinal plant (*Lilium brownii*) which was being shown the evaluators. Furthermore, when taken to see eco-tourism pilots, the only work that the Project had undertaken was some awareness-raising activities (don't shoot birds; don't dig up plants) with villagers involved in restaurants and selling souvenirs to tourists within the experimental zone of Dongzhai National Nature Reserve. It appears that no incentive programmes are being piloted, nor are any under development.

Output 2.3: Increased awareness and capacities among public and private sector stakeholders to respond to revised regulations and incentives

50. An extensive range of public awareness activities have been undertaken by the Project, and media publicity about the Project has been generated through television (China News Network, Xinyang TV), the newspapers (People's Daily, Xinyang Daily, Xinyang Evening News) and through various government networks (Henan Provincial Government Network, Xinyang Municipal Government Network). The MTET notes and commends the high political profile that the Project has received, for example, that

“on World Environment Day of 2010 and 2011, Mr. Guo Ruimin, Mayor of XMG, published his signed article with special topic in Xinyang Daily, emphasising the importance of protection of the biodiversity and ecological environment in Xinyang Municipality. He and the other main leaders of the Municipal Party Committee and Municipal Government made speeches in other occasions to point out the significance of conservation of biodiversity and eco-environment in Xinyang Municipality and required that all the municipal cadres and masses should strengthen awareness of protection of eco-environment”²⁸.

Special columns were established in the Xinyang Daily and Xinyang Evening News entitled “China-HHRB ” to publicise the ecological function of, and biodiversity conservation within, the HHRB area. The PMO produced the publicity boards and printed slogans such as

- “Conserve biodiversity and build a beautiful Xinyang”;
- “Biodiversity conservation matters for life and the future”;
- “Conserve biodiversity to promote the construction of HHRB national important ecological function area”; and
- “Conserve the biodiversity in HHRB to promote the sound and fast development of Xinyang economy”.

A series of large-scale publicity activities have been held in the main streets and communities on “Flowers Garden” Square in Xinyang Municipality, and it is reported that technical training workshops on tea, flowers, and biodiversity conservation have been conducted. It is further claimed that:

“The project actions and work ... remarkably increased the awareness and ability of the municipal and county government bodies, enterprises and institutions, and the community

²⁸ Mid-term project Progress Report by the PMO.

public regarding prevention and control of pollution, green consumption, circular economy, ecological function and biodiversity conservation”.

Such actions are to be applauded and there is some evidence to show that the capacity of government organisations has increased as a result, e.g. a 20% increase in the UNDP capacity scorecard (see Indicator #11 in Annex IV), but no quantitative evidence exists of such increases amongst the private sector or public, largely due to the Project failing to undertake any impact monitoring of its activities (see paragraph 34). Anecdotal evidence from interviews with local people did indicate that basic messages such as “don’t kill birds” and “don’t dig up wild plants” had been absorbed by them, but little beyond this. Importantly the central plank of this output was missing, that is “*Increased awareness and capacities among public and private sector stakeholders to respond to revised regulations and incentives*” [MTET’s emphasis], again largely because there are no revised regulations or incentives for these actors to respond to. There is no evidence that the poor, aging, or women have been targeted, or that at the community level the Project Document’s intention of:

“awareness and capacities for community-based management by demonstrating the use of ‘Authorized Management’ systems in three sectors: (i) forest and TCM resource management (ii) wetland and bird management, and (iii) mountain and flora resource management”

has been undertaken. Furthermore, the idea that:

“The main purpose is to incorporate biodiversity conservation into collectively-owned forest by establishing Focus Groups or Farmer Specialized Cooperatives, which will be put into operation in the relevant villages in the three demonstration counties”

appears to have passed the PMO by, since no such groups or cooperatives have been formed. A senior figure in one of the County PMOs bemoaned the training that had been received, saying that it “*needed enhancement in the future*” and that its “*content should be on something specific, not generalities*” and that he “*expected it to give operational guidance to farmers on how to change their behaviour on the ground*”. It would seem so did the Project Document. Another County-level interviewee “*expected the Project to have trained trainers to provide sustainable teaching*” and that “*most trainers should be technicians coming from the major production sectors*”.

Outcome 3: Biodiversity and ecosystem function considerations are regularly mainstreamed into poverty alleviation strategies and programmes

Output 3.1: A strategy to capture potential synergies between poverty alleviation lending, ecosystem function conservation and biodiversity conservation

51. The Project subcontracted a baseline survey of HHRB’s existing poverty lending portfolio to the Xinyang Municipal Poverty Alleviation Association which, with the aid of two workshops, completed a report *Survey Plan of Impact of Poverty Alleviation and Development on Ecosystem Function and Biodiversity*. Cognisance of international experiences combining poverty alleviation, ecosystem function, and biodiversity conservation was taken through hiring an international expert and holding a workshop on “*Poverty Alleviation Lending and Biodiversity Conservation*” for 30 attendees in Luoshan County, the pilot county of the Project. From this work, and the national and provincial related requirements, the PMO developed the *Guidelines of Xinyang Municipality on Poverty Alleviation and Development Lending* in June 2011. The major problems were identified as:

- 1) the area is severely poverty stricken;
- 2) people falling back into poverty as a result of disaster or disease; and
- 3) little attention has been paid to ecological protection in poverty alleviation.

The Mid-term Project Progress Report indicates that a number of steps have been taken to

“realise the combination between poverty lending and biodiversity conservation: i) the sectors carrying out these measures are qualified for a loan; ii) these measures must be inseparable part of each loan contract; iii) before a loan is granted, environment experts

must conduct an field study and make an quantitative assessment and measurement on the impact of the loan; iv) after a loan, periodic monitoring must be made to ensure the implementation of these measures. If the measures end in failure, it is necessary to make adjustment on a case-by-case basis; v) the measures without net loss of biodiversity and ecosystem functions can become standards for biodiversity friendly practices of all sectors”.

These would appear to be sound principles and yet appear to be absent from the *Guidelines*, which themselves are of little use since the seven principles are very general, thus:

- 1) *“favour the promotion of sustainable economic development;*
- 2) *favour sustainable protection and eco-environment improvement;*
- 3) *favour poor households who can shake off poverty and become rich;*
- 4) *favour poverty stricken areas with overall development and overall advancement;*
- 5) *favour cultivation of special advantage industries;*
- 6) *support voluntary participation of the poor family; and*
- 7) *be open and fair”.*

While the intention of these principles is valid, operational guidelines would require much more precise directions for those in charge of poverty lending to follow when agreeing loans. There is no evidence that a mechanism for implementing the guidelines has been established, and no evidence that work on an operational indicator system for monitoring lending or its effects has been started. Yet despite this, the Project claims that the guidelines have been applied to US\$ 78,833,000 that was loaned to local people during the 24 months of 2010-2011 even though the same Mid-term Project Progress Report states that the Guidelines were finalised at a meeting on 17th June 2011.

52. Biodiversity and ecological function conservation has been incorporated into the *12th Five-Year (2011-2015) Plan of Xinyang Municipality on Rural Poverty Alleviation and Development* in what one interviewee claimed was a “*breakthrough*” since this was the first time that this had been achieved anywhere in China. This is undoubtedly a major achievement by the Project and the Plan provides some excellent directions and even some quantitative targets²⁹, e.g.:

- *“Guidelines, objectives and tasks:*
 - *Guidelines are to attach importance to the synergies between poverty alleviation and eco-environment protection and to the sustainable use of the ecological resources to improve the conditions for production and living, centring on the conservation and construction of the HHRB National KEFA. The emphasis is to solve the poverty issues in the ... poverty-stricken areas and the degradation areas of the ecological function.*
 - *500 poverty-stricken villages shall be advanced in the whole because they are a serious threat to ecological function and biodiversity, in which there will be 20,000 people who will move out of the mountains, and 100,000 people will be transferred and employed through the training.*
- *Basic policies and principles:*
 - *Organic combination shall be achieved between the poverty alleviation and development and social relief, between increasing incomes and eco-environment conservation. Much attention shall be paid to fostering industries with local characteristics and to improving the conditions for production and living in order to protect the ecological function and biodiversity.*
 - *According to the regional types of economic development, the contiguous stretches of poor townships and villages with serious threats to ecological function and biodiversity will be incorporated into the overall plan of economic and social development. ...*

²⁹ as translated in the Mid-term Project Progress Report.

Additionally, concern will be paid to the regional ecological function and biodiversity conservation.

- *Major measures:*
 - *In townships and villages where the poverty rate is high, poor population is relatively concentrated and ecological function and biodiversity are very typical, the regional poverty alleviation plan shall be formulated to ... promote development of regional economy, expedite infrastructure construction, ecological backbone industries and collective economic development, ...*
 - *In the poor natural villages and residential areas where the habitats are bad but their ecological function and biodiversity are significant, resettlement shall be first arranged because it can improve eco-environment protection. According to the biodiversity characteristics and ecological functions, poor areas are aided to develop sustainable biodiversity use industries on the basis of resource advantages and market demand ...*
 - *Poverty reduction shall be strengthened by science and technology and ecology. ... Experts specialising in scientific research, teaching and popularising agriculture and biodiversity will be organised to make a field tour to poor townships and villages to spread some new agricultural varieties and advanced practical technology every year and establish some pilot bases where poverty alleviation is promoted.”*

53. The very long quotation is included because although specific operational policies and guidelines are not yet evident, the material in the 12th five-year plan stands in stark contrast to the paucity of detailed ideas in the *Guidelines* in paragraph 51). What therefore becomes apparent is that a good deal of work has been undertaken with regard to this Output, but that the low quality of the *Guidelines* does not do this justice.

54. The Project has also formulated jointly with the Xinyang Municipal Agricultural Development and Poverty Alleviation Office the *Overall Plan of Jiangwan Village – A Typical Design of the 12th Five-Year Plan on Whole Village Advancement by Poverty Alleviation Office of the State Council* which was published in October 2010. Among the four key principles was that of “*sticking to ecological conservation and sustainable development*” and the targeted tasks include mitigating the threats to biodiversity to ensure the conservation of biodiversity resources and their sustainable use. The major actions include industrial development, infrastructure building in poverty stricken villages, house improvement of poverty-stricken households; land rehabilitation, public services facilities, new energy utilization, and ecological construction and environmental improvement. The document states that the “*typical design*” will be implemented by July 2011, yet for reasons unknown to the evaluators, a field visit to this village was not included in the MTE mission.

Output 3.2: Poverty alleviation lending and associated technical support programmes that directly encourage biodiversity and ecosystem function conserving production

55. There appears to be no action yet taken under this Output. As indicated in paragraph 51, the Project claims that the *Guidelines* have been applied to a staggering sum of money (US\$ 78.8 million) loaned to local people during the 24 months of 2010-2011, but given there is no evidence for precise operational guidelines that would be necessary for those officers making loans to follow, nor any established mechanism for implementing the guidelines, plus the fact that the *Guidelines* were finalised only on 17th June 2011, it would seem that these claims are fanciful – or yet further evidence of the inability of the Project to differentiate between baseline and Project actions. Visits made to organic tea farmers and medicinal herb growers provided negative answers to questions about receipt of technical help from the Project. The MTET was not shown any evidence that the Project has been nurturing biodiversity-friendly lending to local people that may, for example, lead to organic certification or lesser levels such as green or “nuisance-free” certification; and yet again the *Mid-term Project Progress Report* claims that according to:

“the survey report of the Xinyang Municipal Agricultural Bureau, use of fertilizer in 2011 reduced by 5% per hectare compared with that in 2009; use of pesticide reduced by 8%

per hectare; while organic fertilizer increased by 18% and biological pesticide increased by 18% according to the monitoring data by HHRB Project monitoring sites.” and

“the report by the Xinyang Municipal Environmental Monitoring Station, in 2010 the average concentration of COD in the section water of the Huaihe River was 12.2mg/l, in 2011 it was 11.9mg/l.”

While these figures are clearly welcome, it is difficult, if not impossible, to attribute these results in any way to Project actions.

Outcome 4: Lessons learned at HHRB inform and strengthen ongoing efforts to manage IEFAs throughout China

Output 4.1: National and local-level learning networks gather and/or generate lessons learned

56. Little activity has been undertaken to date under this Output. No National Knowledge Management Officer as foreseen by the Project Document has been employed and because of delays to the Institutional Strengthening Project no links or work with this project has been possible. No lesson learning networks appear to have been established. Some national study tours have been arranged for members of the PLG and those in charge in the demonstration counties, namely to Inner Mongolia, Qinghai, Sichuan, Xinjiang, and Yunnan to learn from experiences with ecological functions areas and biodiversity conservation; and to Wuling Mountain KEFZ to help with planning the HHRB KEFZ. Very few lessons learned have been captured or generated and there is no evidence that there has been any exchange. The few lessons learned supplied to the MTET by the PMO are of a very low standard and simply describe the Project’s experiences (which is what the lessons learned are termed) rather than making any attempt to distil lessons that can be used by others – a fact also noted by the Foreign Economic Cooperation Office (FECO) of the Ministry of Environmental Protection. They have been reproduced in full in [Annex VI](#).

57. FECO were contracted by the Project in December 2011 to undertake the work associated with this Outcome, namely:

- HHRB National IEFA management lessons learned and analysis report;
- Research Report of Conservation and Construction of HHRB National IEFA;
- special topic articles or publicity, training and exchange activities of the achievement reports are periodically issued in the related newspapers, networks of the national level, Henan Province and Xinayang;
- a project publicity feature film;
- results of Revised Guidelines for IEFA Planning; and
- Guidelines for Policy Measures and Biodiversity Indicators for HHRB National IEFA.

It is clear from the way that Project reports have been written and the answers to questions in interviews that the PMO has now largely divested itself of responsibility for this, even though it should still be intimately involved. FECO acknowledge that their involvement in the Project has come very late but put this down to poor coordination when the Project was run under the NGO Xinyang Municipal Eco-Environmental Association and a desire to carry out the work in-house. Contact with FECO was established at the point that the XMG took greater control of the Project and the contract was signed as soon as the ToR and legal contracts were agreed. Since then, FECO held an expert meeting on 16th February 2012 attended by representatives of the Ecology Department of the MEP, the Chinese Academy for Environmental Planning, Chinese Academy of Environmental Sciences and the Xinyang Municipality EPB; and a workshop on February 29th to 2nd March to discuss the management of KEFZs with the local EPBs of Hainan, Shaanxi, Xinjiang, and Zhejiang provinces. The MTET was treated to a very professional presentation by FECO during the mission where details of the design, implementation, and progress so far were given. They also outlined a major strategic change from IEFAs to KEFZs (see paragraph 63 bullet point Outcome 4) which has repercussions for how this Outcome needs to be dealt with. FECO also visited the Project just prior to the MTET mission and they provided a brief critique of the work done to date by the Project which included:

- Fewer demonstrations of alternative livelihood and technologies for the sustainable use of biodiversity resources had been carried out in comparison to policy studies and training activities;
- The county-level PMOs are not fully familiar with the overall design and logical framework of the Project due to insufficient coordination; and
- The experiences and success points have not been fully identified and the effectiveness and impacts of the GEF HHRB Project are not distinctive.

They also suggested that guidance to the county-level PMOs needs to be strengthened; that demonstration activities require more effective design and organisation; and that the Project information system needs strengthening so that Project documents are collected and filed in a more timely manner and that Project experiences are better summarised. The MTET has assessed the progress on the Outputs under this Outcome on the basis of work done to date, but is now pleased to be able to report that it believes that this Outcome is now in safe and extremely professional hands.

Output 4.2: Communication, dissemination and exchange of lessons learned among HHRB project stakeholders, IEFA managers and, through CBPF network, relevant sectoral agencies (mining, forestry, land use management)

58. The Project has contributed to raising awareness among the municipal and county policy makers and practitioners about the critical nature of the HHRB as an IEFA/KEFZ and area with rich biodiversity. It established a website, and organised a number of awareness raising events and training activities for the PLG and TAG members. However, the MTET is at a loss as to why the TAG members should require training – surely the whole point of a TAG is for it to be providing the Project with its considerable expertise, not for the Project to be training it in the very aspects that it should be providing to the Project? This appears completely back-to-front and provides additional evidence that the TAG is not functioning as envisaged (see paragraph 80). The Project added “*media publicity*” as a new activity under this Output, and as a result much of the ensuing work has been carried out on this aspect rather than the intended communication, dissemination and exchange of lessons learned. While the new activity has been well carried out, the MTET believes that it is largely irrelevant to the Project’s needs and aims as described in the Project Document, and has been undertaken to the detriment of those aims – the proper documentation and wide dissemination to target audiences of the demonstration of IEFA management in the HHRB. Public awareness, something the evaluators suggest that the Xinyang Municipal Eco-Environmental Association has previous experience of and is probably good at, has been added to the activities probably as a result of just that experience and ability, but the consequence has been a serious confusion between the task of exchanging lessons learned and that of awareness-raising. After all, what is the aim of producing 5,000 promotional desk calendars for government departments and institutions? The MTET recommends that the activity “4.2.2 *Media publicity*” be removed from the logframe or at least scaled back to a bare minimum.

The MTET recommends that the activity “4.2.2 <i>Media publicity</i> ” be removed from the logframe or at least scaled back to a bare minimum.			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
PMO/UNDP-CO	Review the added value provided to the Project of including “ <i>media publicity</i> ” as an activity within the logframe and remove it or scale it back to an appropriate level.	As part of the logframe review – see paragraph 63.	Altered logframe or management policy reducing resources allocated this activity.

Output 4.3: Revision of Guidelines for IEFA Planning and adoption of IEFA policy measures, biodiversity indicators and targets with water retention and biodiversity values

59. Activities under this Output would naturally fall into the later stages of the Project so the fact that most of them have been started does not reflect badly on the PMO but makes assessment difficult. The PMO has developed and produced the first of its training materials – a book published in December 2010 covering five chapters, thus (a full table of contents is given in [Annex VII](#)):

- Chapter 1: HHRB National Key Ecological Function Zone
- Chapter 2: Concept of Biodiversity and Biodiversity Conservation
- Chapter 3: Biodiversity in HHRB, China and the World
- Chapter 4: Analysis of Threats to Biodiversity and Conservation Measures
- Chapter 5: Environment-friendly Production Practices - Organic Agriculture

Again, although not quite what the MTET would expect learning materials for this Project to encompass, and probably influenced heavily by the unwarranted perceived need for popular awareness-raising, the book nevertheless appears to offer a reasonable introduction to many of the concepts and issues and is likely to prove effective, particularly given the generally low capacity of county-level government staff.

KEY ISSUES

60. As can be seen from the foregoing part of the evaluation, the MTET believes that this is a good project concept, hitting serious problems through exceedingly slow implementation arising from poor management and weak technical capacity. Although the Project has been evaluated as Marginally Unsatisfactory, the evaluators are not writing it off as beyond repair – far from it. There are opportunities ahead, which if grasped and the MTET recommendations implemented, give the Project a chance of achieving most of its original objectives. The aim of this section is to concentrate on those key cross-cutting and often difficult issues that the Project, at its halfway stage, now needs to address. It is important that the reader keeps in mind that this section is not intended to show the Project in a poor light, rather to suggest the ways to improve it.

THE STRATEGIC CONTEXT

Lack of Progress

61. The Project exhibits a marked lack of progress at a point just past its halfway stage. While significant advances have been made with regard to mainstreaming biodiversity into the overarching policy framework of the Municipality, itself a major achievement, this represents only one stage of the mainstreaming process, and the lower level documents, what the lead evaluator terms the “how to documents”, such as the regulations, operational guidelines, technical manuals, standards and enforcement strategies, zoning plans, incentive programmes and monitoring systems, appear not yet to have been thought about. In the single case where guidelines have been produced, i.e. the poverty alleviation guidelines, these are similarly too general and represent principles rather than operational directions. On the ground, progress is conspicuous by its absence, e.g. there are no demonstration activities, and no technical training was evident. There is too much emphasis on big meetings and the production of paper, and too little on the practical aspects of getting ground-based results from mainstreaming. There is also a lack of understanding of the importance of the two-way communication of lessons learned expected by the Project designers under Outcome 4. Insufficient attention has been paid to this aspect, and the reporting of it suggests that by sub-contracting it to FECO, it is in fact no longer a responsibility of the PMO. Confusion is also evident between the idea of public awareness-raising (an activity introduced into the logframe in the Inception Report) and that of the communication of lessons learned.

62. The evaluators believe that the Project is stalling for two main reasons. First, unforeseen faults in the Project’s design which are discussed in paragraph 12, most notably the initial use of an NGO to implement the Project, low capacity of stakeholders, and over ambition; and second, the low capacity of staff throughout the Project itself (which are discussed in detail in paragraphs 72 *et seq.*). A perusal of Annex IV will immediately show up a prevalence of yellow, orange, and red – an indication of limited progress with attainment unlikely by the end of the Project, at least without increased effort. Only two of 27 indicators are coloured green, i.e. already successful or expected to be so. Effectively, the Project is on course to fail which means that there are three options:

- 1) Do nothing – no changes are made to the implementation team or approach; remaining money is spent resulting in very limited further progress; some measure of “unsatisfactory” can be expected from the terminal evaluation.
- 2) Close the Project down – accept that the Project has achieved little; save all further expenditure; undertake measures to limit political loss of face by leaders who have invested a great deal of their political credibility.
- 3) Make radical structural changes to the Project - this will require new personnel, more time, more finance, but the MTET believes it should lead to a successful conclusion of a Project that still retains a high degree of relevance both to the Municipality and to the State’s aspirations.

The first option is not really tenable since it produces no perceivable benefits. Closing the Project down is in some ways the easiest since it requires little risk, no further expenditure of finance or political capital, but will result in none of the expected gains and the political repercussions will have to be dealt with. Although the MTET is aware that this may be viewed as a possible course of action, or even the preferred action, by certain people closely involved with the project, the MTET believes that this may be short-sighted. The third option will be the most difficult to implement and definitely involves a degree of risk. The key question that requires answering is “*if changes are made to the Project and it continues, will it be able to reach at least a Marginally Satisfactory rating in the end?*”? The MTET believes that it should be able to achieve this. The lead evaluator has seen a number of projects with significant problems like this one at the Mid-term which have gone on to successful conclusions after significant remedial actions have been taken. For example, he recently undertook the final evaluation of the *Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia’s Altai Sayan Eco-region* Project which the MTE had assessed as being Unsatisfactory. He was able to evaluate its final overall performance as Satisfactory, and write that:

“The adaptive management displayed by the Project has been outstanding, and the Project stands as a truly excellent example of the value of a perceptive MTE. It is very clear to all that without the recommendations made by the MTE, and their full implementation by the UNDP-CO and the Project, the Project would have failed. That it has not, and that it has gone on to produce very successful achievements, is nothing short of remarkable and a testament to the hard work and skill that the Project staff have displayed.”

In the minds of the MTET, there is no question but that this should be the option followed, and the rest of this report is largely devoted to providing the justification and recommendations for these changes (see also Lessons Learned). They include in approximately chronological order:

- Extension of the Project’s timeframe (including modelling finances) (see paragraph 65);
- Analysis of Project spending to date to find means for improving cost-effectiveness (see paragraph 28);
- Suspension of the Project while the changes are made (see paragraph 66);
- Replacement of the majority of the PMO (see paragraphs 72-77 and 79);
- Provision of strong technical leadership (see paragraph 78);
- Simplification of the logframe and the activities (see paragraph 63); and
- Restructuring of the TAG and Experts’ contracts (see paragraphs 80-81).

Logframe

63. With lack of time now a critical factor, the Project needs simplification to concentrate on the priority actions needed to bring about the most important part of its vision – that of getting biodiversity actively mainstreamed into land-use planning process and into sectoral policy action on the ground. Part of the key to this will be restructuring the logframe. This could be done at a one-day workshop after the new NTA and PMO staff have been hired (see paragraphs 72-78) and should be guided by the UNDP-CO, although if the UNDP-GEF RTA could attend that would be very helpful.

Alternatively a (international?) consultant could be hired on a very short contract to lead the process. While restructuring the logframe is beyond the MTE's ToR and the timeframe available to it, nonetheless the evaluators offer some suggestions that assume the recommendation for a time extension to the Project is approved:

- **Objectives:** These cannot be changed without taking the Project back to the GFE Secretariat or to CEO/Council for approval. It is unlikely that anything substantial can be achieved on Indicator #1 unless a way can be found to channel existing positive actions through new practical guidelines and land use plans. For example, if existing forestry plans for say ecological forests could be made to include simple biodiversity actions such as planting using mixes of Henan-native forest species, planting blocks of broadleaves amongst conifers, etc. then such areas would count towards the indicator since the increase in cover would be directly attributable to the Project. For reduced mining surface cover, if the Project could derive a land-use plan with priority areas for biodiversity connectivity, or for reductions in existing or potential erosion, and re-direct mining restoration activities to these areas, then again such areas would count towards the indicator since the increase in cover would be directly influenced by the Project. Increases in wetland area need to be exactly that – increases not simply new designations on existing wetlands. Indicators 2-4 could be achieved with changes to the logframe outlined below, namely improvements to the work already done on the land-use plan and the biodiversity overlays; and new work on incentives and guidelines. The wording of Indicator #4 needs changing to make it SMART³⁰ without altering its overall sense.
- **Outcome 1:** The onus of work here now needs to be on building upon the gains made at the overarching policy framework level and developing the supporting documentation and plans necessary to make this work practically on the ground. These should include at least:
 - a set of guidelines for the planning process itself (i.e. how to do biodiversity-friendly land-use planning; what subjects/categories need to be included in policies and maps, etc.) which could be tested and refined through the development of two County-level land-use plans (Indicator #7); and
 - formulating technical guidelines needed to facilitate Government officers in interpreting the overarching policies into practical actions on the ground (getting an understanding of how such officers work at present will be crucial to this).

The logframe itself requires little change, but the new National Technical Advisor (see paragraph 78) will need to understand and implement a programme of activities that re-does the work already done on biodiversity overlays to a) make the overlays have more relevance to biodiversity; and b) to direct the XMG towards a desired state for biodiversity, i.e. to make some of the overlays based towards the future intended ideals complete with quantitative targets. The wording of Indicator #s 5, 6, and 8 requires attention to make them SMART. A simple monitoring system, perhaps based on data already collected by Government institutions with limited targeted additions, should be developed.

- **Outcome 2:** The failure of the Project to give sufficient attention to demonstration activities on the ground means that there is too little time left (even with an extension) to make much meaningful headway with most of the targets on the ground. The MTET believes that the wording of the Outcome should be maintained but the emphasis now should be, as in Outcome 1, focussed upon the mechanisms for translating the policy level intentions into practical on-the-ground realities. The work should be simplified by concentrating on just two sectors, forestry (definitely) and agriculture (probably) and letting go others such as mining. Strong guidelines both for sectoral-based planning, and for technical advice and the introduction of new methods, should be developed and implemented; along with the incentive schemes originally intended by the Project's designers. This being so, Indicator #s 9-11 should be retained (although #11 needs to be made SMART – see comments against this indicator in [Annex IV](#)), while #s 12-16 should be dispensed with and replaced by just two new ones designed to show delivery of sectoral-

³⁰ Specific, Measurable, Attainable, Relevant, Time-bound.

based planning guidelines and sectoral-based technical advisory guidelines, e.g. for two sectors each in two counties³¹.

- **Outcome 3:** Again, too little attention to date at the practical level on the ground has meant that the Project is unlikely to be able to achieve significant gains with this in the remaining time available to it. Therefore, the focus should again be on developing meaningful planning guidelines and priorities for both the Municipality and Counties (the existing guidelines are far too general), and technical operational support through clear, simple examples for the Government’s extension workers dealing with poverty alleviation issues. With regard to the indicators, given the seemingly huge amounts of money being directed to poverty alleviation in terms of loans (US\$ 77,860,000 in 2010-11 alone), the target of US\$5 million in Indicator #17 would still look to be achievable, hence this could be retained, as could Indicator #18. Indicator #19 is impractical – the MTET can see no way that the Project could determine whether the funds contribute to the suggested benefits, and hence feels that this indicator should be scrapped. Indicator #s 20-22 are extremely ambitious and as in Outcome 2 should probably be dispensed with and replaced with one or two indicating solid progress in the spheres of development and implementation of guidelines and technical operational support.
- **Outcome 4:** The evolving nature of State policy means that some minor changes to this Outcome and to Output 4.3 would increase its relevance. Since the Project commenced, the State Council has promulgated *National Key Functional Zoning* and a document entitled *Comments on Further Strengthening Environmental Protection (2010)* which has resulted in the MEP placing more emphasis on KEFZs than on IEFAs. Furthermore the *Technical Guidelines for IEFA Planning* were issued by the MEP in July 2009 and revision of them is thought by the MEP to be unnecessary. FECO, therefore, is suggesting that Output 4.3 is changed from “*Revision of Guidelines for IEFA Planning and adoption of IEFA policy measures, biodiversity indicators and targets with water retention and biodiversity values*” to “*Policy Recommendations for Management of KEFZs*” with which the MTET concurs. Furthermore, the MTET feels that replacement of “IEFA” by “KEFZ” in the wording of the Outcome and Output 4.2 would be beneficial and be unlikely to require referral to GEF; so that new wording would be:
 - *Outcome 4: Lessons learned at HHRB inform and strengthen ongoing efforts to manage KEFZs throughout China*
 - *Output 4.2: Communication, dissemination and exchange of lessons learned among HHRB project stakeholders, KEFZ managers and, through CBPF network, relevant sectoral agencies (mining, forestry, land use management)*

As a result, Indicator #s 23 and 24 will need to be replaced with something equating to Recommendations for Management of KEFZs; Indicator #s 25 and 27 can be retained (with IEFA replaced with KEFZ); and #26 kept but reworded with the following changes – “*Key project lessons are ~~continuously~~ gathered through project monitoring and expanded upon/ analysed during ~~mid-term and~~ [the] final evaluations*”.

The MTET recommends that the Project is simplified to concentrate on the priority actions needed to achieve its core vision – that of getting biodiversity actively mainstreamed into the land-use planning process and into sectoral policy action on the ground – and restructures the logframe accordingly.

<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
UNDP-GEF RTA Bangkok	Agree simplification of the logframe to prioritise activities.	Immediately	Written approval to change the logframe
UNDP-CO/XMG/ NTA/GEF RTA	Hold one-day workshop to simplify logframe and develop new indicators. If necessary, hire international consultant to provide assistance.	As soon as possible	Agreed new logframe

³¹ E.g. as indicative clarification only: forestry in Luoshan and Xinxian; agriculture in Shangcheng and Shihe District.

Project Timing³²

Compensation

64. UNDP-GEF signed the Project Document with the Government of China 2nd June 2009, thereby commencing the Project. The Project Document budgets the Project for four years which would make the date of closure, end of May 2013. It is clear that some confusion exists around this date, since although the Project apparently did some of its policy mainstreaming work in July 2009, it did not hire its Project Manager until September 2009 and according to the PIRs (2010 and 2011) the date of the first disbursement was not made until 14th December 2009. The Inception Workshop took place on 6-7th January 2010. The MTET believes that for these reasons, the end of the Project has been moved back to provide compensation for lost time; at least the end date, according to the PIR for 2010 (*Planned date of operation closure in Atlas*) is given as December 2013. However, nowhere other than the PIR is this documented, and the MTET believes that in the light of other timing issues, this should be clarified.

The MTET recommends that the currently agreed closure date for the Project be clarified and confirmed as being 31st December 2013³³.

<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
UNDP and UNDP-GEF Bangkok	Confirm Project end date	Immediately	Signed agreement

Extension

65. The MTET believes that the four year period allowed for this Project is a major design flaw and should have been rectified during the review process. The ambitious nature of the Project, combined with the likely low baseline capacity of those involved, always meant that the Project would struggle to achieve its aims within the period set – and this is indeed the case. A five-year Project would have been a much more suitable timeframe, hence the MTET recommends that the Project be so extended. However, the MTET is also aware that:

- a) GEF has changed its policy towards allowing extensions for projects and no longer looks favourably upon this practice; and
- b) the Project has underperformed to date and that part of the reason for now requesting the extension is to enable it some chance of achieving limited success. This is true, but without at least a six-month extension (preferably the year recommended), the restructuring of the Project recommended above and below has little chance of succeeding, and immediate closure would then, unfortunately, become a more realistic option.

Notwithstanding these points, the MTET highlights three important factors that GEF should take into account when considering the MTET's recommendation for a one-year extension. These are that:

- a) the extension would require no additional funding from the GEF since the MTET received informal indications that the XMG would be able to fund all such activities within the extension, crudely estimated at around US\$ 3 million³⁴;
- b) there is significant political buy-in to the Project not only at the Municipal level but also at Provincial and State levels, and that a successful demonstration of mainstreaming will have a high likelihood of widespread replication; and
- c) the Project is important to a much wider current process – that of the development of management guidelines for KEFZs – and hence the lessons and demonstrations from this

³² **PMO comment:** *About the project timing, the MTET proposed the three suggestions of “Compensation, Extension and Suspension”, which suggestion the Project can select will be depended on the simplification of the Project logframe and the re-set of the core objectives of the Project by the professional technicians under the guidance of UNDP. MTET response:* No, they are not alternative options but a collective series of recommendations (note a recommendation has a different status from a “suggestion”), all of which require implementation – see also footnote 36.

³³ **UNDP-GEF RTA comment:** *Confirmed.*

³⁴ Four-year project costed at US\$ 13 million (PIR 2010) = US\$ 3.25 million/year but with some cost efficiency savings.

Project have the ability to significantly influence up to 40% of China’s land area³⁵, especially so given the strong political buy-in – therefore, an extremely cost-effective return on GEF’s investment.

The MTET recommends that, in order to provide sufficient time for the restructured Project to achieve its core aims, it be granted a one year extension.

<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
XMG/UNDP-CO	Review existing budgets and model financially 6- and 12-month extensions to the confirmed current end date taking account of the recommended changes with the MTE Report	Immediately and prior to hiring new PMO staff	Financial models
XMG	In the light of financial models, confirm ability and willingness of XMG to finance relevant extension	As soon as possible	Letter confirming commitment to extra financing
UNDP-CO/ UNDP-GEF RTA/XMG	Agree period of proposed extension and apply to UNDP-GEF RTA for permission to extend	As soon as possible	Formal request for extension
UNDP-GEF RTA	Approve an extension for the Project	As soon as possible	Approval

Suspension

66. The MTET believes that the shortage of time available to the Project, even allowing for the recommended extension, combined with the scale of the restructuring deemed necessary, requires that the Project be temporarily suspended while the remedial action is carried out. With one exception, the MTET has been shown no evidence of any current activities that would be significantly harmed by such a suspension so the timing would appear to be serendipitous. The exception is the newly-signed contract with FECO to undertake Outcome 4 for which detailed work plans have already been laid. However, if the Project is extended, these plans would in any case have to be altered, so although some inconvenience will be caused to FECO, this problem is not insurmountable. There is one other problem – that of what to do with the three PMO staff that would be left in place, i.e. the Information Officer, the Accountant and the Cashier. The MTET admits that it has no immediate answer as to how to proceed, in part due to insufficient experience with Chinese employment law and Government processes. The aim obviously should be to have the three incumbents still available to the Project when it re-starts, but ultimately this may prove impossible. The options appear to include, but not necessarily be limited to, the following:

- Suspend the contracts and allow the three staff to find temporary employment elsewhere for the duration;
- Provide temporary employment for the three staff with the XMG;
- Pay the three staff a small proportion of their current salaries as a retainer; or
- Let the three staff go and recruit at the appropriate time when the existing incumbents could re-apply.

The MTET suggested that a three-month suspension would likely be adequate to re-budget, re-staff the Project, and simplify its design, but the UNDP-CO indicated that this may require six months. The MTET accepts that this might be so but counsels against taking too long or what little momentum the Project has generated will be lost.

³⁵ IEFAs were identified as covering 20% of China’s land area; KEFZs cover 40% of the country according to FECO.

The MTET recommends that the Project be suspended for a period not exceeding six months in order to provide sufficient time for restructuring it, without taking up valuable funded time to achieve this ³⁶ .			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
UNDP-CO/ UNDP-GEF RTA/XMG	Agree period for proposed suspension and take appropriate action to apply suspension	Immediately	Formal documentation for suspension
UNDP-CO/XMG	Agree a strategy for remaining staff and implement	Immediately	Agreed appropriate documentation

THE PLANNING CONTEXT

Project Oversight

67. Oversight of the Project by the Project Steering Committee has been viewed internally as generally good. Interviews expressed the view that it was useful and effective. However, the MTET cannot concur, if for no other reason than the PSC/tripartite review is ultimately responsible for the delivery of the Project and in this case that delivery is both behind schedule and of a low standard. The PSC ought to have been able to recognise this and to have responded accordingly. One of the UNDP officers interviewed agreed with the Lead Evaluator that PSC has met too infrequently, i.e. once a year; while the minutes of the first meeting in 2010 showed it lasted for only 80 minutes and the formal structure allowed constituent members only five minutes each to make comments on the report from the Project Director and allowed only 15 minutes for any form of discussion afterwards. The MTET also notes that neither the Ministry of Finance nor a full member of the Ministry of Environmental Protection (as opposed to FECON) were present at the first meeting, and the UNDP-CO points out that the meeting held in mid-2011 was actually the first properly constituted one. While that meeting approved the changes deemed necessary to the NPD, enabling the XMG to exert a stronger leadership role in the Project, the MTET feels generally that the PSC has not provided sufficient advice on key strategic, policy and programme issues, and rather has spent too much time dealing with day-to-day administration, staffing, work plan and budget approvals. While some may feel that this strategic role is offered by the Project Leading Group, the MTET believes that airing such issues in a wider group which has experience and vision outside of the municipal government may prove beneficial in the long term. Therefore, the MTET recommends that the PSC increases the frequency of its meetings to at least two a year, one of which should prioritise a strategic discussion of the Project.

The MTET recommends that the PSC meets at least twice a year, and one such meeting should prioritise discussion of the strategic direction of the Project ³⁷ .			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
UNDP-CO	Request and implement at least two PSC meetings per year.	From re-start of the Project	Minutes of PSC meetings

Sustainability

68. There is no indication that sustainability aspects have been specifically taken into account by this Project, but then again to be fair, they are implicit in the whole idea of mainstreaming. If the Project ultimately succeeds in putting together a mainstreaming programme that includes operational actions that translate policy into ground-level activities, then expectations for the likely sustainability

³⁶ **UNDP-GEF RTA comment:** *I don't think that suspension, in addition to extension, is necessary. I think that the extension of the project until April 2015 should provide sufficient time for the suggested suspension period.* **MTET response:** The MTET agrees. The MTET is unsure of where the date of April 2015 comes from, but itself was looking for 31st December 2013 to be confirmed as the current end date (which would mean that lost time has been compensated (see paragraph 64, recommendation and footnote)), plus one year extension (i.e. to 31st December 2014), plus a suspension of three to six months to restructure the Project (i.e. to 31st March or 30th June 2015). If April 2015 can be agreed by all parties, the MTET would agree that this should prove sufficient.

³⁷ **UNDP-CO comment:** *This is agreed by the Vice Mayor, should be well prepared for updating progress, and raise questions need for decisions before the meeting and 100% follow up actions.*

of this Project, would appear good. The institutional sustainability is particularly strong with significant levels of political will evident at all levels of government and through many senior individuals. While coordination issues within the XMG remain somewhat problematic because of different interests and incentive mechanisms and differing capacities, there is strong vertical sectoral integration and County-level implementation is likely to be as good as capacity allows. The outlook for the long-term financial sustainability of the Project is also generally positive, with finance being made available to meet the political commitments of the XMG to its declared strategy of becoming an “*Ecology-oriented Municipality*”. However, one of the key challenges identified by the XMG is that of the limitations placed on economic development within a national restricted-development area (i.e. an IEFA or KEFZ) which limit the short-term economic gains of local people while providing long-term benefits for others. This is partially being resolved by the commitment of State funding to the area through national level transfer payments for IEFAs being initiated in 2008-9 – Shangcheng and Xinxian Counties now each receive RMB 40 million (US\$ 6.34 million) each year to provide compensatory payments for ecological services – but this needs to be extended to all counties and districts involved in the HHRB, something perhaps that the Project could assist with; not least by highlighting its importance within the *Policy Recommendations for Management of KEFZs* proposed under recommendations for revisions to the logframe. The social sustainability of the Project is difficult to gauge since the Project has done little at the grass-roots level except for awareness-raising activities and some training in general conservation issues. Those interviewed indicated that their communities saw the Project in a positive light and supported any means of improving the local environment, but when limitations on their personal economic development to achieve this were raised, the support became less palpable. However, the rapid increase in rural incomes arising from young people migrating to the cities for work and sending monies back home has lessened the immediate effects of such potential limitations. This in turn raises the issue of economic sustainability which, as always, is ultimately the key to everything. Most of this will depend upon the incentive schemes to be developed by the Project to change local people’s behaviour; and to some extent on the way the national level transfer payments are used to compensate for lost opportunity costs or more directly as payments for ecological services. Therefore, notwithstanding the need to get the Project structured to actually achieve some of its aims, the MTET evaluates the likely sustainability of the Project as Satisfactory.

Replicability

69. The Project has been designed to act as a catalyst for the entire IEFA process by providing a practical demonstration of, and lessons learned for, the development of IEFA management. Unusually, the communication/demonstration part of this Project is absolutely critical to its success, but unfortunately, until very recently when the new NPD took over, the PMO has failed to grasp the importance of its catalytic function, instead viewing it as just another dissemination exercise. Yet as the Project Document makes clear, Outcome 4:

“will provide technical support to creating an enabling policy and regulatory environment for the establishment and management of IEFAs as well as refining the Guidelines for IEFA Planning, benefiting from the demonstration of IEFA management in HHRB. A successful demonstration at HHRB—if properly documented and widely disseminated—could represent something of a breakthrough. Conversely, work at HHRB will benefit from a clear understanding of similar challenges and efforts facing land managers throughout China. Opening these twin channels of communication is essential to ensuring that the project achieves its full potential for local and national-level impacts.”

Encouragingly, the new NPD appears to understand this importance and one of his first actions has been to initiate contact with FECO who have signed a contract to undertake this work in December 2011, and as this report makes clear (see paragraph 57) FECO are approaching the task with professional efficiency. The PMO remain detached from this process, but provided the new PMO team that this report recommends are well-briefed with regard to the importance of their close involvement in this component, the MTET is optimistic that much will be achieved.

THE MANAGEMENT CONTEXT

Country Driven-ness and Coordination

70. Political buy-in to the Project appears to be very strong at all levels of government, particularly that of the Xinyang Municipality whose commitment has also been met with considerable levels of co-finance (see paragraph 24). The Deputy Secretary of the Municipal Party Committee and Mayor of Xinyang, Mr. Guo Ruimin, has published articles and spoken publicly in support of the Project and its aims, while the Secretary of the Xinyang Municipal Party Committee and Deputy Governor of Henan Provincial Government has always prioritised its actions. This has enabled the XMG, the Municipal People's Congress, and the People's Political Consultative Conference to facilitate legislation and decision-making and to ensure coordination amongst various counties and government institutions. The Project still fits closely with the XMG's strategy to develop Xinyang as an "Ecology-oriented Municipality" which was initiated in 2004. However, at the State level, National Key Functional Zoning has largely replaced the concept of IEFAs although since there is significant overlap between the HHRB IEFA and the Dabian Mountain Water and Soil Retention Ecological Function Zone, little change should be apparent except for possibly some minor changes to the logframe (see paragraph 63).

71. The expenditure of significant political capital in supporting and leading the Project from the highest echelons of the XMG is one of the most commendable features of the Project, and while clearly technical and managerial difficulties exist, the MTET is hopeful that the strong political will so far displayed will facilitate and support the changes recommended elsewhere in this report to bring the Project to a successful conclusion. The MTET understands that this report, and some of the ratings herein, may be viewed negatively in light of the significant efforts that the leadership of the XMG have displayed so far, including those made in 2011 to overcome some of the perceived management problems. This should not be the case, since the MTET recognises that these efforts have been made and commends them; without them, and particularly the mainstreaming of biodiversity into key policy documents, the Project would have achieved very little. It is important that the political leadership recognises that the Project can still be brought to a successful conclusion, but the acid test now appears on the horizon to be the degree of political will that will be displayed and the amount of additional finance that will be necessary to make the necessary changes and achieve that conclusion.

Project Management

Project Management Office

72. The Project's implementation team is particularly weak. While personal job evaluations are not part of the evaluation process, and this is stressed at the beginning of each interview, it happens at times that low capacity evidently influences the effectiveness of the Project's implementation. In this Project's case, low capacity of staff throughout the Project is a key factor in its underperformance. In particular, there is a technical vacuum at the heart of the Project. The Deputy Director (Technical) is out of his depth, as is the Biodiversity Specialist, and although there is someone loosely equating to a Chief Technical Advisor who visits the PMO from Beijing for one to two weeks, two to three times a year, there is insufficient technical advice being given or it is being communicated inadequately. Furthermore, the culture of Government is one of following instructions rather than acting on one's own initiative, therefore without a very strong leadership and a clear, well-defined strategy for technical implementation, the Project is drifting. Key to this is the fact that the Project is introducing not one but many new technical concepts in a short space of time to stakeholders with limited or low capacity – these concepts include mainstreaming, biodiversity conservation, ecological function, environmental protection – and it is clear that there is insufficient understanding of all of these within the PMO. For example, biodiversity conservation and environmental protection are seen by many as

one and the same thing³⁸, while mainstreaming has been considered to require simple policy-level statements and the more detailed supporting cast of requirements is largely absent or evidence of their development is sparse, e.g. there are no detailed zoning plans with policies, no priorities for ecological corridors, no incentive schemes, and insufficient technical demonstrations on the ground.

73. The strategy that appears to have been followed is that of concentrating upon those technical activities where the Project's technical leadership displays some proficiency. This includes mainstreaming at the policy-level (assisted greatly by Government knowledge and experience), conducting extensive baseline surveys, holding numerous technical workshops, and carrying out unnecessary public awareness activities (themselves introduced, the evaluators surmise, because the Xinyang Municipal Eco-Environmental Association knew it could undertake them). Those aspects of the Project which seem beyond the technical ability of the PMO appear to have been largely neglected, e.g. developing the suite of supporting documents necessary to operationalise mainstreaming; economic valuation of environmental functions provided by the HHRB; technical demonstrations of sector specific biodiversity friendly practices; and the generation and communication or lessons learned into the wider national efforts towards construction of IEFAs – a crucial part of the Project. Arising from this, and of considerable concern to the MTET, has been the deliberate attempts by the PMO, particularly the Deputy Director (Technical) to hide this lack of progress from the evaluators who have been subjected to considerable obfuscation throughout the mission. This has included:

- attempts to limit the timeframe for the mission to inadequate levels;
- personal attempts to have field visits dropped from the mission schedule;
- misrepresentation of evaluators' views to others;
- field visits arranged to purported project demonstration sites where no technical demonstrations have been undertaken;
- reporting that inadvertently (or deliberately) confuses Project achievements (or lack of) with significant (and commendable) baseline activities (see also paragraph 86).

Indeed, one of the over-riding impressions that the evaluators formed was that of the PMO being unable to show explicitly what the Project had achieved and an inability to answer straight questions with straight answers.

74. At a finer level, the Biodiversity Specialist exhibits insufficient technical knowledge to fill a post of that title. Undoubtedly talented in forestry issues, and possessing valuable local knowledge, his grasp of an in-depth understanding of biodiversity issues is wanting. For example, an interview with one stakeholder indicated that advances had been made (outside of the Project) in forestry production to increase environmental protection (limiting the area of clear-felling) and decrease disease (plant mixed forests rather than single species) and that commercial forest and ecological forest were planted in equal measures. Although this stakeholder had high expectations of learning new techniques from the Project, especially in regard to the ecological forest, none had been forthcoming. Even simple ideas such as selection of species to mimic natural forests; inclusion of islands of broad-leaved species in coniferous plantations; leaving glades or introducing wider tracks/fire-breaks to benefit forest edge dwelling species (particularly insects); or the dangers and dis-benefits of planting alien species had not been communicated to him. Indeed, the dangers of alien species do not appear to have been raised anywhere in the Project, e.g. they are absent from the *Guidelines of Xinyang Municipality on Poverty Alleviation and Development Lending* even though one stakeholder informed the MTET that a new species of fish from nearby Hebei Province had been introduced into Jinlan Lake as part of a recent poverty alleviation scheme because it is a fast-growing vegetation-feeder and provides increased food and income for local people.

³⁸ An important issue in an area where, as one interviewee put it, there is “no strong biodiversity footprint on the ground”. Moves to limit the application of agro-chemicals on farmland and restore derelict mining land are laudable, but their effect on plants and animals, particularly the less common species, will be limited unless specific actions for promoting biodiversity conservation are understood and incorporated into the technical aspects of mainstreaming. Including the word “biodiversity” into a policy is not enough.

75. Even the basic management of the Project is lacking. The Project Manager displayed a disquieting lack of familiarity with even the most basic of the Project's technical concepts as well as an inability to describe the details involved in the process of developing Annual Work Plans. He appeared to have little grasp of the need for progress or impact monitoring; had no knowledge of the Project's risk assessment; and saw no problems with having contracts linked to time-based rather than results-based performance. One of the evaluators was also informed by several sources that he spent only about 40% of his time with the Project, and although this could not be verified, the fact that more than one source was involved independently suggests a degree of truth.

76. Other members of the PMO seem little better at their jobs. The Project Translator was poor, the lead evaluator having great difficulty in understanding his English and finding much of the written translations incomprehensible, and during the mission he made up the "translation" of one document because he had decided that the original report was not good enough. This undermined the trustworthiness of much of his previous translations which the XMG then had to re-check (for which the lead evaluator proffers his thanks). Interviews also indicated that the Project Accountant (who unfortunately could not be interviewed) indulged in the decidedly odd practice of keeping handwritten accounts, while making duplicate entries into Excel on the computer. This remains inexplicable, but would seem a complete waste of time – time that could be used in generating proper management accounts for use in decision-making, if the management actually understood how to use them.

77. Two options present themselves to rectify these problems:

- a) Provide significant training to the existing PMO staff; or
- b) Replace certain positions with new, more competent, personnel with immediate effect.

The former is not really a viable option since such training will require significant amounts of time – something the Project is in very short supply of (see paragraph 65) – and would also need to be paid for, something GEF would not pay for which would place the demand on the co-financiers. The MTET therefore recommends that there be a radical shake-up of the personnel within the PMO to increase its technical and managerial capability. This requires:

- converting the post of Deputy Director (Management) to that of sole Deputy Director and maintaining the present incumbent who displays an in-depth understanding of the issues surrounding, and the needs of, the Project;
- removing the post of Deputy Director (Technical) entirely (see paragraph 78);
- removing the post of Biodiversity Specialist entirely (see paragraph 78);
- replacing the current Project Manager;
- replacing the current Translator;
- changing some of the practices used by the Accountant to better serve the Project's needs.

The Information Officer appears to be doing an excellent job, but could be supported and mentored by FECO when working on activities concerned with Outcome 4³⁹.

³⁹ **UNDP-CO comment:** *It seems like that, but it may be difficult to keep him because of the complex context.*

The MTET recommends that the Xinyang Municipal Government and the UNDP-CO undertake a radical re-structuring of the PMO and its staff⁴⁰.

<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
XMG/UNDP-CO	Install the current Deputy Director (Management) as the sole Deputy Director	Immediately	A restructured, effective PMO
XMG/UNDP-CO	Remove the post of Deputy Director (Technical) entirely	Immediately	
XMG/UNDP-CO	Remove the post of Biodiversity Specialist entirely	Immediately	
XMG/UNDP-CO	Replace the current Project Manager	Immediately	
XMG/UNDP-CO	Replace the current Translator	Immediately	

National Technical Advisor

78. As noted in paragraph 72 the Project currently employs what is loosely described as a Chief Technical Advisor. This position, held by Mr. Yang Qingwen of the Agricultural Science Academy of China in Beijing, is currently structured so that Mr. Yang visits the PMO for periods of one to two weeks, two to three times per year. The MTET make no judgement of Mr. Wang’s suitability or performance in the post, unfortunately not having had the opportunity to meet with him. However, the structure of the current post is clearly unsuitable. The single biggest requirement of the Project is the need to overcome the technical vacuum at its heart. What is needed is a technical advisor located full-time in the PMO to provide both in-depth knowledge of biodiversity conservation and a broader understanding of the mainstreaming process; as well as the ability to develop a holistic, technical strategy and the leadership necessary to see it through to a successful conclusion. While in many projects this post would be described as a Chief Technical Advisor and likely be advertised on the international market, two factors negate against this in this particular case – a) the ability to communicate technical ideas in fluent Mandarin is almost essential, and although this might be found in a foreigner, it is unlikely; and b) the Project is now relatively short of money and probably could not stretch to paying international salaries plus associated relocation costs. Thus, the MTET believes that the Project should seek to recruit a Chinese national, preferably of some national standing but not necessarily an academic – the ability to produce practical, applied actions will be as important as scientific knowledge. It is envisaged that this post of National Technical Advisor (NTA) would replace that of the Deputy Director (Technical) and the Biodiversity Specialist, as well as reducing the onerous requirements of employing so many external experts.

The MTET recommends that the Project hires a National Technical Advisor as a full-time post based within the PMO to replace the positions of Deputy Director (Technical) and Biodiversity Specialist.

<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
XMG/UNDP-CO	Terminate the contracts of the current Deputy Director (Technical) and Biodiversity Specialist.	Immediately	Termination of contracts.
XMG/UNDP-CO	Advertise for, or head-hunt, a Chinese national with technical knowledge of biodiversity and knowledge or experience of making and implementing Government policy.	Immediately	Shortlist of potential candidates.
XMG/UNDP-CO	Hold interviews and appoint the best candidate as an in-house post, full-time.	As soon as possible	New NTA in post, full-time.

⁴⁰ **XMG comment:** In fact, the XMG has gradually strengthened the Project management. In the 24th month during the Project implementation, XMG adjusted the National Project Director, and added a Deputy Project Director according to the Project progress. These actions are positive, while the evaluators thought the effects were not evident. In next step, XMG will give full consideration of your comments and reasonably adjust the staff of PMO to increase their professional and technological capacity and effectively conduct the Project work. **MTET response:** The changes made were indeed positive and the evaluators have indicated that was the case in several places, e.g. paragraphs 23 and 32. Nonetheless, despite the obvious qualities of the NPD and the Deputy Director (Management), the shortcomings of most of the rest of the PMO staff remain as the key factors behind most of the Project’s problems.

Project Manager

79. The Project Manager simply requires replacement. The MTET discussed the possibility of combining the posts of Deputy Director (Management) and Project Manager, and the current incumbent Deputy Director (Management) would be a highly capable Project Manager. Nonetheless, the posts have different requirements, and even though they could be kept separate but be held jointly by one person, this is likely to cause too much confusion with stakeholders, and the advantages would not be that great. What would be preferable would be for a new Project Manager with demonstrable project management skills to be appointed, and for the Deputy Director (Management) to increase the proportion of her time spent on the Project in order to provide close supervision and mentoring, at least during the early stages of the appointment.

The MTET recommends that the Project replaces the Project Manager.			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
XMG/UNDP-CO	Terminate the contract of the current Project Manager	Immediately	Termination of contract.
XMG/UNDP-CO	Advertise for, or head-hunt, a Chinese national with demonstrable project management experience. Knowledge of making and implementing Government policy would be advantageous.	Immediately	Shortlist of potential candidates
XMG/UNDP-CO	Hold interviews and appoint the best candidate.	Immediately	New Project Manager in post, full-time.

Technical Advisory Group

80. The Technical Advisory Group within the Project appears to be operating wrongly. TAGs in GEF projects usually operate like a committee with a set number of meetings a year, or on an *ad hoc* basis as the Project requires. Often they are unpaid, providing their expertise *gratis* in return for the kudos associated with the position, or because the work of the TAG is highly complementary to their work and/or beliefs. In some cases, their time or expenses for attending the Group's meetings may be reimbursed. There is nothing in the Project Document that obviates this. The TAG is described in two identical paragraphs (77 and 130), thus:

“Finally, a multi-sectoral Technical Advisory Group (TAG) will be established to provide technical support to the PMO and LPMOs, as and when needed. The TAG will draw on expertise within and outside of government. The TAG will also continue operating following project completion”.

However, the PMO has hired 14 national and four international consultants on long-term contracts and appears to be calling these, if not using them as, the TAG⁴¹. Yet there is nothing in the quotation above that says they would be paid – indeed the final sentence says they will continue operating after the Project which begs the question who would pay them then? Although neither the mandate nor the operating arrangements for the TAG are spelled out by the Project Document, the evaluators cannot find anything within the budgets contained in the Project Document that suggests contracting experts as the TAG itself. Furthermore, the MTET sees the idea of members of the TAG also holding paid contracts to provide other technical services under the Project a direct conflict of interest – who is to say that a member of the TAG would not seek to influence what contracts are needed if he is to gain that contact himself? The MTET is not suggesting that any such influence has been exerted nor that any of the Experts has received a paid contract through such means. However, the way the structure of the TAG is operated under this Project makes a conflict of interest a direct possibility and this needs to be changed immediately. Finally, there is no evidence of the TAG actually meeting – no reports or minutes of meetings, and the PMO does not say it has met nor provides any dates of meetings in its *Mid-term Project Progress Report*.

⁴¹ **UNDP-GEF RTA comment:** *This is indeed a big problem and needs to be prevented in future. At most, they should be compensated for their expenses/time associated with the TAG work upon actual work.*

81. The MTET recommends that all long-term contracts with external experts are terminated immediately. While there may be some legal problems with this, if the XMG and UNDP-CO decide to close the Project rather than re-structure it, then this problem will still have to be surmounted. There will be no difference. Once this has been accomplished, new short-term results-based contracts could be re-issued to the same people, but only where this is necessary, and only after approval of the new NTA. A new TAG needs to be constituted with a properly-defined terms of reference, meeting schedule, a means of remuneration in-keeping with GEF Project norms, and a clear understanding that members may not take any (further) paid work under the Project.

The MTET recommends that the TAG is reconstituted with a clear operational mandate.			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
XMG/UNDP-CO	Terminate all existing long-term contracts with Project experts.	Immediately	Termination of contracts.
NTA /XMG/ UNDP-CO	Develop a clear terms of reference for the TAG including proposed reimbursement terms.	As soon as possible	ToR
NTA /XMG/ UNDP-CO	Identify what expertise is required from a TAG by the Project. Additional needs can be co-opted on an <i>ad hoc</i> basis.	As soon as possible	Core list of required expertise.
NTA /XMG/ UNDP-CO	Identify new members of the TAG – the number is irrelevant; the level and type of expertise important – and obtain agreements to serve.	As soon as possible	Written agreements to serve on TAG .
XMG/UNDP-CO	Issue letters of appointment	As soon as possible	Letters of appointment.
NTA	Hold first meeting of new TAG	As appropriate	Minutes of meeting.

Back-ups

82. The MTET finds that the Project has a written policy on computer back-up procedures which requires back-ups to be taken from all computers once a month. Multiple copies are taken – each computer being backed up onto the hard disk of another, and CD/DVD copies being made. While individuals are responsible for backing up their own data, the Information Officer has overall responsibility to see that this done. There is a fire-proof safe in the office, but strangely this is not used to store the back-up CD/DVDs. Unfortunately, it is rare for a GEF project to handle the issue of archive management so professionally, and the PMO should be commended on its actions. Although fire is unlikely to be a major risk within the building because of its largely concrete construction, and notwithstanding that there is a sprinkler system also present, the MTET still recommends that the back-up CD/DVDs are stored in the fireproof safe rather than the nearby cupboards.

The MTET recommends that all computer back-up CDs and DVDs are stored within the office's fire-proof safe. Similarly, back-up lists of computer passwords should be stored securely.			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
PMO	Alter policy to require back-up CD/DVDs to be stored within the fireproof safe	Immediately	Store CD/DVDs in fireproof safe

UNDP Role⁴²

83. The MTET finds that the UNDP-CO's performance with regard to the Project has been mixed. While it is not the MTET's intention to get involved in personality issues or to praise or blame

⁴² **XMG comment:** *When the current National Project Director took over the Project, Mr. Ma Chaode had been UNDP Programme Manager. He gave much support and guidance to the Project. In connection with the Project progress, he proposed to change the National Project Director and conduct the MTE in time, which obtained the consent of XMG in the end. Practice has proved these practices are correct. In daily work, Mr. Ma Chaode often communicated with the NPD, deputy project directors and the other staff in PMO concerning the specific work and gave the guidance to the implementation of the Project work in a timely manner. Ms. Zhao Xinhua, UNDP Programme Assistant, often gave guidance to the implementation of the Project work by email and telephone. PMO believes that under the guidance of the staff of UNDP-CO, the Project will be operated well along the correct direction.*

particular individuals, the MTET cannot ignore the fact that most of the problems with this Project fell in a period prior to the present Programme Manager incumbent (and for that matter Team Leader Energy and Environment incumbent) and no action was taken to rectify them. Indeed, it is apparent that the problems were effectively unrecognised, since after a visit to the Project in December 2010, the:

“Director of Environment and Energy Team, UNDP-China ... spoke highly of the project team’s work attitude, professional dedication and the achievements gained.”

Yet, only a short time after the present Programme Manager took up his post, there was recognition that not all was well and actions put in train to alter the Project’s leadership, which culminated in the XMG appointing the Director of the Municipality EPB as NPD. Since then, the recognition that problems remain has meant that the UNDP-CO has kept close contact with, and a watching brief over, the PMO but has awaited the findings of the MTET before attempting to instigate any further changes. The evaluators note, however, that the CO Programme Manager was responsible for ensuring that the MTE was undertaken at this time, despite a reluctant PMO and XMG wishing to postpone it, and that he has also been instrumental in making the initial improvements to the functioning of the PSC (see paragraph 64) and to initiating the involvement of FECO (see paragraph 57). It is the MTET’s view that, should the Project be continued with as recommended in this report, that it is now in a safe pair of UNDP-CO hands and that sufficient management time and resources will be devoted to it to provide the support it will require.

84. The Lead Evaluator often comes across problems between the management of projects and the somewhat rigid bureaucracy of the UNDP procurement and financial systems. However, the MTET is pleased to be able to report that no such problems were raised by the PMO during interviews – probably because of their familiarity with similar systems demanded by government operations.

Adaptive Management

85. The adaptive management displayed by the Project has been slow and limited. The main cause of this has been the inability of those involved either to recognise the problems that exist or to acknowledge them once they have been identified. These failings, rather than the lack of an appropriate response, are significant factors in the Project’s current ills. Most of those asked about adaptive management indicated that there had *“been very few problems”* and went on to discuss esoteric technical details such as the decline in the market price of medicinal herbs making it difficult in getting local people to plant them. The biggest single adaptive management action undertaken by the Project to date has been changing the NPD and bringing the Project fully under the wing of the Municipal EPB. This has undoubtedly had a beneficial effect in increasing the Project’s influence within the Government, but has not substantially rectified its technical failings, not least because neither the Director nor Deputy Director of the EPB (now also NPD and Deputy Director (Management)) are technical specialists; hence they are guided by the very person whose limitations are at the heart of the problem and whose political machinations to maintain influence and save face have continued to obscure the problem. A clean break with the past (as is now recommended) would have been better but it is understandable that those involved in making the change were attempting to maintain some form of continuity – paradoxically maintaining the problem they were trying to solve.

Reporting

86. The Project has produced a lot of paperwork, but seemingly to little effect. Technical reports are generally of low quality and/or do not appear to fit into a strategy designed to use effectively the information that they contain. The progress reports are over-egged, that is they talk-up the Project’s achievements to such an extent as to mislead the reader. Whether this is inadvertent or deliberate is hard to say. As it is, it is clear that those higher up the reporting chain have been misled as to the real progress being made, e.g. the RTA’s report and rating in the 2011 PIR is a direct result of what can only be described as misinformation arising from the reports sent to her. Nonetheless, a more critical appraisal of the Project’s achievements by the PMO could have alerted those in a position to assist it to

provide the resources to enable remedial action to be taken in a much timelier manner⁴³. The Project needs to understand that the reporting process is there to help it, not to hinder or castigate it, and that a more critical assessment of its achievements and its problems will result in assistance, not in admonishment. If the *Mid-term Project Progress Report* is anything to go by, simplifying the dreadfully convoluted and over-officious language would also help – there appears to be an idea that if one repeats the formal title of a report or workshop often enough, something important will flow from it; it will not. Importantly, the Project also needs to learn to differentiate between results that have arisen as a direct or indirect result of its interventions and those which may have occurred in the same area of interest but as a result of pre-existing initiatives (baseline) or other projects (parallel actions), and thereby cease continuing to claim such results as its own. For example, initial claims that forest cover had increased by 93,700 ha since the end 2009 as a result of the Project (even though the 2011 PIR states that much of this was as a result of baseline actions and the ECBP) were amended after detailed questioning by the MTET to suggest that 10,000ha had received Project support and guidance, but even this remains questionable since the 2011 PIR also states that “*with afforestation and beautification of urban and rural areas, over 5,000 ha of forests were increased*”, yet it is unlikely that the designers had the beautification of urban areas in mind when they developed the Project (see Indicator #1, [Annex IV](#)). Similar exaggerations were obvious with other indicators, e.g. Indicator #s 17 and 18, [Annex IV](#). Instruction from the UNDP-CO should help.

The MTET recommends that reports are simplified and that progress reporting is made more accurate.			
<i>Responsibility</i>	<i>Task</i>	<i>Time frame</i>	<i>Deliverable</i>
PMO	Improve the objectivity of progress reports and provide critical assessments where these are warranted.	Immediately	Accurate progress reports
PMO	Improve the quality and directness of technical reports	Immediately	More readable and relevant technical reports
UNDP-CO	Hold a short refresher seminar for the Project’s Directors and new PMO on how to calculate progress towards the Project’s logframe indicators	Once new PMO in place	No further confusion of project and baseline achievements

RECOMMENDATIONS

In order of importance to this Project as perceived by the MTE.

- The Xinyang Municipal Government and the UNDP-CO should undertake a radical restructuring of the PMO and its staff – see paragraph 77.
- The Project should hire a National Technical Advisor as a full-time post based within the PMO to replace the positions of Deputy Director (Technical) and Biodiversity Specialist – see paragraph 78.
- The Project should be simplified to concentrate on the priority actions needed to achieve its core vision – that of getting biodiversity actively mainstreamed into the land-use planning process and into sectoral policy action on the ground – and should restructure the logframe accordingly – see paragraph 63.
- The TAG should be reconstituted with a clear operational mandate – see paragraph 81.
- The Project should replace the Project Manager – see paragraph 79.

⁴³ **UNDP-GEF RTA comment:** *This point is well taken and on-the-ground verification efforts on the part of the UNDP should be further enhanced. However, please note that the annual PIR is a rigorous process, and the first draft reports from the projects are rarely accepted. After receiving the first draft PIR from the project team, a series of verification processes follows, instead of accepting everything reported. The process typically takes over 3 months. For example, before accepting the reporting and filling in the UNDP CO and RTA parts, we send a series of probing questions and requests for clarifications to the project management. For this project PIR, the RTA had sent 3 rounds of comments on the draft reports from the Project Management Office with the initial set of comments exceeding over 10 pages.*

- In order to provide sufficient time for the restructured Project to achieve its core aims, it should be granted a one year, no-cost extension – see paragraph 65.
- The Project should be suspended for a period not exceeding six months in order to provide sufficient time for restructuring it, without taking up valuable funded time to achieve this – see paragraph 66.
- The currently agreed closure date for the Project should be clarified and confirmed as being 31st December 2013 – see paragraph 64.
- The finances disbursed in the first part of the Project should be analysed to determine ways to make significant improvements to the Project’s cost-effectiveness and these need to be applied when re-budgeting the re-structured Project – see paragraph 28.
- A simple monitoring system should be designed to provide data intuitive to decision-makers – see paragraph 46.
- Activity “4.2.2 *Media publicity*” should be removed from the logframe or at least scaled back to a bare minimum – see paragraph 58.
- The PSC should meet at least twice a year, and one such meeting should prioritise discussion of the strategic direction of the Project – see paragraph 67.
- Reports should be simplified and progress reporting made more accurate – see paragraph 86.
- All computer back-up CDs and DVDs should be stored within the office’s fire-proof safe. Similarly, back-up lists of computer passwords should be stored securely – see paragraph 82.

LESSONS LEARNED

Key things arising at this stage of the Project include a few general lessons that may benefit other GEF projects:

- **Strong political will is vital to successful mainstreaming.**
The biggest success of this Project so far has been mainstreaming biodiversity considerations into the overarching policy framework of the Municipality. As with many other projects seen by the Lead Evaluator, the success of legislative and policy changes is intimately tied to the degree of political support that the project receives. It is vital that during the inception phase of such projects, especially where there has been a delay between the design and commencement of implementation, that the level of existing political support is assessed, and if lower than desired, steps be taken to re-build this. In this case, such support is very high and one of the most commendable parts of the Project.
- **Mainstreaming needs to be led by government.**
Interventions that seek to change government policy at any level need to be led by an institution with sufficient influence to bring about that change effectively. The most effective way to achieve this is from inside government itself where the processes are best understood, the right people to contact or involve are known, and sufficient gravitas is possessed for various non-supportive departments to listen. An NGO or other outside body possesses none of these. While some projects seek to introduce a specific piece of legislation, for example to have a biosphere reserve designated, this can be achieved by an outside body with sufficient political connections and support of the right type. Mainstreaming is a more subtle process affecting a wide range and a wide level of government actions and as such needs to be led by government.
- **Good management can overcome a poorly-designed project. Poor management can sink a well-designed project.**
The more projects that the Lead Evaluator sees, the more self-evident this lesson seems to be; indeed it may be axiomatic. This Project again demonstrates how a moderately well-designed

project albeit with one or two flaws, has been brought to its knees by poor management. However, and very importantly for the second half of this Project, it has frequently been shown that such projects can be rescued and go on to achieve significant success when capable management is installed.

- **When many new concepts are present in a single project a strong technical advisor is a necessity.**

Local absorption capacity is often very limited and this needs to be considered when determining the implementation actions. The twin requirements of project management experience and strong technical guidance are rarely found in the same person, but where a project involves the introduction of several new concepts, strong technical leadership is indispensable to project success.

- **Mainstreaming involves much more than changes to the policy framework.**

Changes to the policy framework are just the first step in a mainstreaming project and need to be supported by the micro-level documents that interpret and implement the macro-policy. These include, but may not be limited to, regulations, operational guidelines, technical manuals, standards and enforcement strategies, zoning plans, incentive programmes and monitoring systems. The institutional mechanisms for the ground-level implementation of mainstreaming also need to be built. While project designers usually include demonstrations with the project, these other aspects are either overlooked or are assumed. Since many project implementation teams, as this one, look to the Project Document for specific direction, such assumptions are dangerous, particularly given that mainstreaming is usually a new concept and hence is likely not to be fully understood. Spelling out the full requirements of mainstreaming in a Project Document would appear to be important.

- **The technical capacity required for the implementation of government-based activities is not necessarily sufficient for the implementation of an international project.**

While the upper echelons of the political and technical leadership in the Municipality have demonstrated a good understanding of what the Project is seeking to achieve and the requirements needed to achieve it, the lower echelons and those in the Counties are struggling to absorb the ramifications of the changes. While seemingly fully capable at carrying out government-based activities, these officers' capacity to absorb innovative ideas and apply them is less. Time, and importantly strong communication, is necessary to help overcome this – communication that the County-level officers interviewed said is lacking in this Project.

- **Public awareness-raising is irrelevant to mainstreaming**

Mainstreaming is a largely technical intervention involving changes to sectoral or cross-sectoral (e.g. land-use planning, poverty alleviation) policy frameworks and the associated interpretive operational documentation and tools (e.g. incentive mechanisms). While an understanding of the surrounding issues or the underlying importance of biodiversity or ecological function or similar is always helpful, neither public understanding nor support is actually necessary for its implementation, hence public awareness campaigns are largely irrelevant to the technical process.

ANNEX I: MID-TERM EVALUATION TERMS OF REFERENCE

1. BACKGROUND

The project forms a key element of the China Biodiversity Partnership Framework (CBPF). It aims to ensure that global biodiversity conservation values are integrated into the management of Important Ecological Function Areas (IEFAs). Baseline efforts to develop specialized management regimes for such areas provide an *opportunity* to mainstream biodiversity conservation into the management of significant numbers of important landscapes across China by building on the complementarity and synergies between ecosystems functions conservation and biodiversity conservation. Such a solution would offer an essential complementary element to China's protected area strategy. The project will work with relevant stakeholders at national, provincial and local levels to address barriers to launching this important management approach and to ensure biodiversity conservation is an integral component. GEF support will focus on ensuring that biodiversity considerations are fully taken into account within this process. The project will demonstrate mainstreaming in the national-level IEFA to be established in the Headwaters of the Huaihe River Basin (HHRB), a biodiversity-rich, 21,109-km² area considered a high priority by the Ministry of Environmental Protection. Based on the HHRB pilot experience, the project will seek encourage replication at IEFAs throughout China. Mainstreaming work here will include both at a landscape level and at selected sectoral levels such as in medicinal plants, mining and tourism. **The present TORs focus exclusively on the Mid-Term Evaluation of UNDP/GEF Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin Project (HHRB Project).**

The project goal is that of the CBPF as a whole, i.e., to significantly reduce biodiversity loss in China as a contribution to sustainable development. The project objective is to demonstrate practical mechanisms to mainstream biodiversity in China's Ecological Function Conservation Areas (EFCAs). The project consists of four mutually supportive outcomes. **Outcome 1** develops the overall framework for mainstreaming ecosystem and biodiversity concerns into governance at the project demonstration site. It establishes inter-sectoral management structures, which help to oversee the development of municipal and county-level plans as well as setting broad ecosystem-function and biodiversity targets for the site. **Outcome 2** works directly with key target sectors. It assesses and quantifies negative impacts emanating from these sectors, reviews the effectiveness of existing laws, policies, incentives, etc., develops alternative policies and incentive-based programs and, finally, increases awareness and capacities to manage and respond to revised regulations and incentives. **Outcome 3** ensures that biodiversity and ecosystem conservation goals are effectively integrated into poverty alleviation efforts; it draws heavily on the lessons emerging from Outcome 2 sectoral-based efforts, while demonstrating approaches to transforming those sectors. Finally, **Outcome 4** supports the establishment of lesson learning networks at local and national levels.

The project was approved by the GEF Council in 2008 and the Project Document was signed in June 2009, and project was launched on 29 Dec. 2009.

2. DESCRIPTION OF THE ASSIGNMENT

The purpose of the evaluation is to help guide the project's implementation from now till end of the project to achieve its objective. The MTE is also meant to synthesize lessons to help improve the project design and implementation of project activities. The mid-term evaluation will do this by:

- 1) to briefly review development and policy environment relating to Important Ecological Function Area (IEFA) and China Biodiversity Partnership Framework (CBPF), commenting on how these might have affected project performance and assess the extent to which the project remained relevant to the needs of its targets;
- 2) to perform interim assessment of the extent to which HHRB has successfully accomplished its

- objectives in terms of activities, outputs and outcomes as defined in the agreed Project Document (logframe), and assess the likelihood of achieving them upon project completion;
- 3) to identify implementing agency's institutional strengths and weaknesses, and identify potential options for improving project implementation capacities, which could include modification of activities, project management responsibilities, schedule of activities and budget allocations, among others;
 - 4) to evaluate the relevance, effectiveness, efficiency and sustainability of project outcomes.

3. SCOPE OF SERVICES

Three main elements to be evaluated are Delivery, Implementation and Finances. Each component will be evaluated using three criteria: Relevance, effectiveness, efficiency and timeliness.

Project delivery: The MTE will assess to what extent the HHRB project has achieved its immediate objectives. It will also identify what outputs, impacts and results have been produced and how they have enabled the project to achieve its objectives. The consultants are required to make assessment of the following issues under each priority area outlined below:

Institutional arrangement

- Preparatory work and implementation strategies
- Consultative processes
- Technical support
- Capacity building initiatives
- Project outputs
- Assumptions and risks
- Project related complementary activities

Outcome, results and impacts

- Efficiency of all project activities under the three major components
- Progress in the achievement of the immediate objectives (include level of indicator achievement when available)

Partnerships

- Assessment of national level involvement and perception
- Assessment of local partnerships, and involvement of stakeholders
- Assessment of collaboration between government, intergovernmental and non-governmental organisations

Risk management

- Were problems/constraints, which impacted on successful delivery of the project identified at the project design stage and implementation?
- Were there new threats/risks to project success that emerged during project implementation?
- Were both kinds of risk appropriately dealt with?

Monitoring and Evaluation

- Assess the extent, appropriateness and effectiveness of adaptive management at all levels of the project implementation
- Has there been a monitoring and evaluation framework for the project and how was this developed?
- Is the reporting framework effective/appropriate?
- Is this framework suitable for replication/continuation by the end of the project?

■

Project Implementation

▪ Review the project management and implementation arrangements at all levels, in order to provide an opinion on its efficiency and cost effectiveness. This includes:

- i) Processes and administration:
 - Project related administration procedures
 - Milestones(Log-frame matrix)
 - Key decisions and outputs,
 - Major project implementation documents prepared with an indication of how the documents and reports have been useful
- ii) Project oversight and active engagement by UNDP and project steering committee
- iii) Project execution: Xinyang Municipal Government as the executing agency and project sub-executing agencies
- iv) Project implementation: UNDP as the Implementing Agency

Project Finances

How well and cost effectively have financial arrangements of the project worked? This section will focus on the following three priority areas:

1. Project disbursements
 - Provide an overview of actual spending against budget expectations
 - Critically analyse disbursements to determine if funds have been applied effectively and efficiently.
2. Budget procedures
 - Did the Project Document provide adequate guidance on how to allocate the budget?
 - Review of audits and any issues raised in audits and subsequent adjustments to accommodate audit recommendations;
 - Review the changes to fund allocations as a result of budget revisions and provide an opinion on the appropriateness and relevancy of such revisions
3. Coordination mechanisms
 - Evaluate appropriateness and efficiency of coordinating mechanisms between Implementing agency and executing agency, UNDP and Xinyang Municipal Government;
 - Does the HHRB approach represent an effective means of achieving the objectives?
 - How can the approach be improved?

Under the supervision of UNDP-CO in consultation with Implementing Partners of HHRB Project, the mid-term evaluation team will accomplish the following tasks:

1) Review of the project design, planning and implementation

- Whether problems to be solved by the project are clear, the project approaches and strategy are sound, and immediate objectives and outputs are properly stated and verifiable in the project logical framework;
- Whether project problems to be solved still stand, project responses strategies and project adaptive management measures still relevant to national priorities and GEF strategies;
- Whether the designed institutional arrangement for project has been performing effectively during the project implementation and allocated responsibilities among key stakeholders are still relevant;
- Whether timeframe of the project is feasible and practicable; and
- Whether the project budget allocation is reasonable and practical based on the situation changes

and policy progress.

2) Review of project performance

- Timeliness and quality of inputs;
- Timeliness of activities undertaken;
- Project budget performance and cost-effectiveness budget performance;
- Ability of the project to utilize efficiently the inputs available to it;
- Quality and quantity of outputs produced;
- Achievement of immediate objectives;
- Factors that have facilitated or deterred the achievement of project objectives; and
- Co-funding mobilized till date;

3) Project impact

- To determine the extent to which the project objectives are expected to be achieved and what are the short-term and long-term impact of the project, including efficiency of the project, cost-effectiveness of the project, impact on mainstream biodiversity conservation in China, generation of income to local communities, replication and dissemination of project results within and outside project areas; awareness raised of biodiversity conservation by the public and decision makers.

4) Sustainability of project outcomes

- To analyze the risks and assumptions that are likely to affect the persistence of the project outcomes, including financial resources, socio-political, institutional and environmental risks.

5) Recommendations and lessons learnt

- Success stories;
- Problems in project implementation;
- Lessons learnt including technical, management, policy, capacity building and implementation arrangement;
- Recommendations including budget allocation adjustment suggestions etc.

4. THE REQUESTED SERVICES AND ACTIVITIES

The team will use the information generated by the HHRB Project including baseline and information generated by the M&E framework, and seek the necessary contextual information to assess the significance and relevance of the results. The strategic priorities of biodiversity portfolio in GEF Phase IV will be used as benchmark for evaluation by the mid-term evaluation.

In order to carry out the evaluation tasks, the team will carry out the following activities during the assignment period:

- 1) Review of background material and preparation of a tentative evaluation plan to be agreed with UNDP-CO and PMO of HHRB Project;
- 2) Desk review of documents provided by UNDP-CO before start of the assignment;
- 3) Interviews and discussions with relevant stakeholders including:
 - Project Steering Committee members including MOF, MEP officials responsible for the planning of IEFAs, FECO of MEP etc.
 - national-level officials in relevant sectoral ministries and other Government departments, particularly those involved with issues such as ecologically sound land use management, ecological certification and other incentive programs;

- PMO and NPD of HHRB;
 - UNDP-CO and UNDP RTA as required;
 - Municipal and county-level officials at HHRB;
 - production sector agents in the agriculture, mining, tourism and forestry sectors at HHRB;
 - Municipal and county-level women's federations to represent the interests of the aging and women's populations.;
 - Local beneficiaries in project pilot sites;
 - Key subcontractors, etc.
- 4) Field visits to selected demonstration sites to be agreed with UNDP-CO and PMO.
 - 5) Debriefing at the UNDP-CO on the preliminary findings after the meetings and visits with participation of key stakeholders;
 - 6) Preparation and finalisation of evaluation report by incorporating any additional comments from the UNDP-CO and PMO.

5. QUALIFICATIONS

The mid term evaluation team will consist of an international consultant and a national consultant. Both the international and national consultants are expected to have relevant academic qualification and evaluation experiences. In addition, it is desirable that the international and national consultants have as many as possible the following qualifications:

The team should ideally have the following competencies and attributes:

Expertise in:

- Capacity building and strengthening institutions;
- Post-graduate education in integrated natural resources management, biodiversity conservation, ecosystem services or relevant fields;
- Community-based natural resource management;
- Knowledge of biodiversity conservation, ecological zoning, regulation and policy, etc
- Demonstrated experiences of evaluation of donor-funded development projects, specifically undertaking complex programmatic reviews.

Some prior knowledge of the following would be ideal:

- Knowledgeable about the relevant policies of the GEF, UNDP reporting frameworks, project requirements;
- GEF principles and expected impacts in terms of global benefits;
- The Principles of the Ecosystem Approach of the Convention on Biological Diversity; and,
- Knowledge to assess fit with CBD work programs and 2010 targets;

Competency in the following is also required:

- Demonstrated experience in institutional analysis;
- Excellent English writing and communication skills. Demonstrated ability to assess complex situations in order to succinctly and clearly distil critical issues and draw forward looking conclusions;
- Ability to assess complex situations in order to succinctly and clearly distil critical issues and draw forward looking conclusions;
- Professional experiences in working in China and with Chinese counterparts an asset; and,
- Excellent facilitation skills.

6. EXPECTED OUTPUTS

The consultant team are expected to deliver the following outputs:

- 1) An evaluation report presenting evaluation results of the project of approximately 40-50 pages, structured along the outline indicated, and recommendations for remaining timeframe of the project.
 - A detailed record of consultations with stakeholders will need to be kept and provided (as part of the information gathered by the evaluators), as an annex to the main report.
 - If there are any significant discrepancies between the impressions and findings of the evaluation team and stakeholders these should be explained in an Annex attached to the final report.
- 2) Power Point Presentation (circa 20-25 slides) covering the key points of the MTE, Debriefing of findings to UNDP-CO, PMO and the GEF focal point.

A draft of both 1) and 2) above should be submitted within two weeks of the end of the in-country component of the evaluators' mission, and a final copy within two weeks after receiving written comments on the drafts from UNDP and PMO. The documents should be submitted in electronic format.

The findings of the evaluation will be used by Ministry of Finance as the GEF Focal Point in China, Xinyang Municipal Government as the implementing partner and UNDP to better adjust project strategy and approaches to guide the project implementation in the remaining period.

7. DURATION OF THE CONTRACTS

Three work weeks, including travel time required. The consultant will visit Beijing and Xinyang city, Henan Province as agreed between UNDP CO and PMO of HHRB. The consultants will meet with government officials, project participants, and other stakeholders in order to evaluate the project implementation and impact. The travel schedule and logistics will be developed by UNDP-CO in consultation with PMO/HHRB.

8. PAYMENT SCHEDULE

30% of the total amount due to the consultants will be paid upon signature of the contract. The remaining 70% is payable upon acceptance by UNDP-CO of the evaluation report in its final form.

9. START OF THE ASSIGNMENT

March of 2012.

10. DOCUMENTS TO BE PROVIDED FOR THE CONSULTANTS:

I. Management Reports produced by the UNDP/GEF Project:

1. Project Document and Project Brief, agreement/contact
2. Inception report
3. Original Log Frame and any revision made to it
4. Tripartite Review (TPR) / Project Steering Committee minutes
5. Annual Work Plans
6. Project Implementation Reports (PIR)
7. Annual Project Reports (APR)

8. Annual audit reports and Annual Financial Statements
9. Annual M and E Reports/ SpreadSheets
10. All contracts with sub-contractors and related stakeholders (even in Chinese)
11. Meeting minutes including PSC, PMO meetings (even in Chinese)

II. Technical Reports produced by the UNDP/GEF Project team and consultants

Other useful and supporting documents and materials such as technical reports, work reports, campaign manual/books, etc.

III. Any map illustrating the project interventions

IV. Others

1. a list of all output documents produced by the project (and copies of these),
2. planned and actual expenditure by output (and activity) - for UNDP, GEF funds as well as for sources of co-financing (planned and actual expenditure including any in-kind contributions)
3. project baseline information,
4. the M&E Plan,
5. any other key monitoring or evaluation reports / reports from the CTA.
6. GEF BD-2 tracking tool (the same excel sheet with only BD-2 tab filled) with mid-term assessment and update on the progress towards indicator targets as per the logframe.

11. Sample Outline for the MTE Report

- 1) Executive summary
 - Brief description of project;
 - Context and purpose of the evaluation;
 - Main conclusions, recommendations and lessons learned;
- 2) Introduction
 - Purpose of the evaluation;
 - Key issues addressed;
 - Methodology of the evaluation;
 - Structure of the evaluation.
- 3) The project(s) and its development context
 - Project start and its duration;
 - Problems that the project seek to address;
 - Immediate and development objectives of the project;
 - Main stakeholders;
 - Results expected.
- 4) Findings and Conclusions
 - 4.1 Project Formulation
 - Implementation
 - Stakeholder participation
 - Replication approach
 - Cost effectiveness
 - Linkage of the project and other interventions within the sector
 - Indicators
 - 4.2 Project Implementation
 - Delivery

- Financial management
 - Monitoring and evaluation
 - Execution and implementation modalities
 - Management by UNDP, World Bank and other partners
 - Coordination and operational issues
- 4.3 Results to date
- Attainment of Objectives
 - Sustainability
 - Contribution to upgrading skills at National level
- 5) Lessons learned
- 6) Conclusions and recommendations, including overall rating of project implementation and the achievement of project outcomes and objective.
- 7) Evaluation report Annexes
- Evaluation TORs , Itinerary and list of persons interviewed
 - Summary of field visits, including evaluators findings, issues raised and recommendations by different stakeholders
 - List of documents reviewed
 - Questionnaire used and summary of results if any
 - Comments by stakeholders (only in case of discrepancies with evaluation findings and conclusions)

ANNEX II: ITINERARY OF ACTIVITIES OF THE MID-TERM EVALUATION MISSION

Date		Activities
Tues	20 th March	All day: Document review.
Wed	21 st March	am: 1. Meeting (Skype) with UNDP-GEF Regional Technical Advisor (Ms. Midori Paxton). pm: Document review
Sun	25 th March	Lead evaluator travels to China.
Mon	26 th March	pm: 1. Lead evaluator arrives Beijing. 2. Onward air travel to Wuhan. 3. Travel to Xinyang.
Tue	27 th March	am: 1. Formal introductory meeting and presentations with Xinyang Municipal Government, Project team, and UNDP. 2. Meeting with Deputy Director of Planning Section Land Management Resource Department, Xinyang Municipality (Mr. Cao Xilaolin) and colleague (Ms. Chen Dawei). pm: 1. Meeting with Director of Environmental Protection Bureau, Xinyang Municipality and Project Director (Mr. Liang Jihai). 2. Meeting with member of Poverty Alleviation Association and designated liaison person for Poverty Alleviation Office, Xinyang Municipality (Mr. Peng Yijiu). 3. Meeting with Director of Liankang Shan Nature Reserve Administration Bureau (Mr. Huang Yuan Chao); Deputy Director of Dongzhai Nature Reserve Administration Bureau (Mr. Huang Hua); Director of Scientific Division of Jigong Shan Nature Reserve Administration Bureau (Mr. Ha Denglong); and Member of the Forest Bureau, Xinyang Municipality (Mr. Pei Xiaojun).
Wed	28 th March	am: 1. Meeting with Project Deputy Director (Technical) and Director of Xinyang Municipal Eco-Environmental Association (Mr. Wang Zengguo). 2. Meeting with Vice-mayor of Xinyang Municipality and Chair of the Project Steering Committee and Project Leading Group (Mr. Zhang Mingchun). pm: 1. Meeting with Project Manager (Mr. Yu Guo Zhong). 2. Meeting with Manager of Jinhua Company (Mr. Zhou Yi). 3. Meeting with Project Manager (Mr. Yu Guozhong).
Thu	29 th March	am: 1. Meeting with Project team to discuss progress against logframe indicators. pm: 1. Travel to Shangcheng 2. Formal meeting in Shangcheng County. 3. Meeting with Deputy Director of Forest Bureau, Shangcheng County, (Mr. Fan Kaihong). 4. Meeting with Director of Environmental Protection Bureau and Director of local Project Management Office (Mr. Lu Chunlin).
Fri	30 th March	am: 1. Travel to Hanchong village. 2. Meeting with organic tea farmer (Mr. Hu Zhenghua). 3. Meeting with organic tea farmer (Mr. Sun Shoushu). 4. Visit to tea gardens. pm: 1. Meeting with Ecological Conservation Officer, Environmental Protection Department, Shangcheng County and Deputy Director of Local Project Management Office (Mr. Zhou Jian). 2. Meeting with Technical Programme Support Officer, Jin Gang Tai Provincial Nature Reserve (Mr. Hou Minggeng). 3. Meeting with Chairman of Worker's Union, Poverty Alleviation Office, Shangcheng County (Mr. Cheng Jinsheng). 4. Meeting with Deputy Director of Nianyushan Wetland Nature Reserve Administration (Mr. Hu Huanfu).
Sat	31 st March	am: 1. Travel to Xinxian. 2. Meeting with Deputy Director of Environmental Protection Bureau, Xinxian County and Deputy Director of Local Project Management Office (Mr. Chen Yi) and Chief of Ecological Division, Environmental Protection Bureau, Xinxian County (Mr. You Xinyuan). pm: 1. Travel to Huang Tuling Village. 2. Meeting with Secretary of Villager Party (Mr. Jiang Leming) and Deputy Director of Pianpu township (Mr. Yu Bo). 3. Travel to Xinxian. 4. Meeting with Deputy Director of Poverty Alleviation Office, Xinxian County (Mr. Ge Qiyou). 5. Meeting with Deputy Director of Forest Bureau, Xinxian County and member of Local Project Leading Group (Mr. Xie

Date		Activities
		Xiang).
Sun	1 st April	am: 1. Travel to Luoshan. 2. Meeting with Deputy Director of Environmental Protection Bureau, Luoshan County and Deputy Director of Local Project Management Office (Ms. Huang Guangling). pm: 1. Meeting with Director of Environmental Protection Bureau, Luoshan County and Director of Local Project Management Office (Mr. Kan Shiyu). 2. Meeting with owner of eco-tourist restaurant, Lingshan village (Mr. Hu Kaixuan). 3. Meeting with Director of Lingshan village (Mr. Hu Jiakai).
Mon	2 nd April	am: Free visiting Dongzhai Nature Reserve. pm: 1. Meeting with Deputy Director of Poverty Alleviation Office, Luoshan County and member of Local Project Leading Group (Mr. Ding Chengjie). 2. Meeting with Chief of Afforestation Division of Forest Bureau, Luoshan County (Mr. Chen Naiyong). 3. Meeting with Deputy Director of Agriculture Bureau, Luoshan County (Mr. Gao Hongjiang). 4. Travel to Xinyang.
Tue	3 rd April	am: 1. Meeting with Project team to discuss progress against logframe indicators. 2. Meeting with Project team to discuss progress on monitoring scheme. pm: 1. Meeting (cont.) with Project team to discuss progress on monitoring scheme. 2. Meeting with Chief of Wildlife Protection Division, Forest Bureau, Xinyang Municipality (Mr. Xiong Linchun).
Wed	4 th April	am: 1. Meeting with Deputy Director of Environmental Protection Bureau, Xinyang Municipality and Deputy Director (Administration) of Project Management Office (Ms. Shao Bing). 2. Meeting with Project Manager (Mr. Yu Guozhong). 3. Meeting with Biodiversity Expert, Project Management Office (Mr. Zhang Liyun). pm: 1. Meeting (continued) with Biodiversity Expert, Project Management Office (Mr. Zhang Liyun). 2. Meeting with Cashier, Project Management Office (Ms. Wang Jinzhu). 3. Meeting with Director of Environmental Protection Bureau, Xinyang Municipality and Project Director (Mr. Liang Jihai). 4. Meeting with Information Officer, Project Management Office (Mr. Xiong Nianbin).
Thu	5 th April	am: 1. Meeting with Project Deputy Director (Technical) and Director of Xinyang Municipal Eco-Environmental Association (Mr. Wang Zengguo). 2. Travel to Wuhan pm: 1. Travel to Beijing.
Fri	6 th April	am: 1. Meeting with Deputy Chief of Division of Evaluation and International Consultancy, Foreign Economic Cooperation Office, Ministry of Environmental Protection (Mr. Chenming) and Project Officers (Mr. Sun Changmu and Mr. Li Shiye). 2. Meeting with Portfolio Manager, Biodiversity and Ecosystems, UNDP China (Dr. Ma Chaode). pm: 1. Meeting with Team Leader, Energy and Environment, UNDP China (Mr. Carsten Germer). 2. Informal de-briefing of UNDP China (Mr. Carsten Germer and Dr. Ma Chaode).
Sat	7 th April	Free day
Sun	8 th April	Free day
Mon	9 th September	am: Lead evaluator departs Beijing

ANNEX III : PERSONS INTERVIEWED

(S) = skype interview. Alphabetic order.

UNDP / GEF

Carsten Germer	Team Leader, Energy and Environment, Country Office
Ma Chaode	Portfolio Manager, Biodiversity and Ecosystems, Country Office
Midori Paxton	Regional Technical Advisor, Bangkok (S)

Project Staff

Liang Jihai	Project Director and Director of Environmental Protection Bureau, Xinyang Municipality
Shao Bing	Deputy Director (Management) and Deputy Director of Environmental Protection Bureau, Xinyang Municipality
Wang Jinzhu	Cashier
Wang Zengguo	Project Deputy Director (Technical) and Director of Xinyang Municipal Eco-Environmental Association
Xiong Nianbin	Information Officer
Yu Guozhong	Project Manager
Zhang Liyun	Biodiversity Specialist

Ministry of Environmental Protection

Chen Ming	Chief of Division of Evaluation and International Consultancy, Foreign Economic Cooperation Office
Li Shiye	Project Officer, Division of Evaluation and International Consultancy, Foreign Economic Cooperation Office
Sun Changmu	Project Officer, Division of Evaluation and International Consultancy, Foreign Economic Cooperation Office

Xinyang Municipality

Cao Xiaolin	Deputy Director of Planning Section Land Management Resource Department
Chen Dawei	Officer in Planning Section Land Management Resource Department
Pei Xiaojun	Member of the Forest Bureau
Xiong Linchun	Chief of Wildlife Protection Division, Forest Bureau
Zhang Mingchun	Vice-mayor and Chair of the Project Steering Committee and Project Leading Group

Luoshan County

Chen Naiyong	Chief of Afforestation Division of Forest Bureau
Ding Chengjie	Deputy Director of Poverty Alleviation Office
Gao Hongjiang	Deputy Director of Agriculture Bureau
Huang Guangling	Deputy Director of Environmental Protection Bureau,
Kan Shiyu	Director of Environmental Protection Bureau and Director of Local Project Management Office

Shangcheng County

Cheng Jinsheng	Chairman of Worker's Union, Poverty Alleviation Office
Fan Kaihong	Deputy Director of Forest Bureau

Lu Chunlin	Director of Environmental Protection Bureau and Director of local Project Management Office
Zhou Jian	Ecological Conservation Officer, Environmental Protection Department, Shangchen County and Deputy Director of Local Project Management Office

Xinxian County

Chen Yi	Deputy Director of Environmental Protection Bureau and Deputy Director of Local Project Management Office
Ge Qiyou	Deputy Director of Poverty Alleviation Office
Xie Xiang	Deputy Director of Forest Bureau and member of Local Project Leading Group
You Xinyuan	Chief of Ecological Division, Environmental Protection Bureau

Nature Reserves

Ha Denglong	Director of Scientific Division of Jigong Shan Nature Reserve Administration Bureau
Hou Minggeng	Technical Programme Support Officer, Jin Gang Tai Provincial Nature Reserve
Huang Hua	Deputy Director of Dongzhai Nature Reserve Administration Bureau
Huang Yuanchao	Director of Liankang Shan Nature Reserve Administration Bureau
Hu Huanfu	Deputy Director of Nianyushan Wetland Nature Reserve Administration

Miscellaneous

Hu Jiakai	Director of Lingshan village
Hu Kaixuan	Owner of eco-tourist restaurant, Lingshan village
Hu Zhenghua	Tea farmer, Hangchong village
Jiang Leming	Secretary of Villager Party, Huang Tuling village
Peng Yijiu	Poverty Alleviation Association, NGO
Sun Shoushu	Tea farmer, Hangchong village
Yu Bo	Deputy Director of Pianpu township
Zhou Yi	Manager of Jinhua Company

Persons met but not interviewed

Name	Title	Organization/unit
Chen Jianwen	Deputy Director	Shangcheng County Commission of Development and Reform
Chen Jingju	Deputy Director	Shangcheng County Centre of Radio and TV Broadcasting
Chen Naiyong	Division Chief	Afforestation Division, Luoshan County Forestry Bureau
Cheng Zhigang	Deputy Director	Shangcheng County Bureau of Water Resources
Gong Yangsan	Deputy Director	Shangcheng County Bureau of Land Resources
Guo Yan	Division Chief	Xinyang Municipal Bureau of Finance
He Wei	Staff	Shangcheng County Environmental Protection Bureau
Hu Chuanyin	Director	Xinyang Municipal Bureau of Water Resources
Hu Chunhua	Staff	Shangcheng County Environmental Protection Bureau
Hua Yongkai	Division Chief	Xinyang Municipal Bureau of Education

Jiang Shengli	Deputy Director	Xinyang Municipal Bureau of Radio and Television Broadcasting
Li Changfeng	Deputy Director	Mining Branch Bureau of Shangcheng County Bureau of Land Resources
Li Hongjiang	Deputy Director	Shangcheng County Bureau of Finance
Li Peixue	Director	Jigong Mountain NR Administration
Liu Qiyun	Deputy Director	Xinyang Municipal Bureau of Commerce
Liu Wei	Deputy Director	Shangcheng County Environmental Protection Bureau
Peng Yijiu	Agro-technician and officer	Xinyang Municipal Poverty Alleviation Office
Qing Xu	Correspondent	Xinyang's Daily Newspaper Office
Song Dekang	Deputy Director	Shangcheng County Tourism Bureau
Song Jiagui	Engineer	Dongzhai NR Administration
Wang Hua	Officer	Xinyang Municipal Women Federation
Xie Changqing	Staff	Shangcheng County Environmental Protection Bureau
Xin Liangping	Deputy Director	Economic Cooperation Office of Xinyang Municipal Committee of Development and Reform
Yang Hongxian	Division Chief	Xinyang Municipal Bureau of Agriculture
Yang Kai	Staff	Ecological Division of Xinyang Municipal EPB
Ying Shushan	Secretary	Xinyang Municipal Governmental Office
Yu Weiqing	Deputy Director	Xinyang Municipal Bureau of Tourism
Zeng Ding	Correspondent	Xinyang's Daily Newspaper Office
Zhang Hao	Staff	Ecological Division of Xinyang Municipal EPB
Zhang Shiqin	Deputy Director	Shangcheng County Bureau of Agriculture
Zhang Zhaochun	Deputy Director	Xinyang Municipal Bureau of Forestry
Zhu Jiagui	Director	Dongzhai NR Administration

ANNEX IV : SUMMARY EVALUATION OF PROJECT ACHIEVEMENTS BY OBJECTIVES AND OUTCOMES

The Project logframe in the Project Document remains valid and the present evaluation matrix uses this version. The delivery status herein is taken largely from the *Mid-term Project Progress Report* supplied by the PMO, supplemented by interviews with the PMO, and from observations during the mission.

KEY:

GREEN = Indicators show achievement already successful or full expectation of achievement by end of Project.

YELLOW = Indicators show some progress – achievement expected by end of Project with increased effort.

ORANGE = Indicators show poor progress – possibly unlikely to be achieved by end of Project

RED = Indicators show poor or no progress – unlikely to be achieved by end of Project

HATCHED COLOUR = estimate; situation either unclear or indicator inadequate to make a firm assessment against.

Project Goal: To significantly reduce biodiversity loss in China as a contribution to sustainable development.

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
1	Objective: To demonstrate practical mechanisms to mainstream biodiversity in China's IEFA	CBPF Result 21: Land use planning and management systems contribute effectively to conserving biodiversity	Existing land use planning and management systems take no special account of HHRB's critical ecological functions or biodiversity values, leading to substantial loss of both	Reversing trends in habitat loss associated with land use changes. Changes in land-use on the following scale are expected: increased forest cover by at least 15,000 ha), reduced mining surface (1,000-1,500 ha) and increased wetland area (5,000 ha).	Project provided the following figures: <ul style="list-style-type: none"> • Forest cover increased by 93,700 ha since end 2009, but after detailed questioning this was amended subsequently to suggest that 10,000ha had received Project support and guidance. • Area of mining land decreased by restoration of 770 ha since end of 2009. • Wetland area increased by 2,500 ha since end 2009 But it is clear that most of this has been achieved by the ECBP Project and by baseline Govt. actions.	The proportion of the delivery of the forest and mining sectors directly attributable to Project interventions remains confused. Most would seem to be a result of baseline activities. Of the claimed increase in the wetland area only 500ha appears to be the direct result of Project interventions – see indicator 16 below.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
2				Biodiversity-friendly matrix of land uses arising from Municipal and County-level 5-year land use plans provide enhanced connectivity amongst 22 existing and four planned protected areas (totalling 235,000 ha.)	It is claimed that such a matrix will arise as a result of the 12 th 5-year Municipality Land-use Plan, and although a map of the relative importance of the ecological service function exists, no priority zones for achieving connectivity exist.	Project focussed too much on quantitative measures (e.g. area of forest cover increased) with insufficient emphasis on spatial pattern to benefit biodiversity. Greater specificity required in planning and mapping to realise stated targets. This may be rectified through production of <i>Conservation and Construction of HHRB National IEFA Plan</i> to be produced later in the Project.						
3		CPBF Result 13: An incentive framework for the natural resource based business sector to conserve or sustainably use biodiversity is established	Despite ecological significance of the site, few incentives exist to encourage biodiversity-friendly and ecosystem function conserving production methods	By end of year 4, an integrated, multi-sectoral incentive structure designed to meet the needs of a biodiversity-rich IEFA in place, including county-, municipal- and province-level components	No incentives yet developed and in place. MTET was informed that incentives are well advanced at the Municipal level for the flower and medicinal herb industries but no evidence to support this was presented and no other incentives were under development.	This appears to be one of the biggest challenges for the Project at the present time.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
4		CPBF Result 14: Biodiversity conservation and poverty alleviation in China are mutually supportive	Biodiversity conservation is widely seen as imposing short-term costs on vulnerable segments of society	By project completion, biodiversity and ecosystem function conservation widely recognized within HHRB as being fully compatible with, and in many cases complementary to, poverty alleviation objectives	Guidelines have been produced and biodiversity consideration mainstreamed into planning documents relating to poverty alleviation activities, but these are very general in nature and have not yet had time to translate into results on the ground.	A weak solely qualitative indicator. "Recognition" does not equate with active "mutual support". There remains concern within the Project that too little progress has been made with poverty alleviation supported directly by government.						
5	Outcome 1: Biodiversity and ecosystem function conservation mainstreamed into HHRB planning and monitoring	Specialized land use planning, zoning and management systems for areas having important ecological functions and/or biodiversity	Land use planning, zoning and management systems are nearly identical to those employed in areas zoned for normal development	By end of project, land use plans and decisions at HHRB incorporate agreed quantitative targets on conservation of biodiversity	<i>Xinyang Municipal Overall Land-use Plan 2006-2020 (revised 2009) contains quantitative targets which are also integrated into the Eco-function and Biodiversity Monitoring Indicator System of HHRB. Examples of targets include: "25,200 ha in which all economic development is prohibited; total area of land within HHRB which may be developed for economic purposes should not exceed 31%; total area of farmland which may be developed by 2020 should not exceed 9,779".</i>	Another weak indicator – number of targets not stated. Quantitative targets are good but are not yet included in a monitoring system. Furthermore, no overall coherent strategic plan was evident to the MTET; no prioritization of areas or means of management for meeting these targets was in place.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
6				By end of Year 3, municipal level specialised land use planning mechanism in place.	Final Chapter (10) of <i>Xinyang Municipal Overall Land-use Plan 2006-2020 (revised 2009)</i> is entitled “ <i>Measures to guarantee the implementation of the Plan</i> ” and states: “ <i>The mechanism is: i) The plan should strengthen overall control of the land use. ii) Implement the plan by market methods. iii) Improve the basic guarantee for the land use implementation. iv) Expand democratic decision-making and the public participation in the land use plan.</i> ”	Some ambiguity is apparent in both the English and Chinese versions of this indicator over the terminology “ <i>planning mechanism</i> ” and what is required. Is it a mechanism for ensuring specialised land use planning, or a mechanism for ensuring the implementation of the specialised land use plans? The Project has focussed upon the latter.						
7		County land-use plans prepared following biodiversity guidelines	County land use plans within Xinyang Municipality do not address biodiversity or ecosystem function conservation	By end of Year 4, new land use plans have been prepared for two HHRB counties in line with biodiversity and ecosystem-function conserving guidelines (latter being prepared under IS project)	CBPF Institutional Strengthening Project subject to significant delays – active implementation commenced in Nov 2011, hence no biodiversity or ecosystem function guidelines yet produced. However, the PMO claims that biodiversity conservation has been incorporated into the land use plans of Guangshan, Luoshan, Shangcheng, and Xinxian Counties but clearly this is not necessarily in line with the guidelines.	There will need to be increased coordination to ensure achievement of this indicator, although it is understood that the MEP is currently working on the Guidelines independently of the IS Project although support anticipated.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
8		Performance on ecological and biodiversity indicators	Current performance not adequate to safeguard ecological functions, including biodiversity maintenance	Improved performance on various ecological and biodiversity monitoring standards (Parameters to be determined in Inception Phase)	Status confused. PMO stated that a system using a large number of indicator parameters had been determined in July 2011 for use at 12 pilot sites with data collected once a year – <i>Technical Specifications for Monitoring and Evaluations of Ecological Function and Biodiversity in HHRB National KEFA</i> . When criticised, the PMO stated that it had rejected this system, and hence had nothing operable.	Too many parameters, without specifications as how they will be measured; and too many indices. No resources identified. Data collection apparently sub-contracted to Environmental Protection Science Institute (Xinyang). (See also paragraphs 45-46).						
9	Outcome 2: Biodiversity and ecological function conservation mainstreamed into key productive sectors	Existence and effectiveness of financial subsidy / penalty schemes associated with biodiversity conservation / damages by natural-resource based businesses	Existing schemes, e.g., those affecting mining and medicinal plants sectors, are having some environmental impact, but largely failing to focus on biodiversity conservation aspect	By end of Year 4, at least two new positive incentive schemes in place for local communities and the private sector within key sectors in HHRB for biodiversity friendly practices	Initiated survey and assessment of existing policies as a first step in developing positive incentive schemes for four sectors – agriculture, forestry, mining, and tourism.	After 33 months, the MTET would expect the Project to have completed more than just the first step. Work on two sectors would have sufficed. The MTET cannot see how development of draft incentives, consultation on them, and their final publication is likely to be achievable within the remaining 15 months of the Project.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
10				By end of project, increased ecosystem resilience associated with a 20%+ reduction in fiscal incentives (subsidies) having negative environmental impacts	PMO stated that baseline survey of policies of fiscal subsidies completed and negative incentives identified.	Will require increased work to achieve.						
11		Private and public sector capacities to undertake and/or oversee biodiversity-friendly actions and investments in response to a corresponding regulatory and incentive framework	Regulatory agencies and private sector firms have limited awareness of how their policies and actions, respectively, impact on ecosystem functions and biodiversity	At least 30% increase in local government capacities to mainstream conservation of biodiversity and other ecosystem functions into local governance, as measured by UNDP's capacity scorecard	From 2009 to 2011, the measured result of 10 experts employed by Xinyang Municipal main sectors was that 20% was increased in local government capacities to mainstream conservation of biodiversity and other ecosystem functions into local governance, as measured by UNDP's capacity scorecard.	Is 10 experts enough? Should it not be extended to all Directors and Deputy Directors of relevant bureaux, and to heads of all Divisions? Baseline measures for new persons would need to be done immediately.						
12		Biodiversity losses and other ecological damages arising from natural-resource based businesses	Tens of thousands of live trees, including old and rare specimens, being removed from Luoshan and other counties annually	60% reduction in baseline levels of live tree trade—amounting to at least 10,000 trees annually, including numerous very old specimens and threatened species—in Luoshan County, with remaining trade subject to careful regulation re. species and methods; efforts are made to ensure that trade is not simply 'shifted' to other counties / locations	Baseline level of tree trading in Luoshan County surveyed by Jinhua Company determined to be 10,650 trees in 2009. Policy developed to enhance management of tree trading and implemented since date of issue on 21 st Feb 2011. Survey suggests that 6,000 trees have been removed from Luoshan County in subsequent 12 month period – a 43% decrease.	Target time of indicator not specified but assumed to be end of Project. Why just Luoshan? 60% reduction will make target level 4,260 trees. No policy or survey results seen by MTET so difficult to assess given other mis-reportings.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
13			Annual pollution emission and tailings from mining reach 5 million tons and ore residues reach approximately 200 million tons.	50% reduction in index of mining impacts on biodiversity in Guangshan County (index and baseline measurements to be developed during inception phase), including at least 100 ha of mining land restored in biodiversity-rich areas	Indices are amount of tailings discharge and amount of slag. PIMO claims a reduction of 31% and 22% respectively achieved by end of 2011 on 2009 figures of 386,000 tonnes of tailings and 154,000 tonnes of slag. Also, 86.9 ha of clay brick pits in biodiversity-rich areas reclaimed or restored by end of 2011. But as with most of these figures, there is no evidence to support the claim and plenty of evidence to suggest confusion with baseline activities.	Weakness in indicator in that "biodiversity-rich area" is not defined.						
14			Widespread use of unsustainable techniques and practices associated with medicinal plant and animal collection	At least 70% of medicinal plants collected in at least one (demonstration) county are being harvested according to sustainable practices, resulting in enhanced viability of 15 threatened plant species.	A survey by Xinyang Municipal Institute of Environmental Sciences, shows that 65% of medicinal herbs collected in Xinxian and Shangcheng Counties between 2009 and 2011 were by sustainable practices, defined by the Project as the harvest of cultivated plants rather than exploitation of wild stocks. A survey by Henan Jinghua Bioengineering Co. Ltd., viability of 11 threatened species (international Red Data Book or Endangered Species in China by SFA) of Chinese medicinal herbs in Xinyang Municipality was enhanced by artificial planting.	It remains impossible to verify that either of these results was actually the direct or indirect result of any Project action. No evidence was presented during the MTE mission is support of such actions.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
15			Approximately 180 ha. of certified organic crop plantings in Xinyang Municipality	At least 100,000 ha of agricultural lands close to high biodiversity and other ecologically important areas under eco-friendly management.	By end of 2011, 50,000 ha of land were under eco-friendly management ⁴⁴ in Xinyang Municipality; but again it is unclear what the relative Project and baseline contributions were.	Another weak indicator with no definition of the terms “high biodiversity”, “ecologically important”, or “eco-friendly management” enabling quantitative assessment to be made.						
16			50,000 out of 259,000 ha of wetlands reclaimed for agriculture and other purposes	At least 5,000 ha reclaimed wetlands restored by project end; providing important habitat gains for threatened species of birds and amphibians such as Oriental White Stork (<i>Ciconia ciconia</i>), Great Bustard (<i>Otis tarda</i>), Whooper Swan (<i>Cygnus cygnus</i>), White Spoonbill (<i>Platalea leucorodia</i>) and Mandarin Duck (<i>Aix galericulata</i>).	In 2010, 500ha of rubbish-covered riparian land on outskirts of Xinyang City restored and designated as Pingqiao Wetland Park.	An additional 2,000ha of existing wetland was formally designated as the Gushi Huaihe River Nature Reserve, but this cannot count towards a target for restoration of reclaimed wetlands.						

⁴⁴ Includes land under three systems – organic certification; green certification (an independent certification organisation under MEP); or “nuisance-free” agriculture (limited use of agro-chemicals).

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
17	Outcome 3: Biodiversity and ecosystem function considerations are regularly mainstreamed into poverty alleviation strategies and programmes at HHRB	Extent of operational linkages between poverty alleviation and biodiversity conservation programmes	No operational linkages	At least US\$ 5 million in poverty alleviation spending in HHRB is disbursed in accordance with guidelines designed to avoid harmful impacts on biodiversity and other ecosystem functions	Guidelines developed for biodiversity-friendly poverty alleviation lending. PMO claimed that during the 24 months (2010-2011), data from Xinyang Municipal Poverty Alleviation and Development Office show that US\$ 78,833,000 was loaned to local people and that the guidelines were applied to this total amount. After detailed questioning, the PMO revised this to US\$ 77.86 million allocated for poverty alleviation, of which US\$ 6.49 million was allocated as per the <i>Guidelines</i> .	Yet again, there is much confusion, and the first claim is clearly erroneous, while the revised figure still looks unlikely since the <i>Guidelines</i> were not produced until June 2011. It is possible, however, that US\$ 5 million could be loaned using the <i>Guidelines</i> before the end of the Project (disregarding their low value) if an implementation mechanism for them is developed.						
18				At least \$1 million in new Government loans to poor and vulnerable populations are designed to have positive impacts on ecosystem functions and biodiversity and at least 80% of loans by value are determined to have been successful in this respect	PMO claims that in 2010-2011, US\$ 973,000 of poverty alleviation lending were used to conduct organic tea production and "nuisance-free" livestock and poultry breeding (figures from Xinyang Municipal Poverty Alleviation and Development Office).	Again, baseline actions and Project interventions not separated. Not a single shred of evidence was supplied to the MTET to suggest that the Project had been active in promoting these activities on the ground.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
19				Above funds contribute to biodiversity benefits in relation to live tree trade and herb collection defined under Outcome 2, i.e., they contribute to reduced impacts from target sectors.	PMO states that no survey has been undertaken.	Another weak indicator. MTET notes that it would be extremely difficult to assess whether certain funds (as opposed to individual or combined actions) would result in certain benefits. Cannot be assessed.						
20			614.76 kg (net weight of nitrogen, phosphorus and potassium) of fertilizers and 14.6 kg (dosage) of pesticides are applied per ha; content of COD in water is 15.8 mg per litre; water quality belongs to Category III of GB3838-2002.	Annual reduction in application of agricultural fertilizers and pesticides per unit area by 8% from the baseline level and increase in applications of organic agricultural fertilizers and pesticides by 30% by end of project	PMO cites survey by Xinyang Municipal Rural Energy Environmental Protection Station which shows in calendar year 2011: <ul style="list-style-type: none"> • use of fertilizer reduced by 5% per hectare and use of pesticide reduced by 8% per hectare, compared with the baseline data. • use of organic fertilizer increased by 18% and biological pesticide increased by 18% compared with those in 2009; • average concentration of COD in part of the Huaihe River was down from 12.2mg/l in 2010 to 11.9mg/l in 2011. 	Again, it is unclear as to how much Project actions cf. to baseline actions have resulted in these improvements. Indicator unclear – target at end of Project? Ongoing annual reduction? Should read: “reduction in annual application of agricultural fertilizers and pesticides per unit area by 8% from the baseline level and increase in applications of organic agricultural fertilizers and pesticides by 30% by end of Project”						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
21			Market supply of commonly threatened herbs are met by wild collected plants	80% of the market supply of 3 to 5 threatened herbs from HHRB are from certified sustainable sources (Final species selection to be made during inception phase but likely to include Platycodon Root (<i>Radix platycodi</i>), Tall Gastrodia Tuber (<i>Gastrodia elata</i>), Buttercup (<i>Uncaria tomentosa</i>) and Tuckahoe (<i>Poria cocos</i>).	Four species of threatened medicinal herbs are supplied from sustainable plantings within HHRB area. Of these four, 63% of the total market in 2011m was supplied from cultivated sources. The species are: <ul style="list-style-type: none"> • Tall Gastrodia Tuber (<i>Gastrodia elata</i>); • Balloonflower (<i>Platycodon glandiflorus</i>); • Tuckahoe (<i>Poria cocos</i>); • Buttercup (<i>Uncaria tomentosa</i>) 	This is a positive move, but again appears to be as a result of baseline actions.						
22			180 ha of agriculture land is certified as organic	30,000 of hectares of organic teas and other agricultural practices certified.	PMO claims that 14 companies received agricultural product certification in 2011, covering over 10,000 ha of organic tea and other certified organic agricultural products.	Good as these figures are, none can be directly attributable to Project actions since a) 3 years are needed for certification and the Project is only 2+ years old; and b) there was no evidence of any project activity demonstrating or otherwise promoting organic agriculture.						
23	Outcome 4: Lessons learned at HHRB inform and strengthen ongoing efforts to manage	Management framework for conserving biodiversity and ecological functions at ten target	No differentiation within policy framework of critical areas from generic	Revised Guidelines for IEFA Planning incorporating lessons and experiences of HHRB and other IEFAs	Not started.	Would not expect progress on this until second half of Project. Not assessed.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
24	IEFAs throughout China	IEFAs across China	landscape areas	Guidelines for Policy Measures, and Biodiversity Indicators and Targets for IEFAs with Water Retention and Biodiversity Values	Started to summarise experiences of HHRB and other IEFAs.	Seems a very strange indicator in that no activities connected to it are included in the logframe or in the body of the Project Document and the PMO would therefore lack guidance on how to achieve this. MTET suggests this indicator is deleted (see paragraph 63). Not assessed.						
25		Levels of identification, dissemination and uptake of pre-project and project lessons	Pre-project: Lessons from previous attempts to encourage ecosystem function conservation have not been fully learned	10 key lessons from review of 2002-2007 period learned and disseminated within HHRB	Started to summarise experiences.	Appears to be a low priority. This could have been carried out concurrently with other activities in the first half of the Project.						
26			Project: NA	Key project lessons are continuously gathered through project monitoring and expanded upon / analysed during mid-term and final evaluations	No action taken until signed contract with FECO in December 2011.	Expected that this indicator will be achieved by FECO, hence coloured yellow, but actual progress to date unsatisfactory since PMO has not gathered lessons learned.						

#	Aim	Performance Indicator	Baseline	End of Project Target	Delivery Status at Mid-term evaluation	Comments	HS	S	MS	MU	U	HU
27				Project lessons are periodically and extensively disseminated to relevant stakeholders from all IEFA sites, as well as to national-level stakeholders within CBPF	No action taken. FECO are expected to implement this from here on.	As indicator #26.						

ANNEX V: MONITORING PARAMETERS SYSTEM FOR ECOLOGICAL FUNCTION AND BIODIVERSITY IN HHRB NATIONAL KEFA (TECHNICAL SPECIFICATIONS)

As provided direct from the PMO.

I. Technical Specifications for Monitoring and Evaluations of Ecological Function and Biodiversity Status in HHRB National KEFA

1 Scopes

Define the parameters system and calculation methods.

Applicable to the annual monitoring and comprehensive assessment of the ecological present situation and dynamic trend in the village area of the HHRB National KEFA.

2 Documents based on

2011 Implementation Plan of MEP on County Eco-Environment Quality Assessment in National KEFA

Explanations of MEP on 2011 County Eco-Environment Quality Assessment Index System in National KEFA

National Ecological Function Zoning by MEP, CAS

HJ/T192-2005 Technical Specification for Evaluation of Ecological Environment Status (trial)

GB3838 Environmental Quality Standard for Surface Water

GB/T14848 Quality Standard for Ground Water

3 Terms and Definitions

- 3.1** Change of ecological function index
- 3.2** Biological abundance (type of ecosystem) index
- 3.3** Vegetation coverage index
- 3.4** Water conservation index
- 3.5** Habitat naturalness
- 3.6** Basin water quality compliance rate
- 3.7** Volume of basin water resources
- 3.8** Forest land
- 3.9** Closed forest land
- 3.10** Scrublands
- 3.11** Open forest land
- 3.12** Other woodland
- 3.13** Grassland
- 3.14** High coverage of grassland
- 3.15** Middle coverage of grassland
- 3.16** Low coverage of grassland
- 3.17** Cultivated land
- 3.18** Paddy field
- 3.19** Dry farm
- 3.20** Water wetland
- 3.21** Rivers (canals)
- 3.22** Lakes (reservoirs)
- 3.23** Tidal wetland
- 3.24** Land for construction
- 3.25** Urban construction land
- 3.26** Rural residential land

- 3.27 Other construction land
- 3.28 Forest land coverage
- 3.29 Grassland coverage
- 3.30 Water land coverage
- 3.31 Natural forest
- 3.32 Artificial forest
- 3.33 Forest land habitat naturalness
- 3.34 Grass land habitat naturalness
- 3.35 Water wetland habitat naturalness
- 3.36 Precipitation
- 3.37 Normalization coefficient

4 Evaluating parameters and calculation methods (9 parameters)

4.1 Biological abundance (type of ecosystem) index weight and calculation methods

4.1.1 Weight

See Table 1

Table 1

	Forest land			Grass land			Water wetland			Cultivated land		Land for construction		
weight	0.35			0.21			0.28			0.11		0.05		
components	Closed forest land	Scrub lands	Open forest land and other wood land	High coverage of grassland	Middle coverage of grassland	Low coverage of grassland	River	Lakes/reservoirs	Tidal wetland	Paddy field	Dry farm	Urban construction land	Rural residential land	Other construction land
Sub-weight	0.6	0.25	0.15	0.6	0.3	0.1	0.1	0.3	0.6	0.6	0.4	0.3	0.4	0.3

4.1.2 Calculation method

Biological abundance = $Abio \times (0.35 \times \text{forest land} + 0.21 \times \text{grassland} + 0.28 \times \text{water wetland} + 0.11 \times \text{cultivated land} + 0.05 \times \text{land for construction}) / \text{regional area}$

Abio, refers to normalization coefficient of biological abundance

4.2 Vegetation coverage index weight and calculation methods

4.2.1 Weight

See Table 2

Table 2

	Forest land			Grass land			Cultivated land		Land for construction		
weight	0.38			0.34			0.19		0.09		
components	Closed forest land	Scrub lands	Open forest land and other wood land	High coverage of grassland	Middle coverage of grassland	Low coverage of grassland	Paddy field	Dry farm	Urban construction land	Rural residential land	Other construction land
Sub-weight	0.6	0.25	0.15	0.6	0.3	0.1	0.7	0.3	0.3	0.4	0.3

4.2.2 Calculation method

Vegetation coverage index = $Aveg \times (0.38 \times \text{forest land} + 0.34 \times \text{grassland} + 0.19 \times \text{Cultivated land} + 0.09 \times \text{land for construction}) / \text{regional area}$

Aveg, refers to normalization coefficient of vegetation coverage index.

4.3 Water conservation index and calculation methods

4.3.1 Weight

See Table 3

Table 3

	Forest land	Grass land	Water wetland
weight	0.35	0.15	0.5

4.3.2 Calculation method

$$\text{Water conservation index} = A \times (0.5 \times \text{water wetland coverage} + 0.35 \times \text{forest land coverage} + 0.15 \times \text{grass land coverage})$$

A is normalization coefficient, $A = 100 / A \text{ maximum}$,

A maximum refers to the maximum value before an index normalized

4.4 Habitat naturalness

4.5 Basin water quality compliance rate

4.6 Forest land coverage

4.7 Grass land coverage

4.8 Water wetland coverage

4.9 Volume of basin water resources (No score)

5 Ecological Function Index (EFI)

5.1 Weight

See Table 5

Table 5

	Biological abundance index	Vegetation coverage index	Water conservation index	Habitat naturalness	Basin water quality compliance rate
weight	0.15	0.20	0.20	0.20	0.25

5.2 EFI Calculation method

$$\text{EFI} = 0.25 \times \text{Biological abundance index} + 0.2 \times \text{Vegetation coverage index} + 0.2 \times \text{Water conservation index} + 0.2 \times \text{Habitat naturalness} + 0.15 \times \text{Basin water quality compliance rate}$$

6 Methods for parameter monitoring

1.1 Time

Middle or late of December every year.

6.2 Area measurement

II. Technical Specifications for Monitoring and Evaluations of Threats to Ecological Function and Biodiversity in HHRB National KEFA

1 Scopes

2 Objective and Procedures

2.1 Objective

2.2 Procedures

3 Principles

- 3.1 Typical
- 3.2 Ease of operation
- 3.3 Applicability

4 Evaluating parameters (7 parameters)

- 4.1 Population density
- 4.2 Proportion of agricultural gross income
- 4.3 Environmental pollution
- 4.4 Average Usage of fertilizers and pesticides
- 4.5 Wildlife resource gathering intensity
- 4.6 Growth rate of land for engineering facility
- 4.7 Natural factor (No score)

III. Technical Specifications for Monitoring and Evaluations of Eco-Friendly Development Situation in HHRB National KEFA

1 Scopes

2 Documents based on

3 Terms and definitions

4 Objective and procedures

- 4.1 Objective
- 4.2 Procedures

5 Principles

- 5.1 Typical
- 5.2 Ease of operation
- 5.3 Applicability

6 Evaluating parameters (6 parameters)

- 6.1 Ratio of mining land restoration
- 6.2 Ratio of nuisances free, green, and organic agricultural product base
- 6.3 Ratio of use of organic fertilizer and biological pesticide
- 6.4 Growth rate of tree planting
- 6.5 Index of sustainable production of Chinese medicinal herbs
- 6.6 Popularity rate of clean energy

The total parameters refers to the following table:

Monitoring Parameters System for Ecological Function and Biodiversity in HHRB National KEFA

Items	Parameters	Weight
Ecological Function and Biodiversity Status	Biological abundance (type of ecosystem) index	Forest land
		Grass land
		Water wetland
		Cultivated land
		Land for construction
	Vegetation coverage index	Forest land
		Grass land
		Cultivated land
		Land for construction

Items	Parameters	Weight
	Water conservation index	Forest land
		Grass land
		Water wetland
	Habitat naturalness	
	Basin water quality compliance rate	
	Forest land coverage	
	Grass land coverage	
	Water wetland coverage	
	Volume of basin water resources (No score)	
Sub-total	9	
Ecological Function Index (EFI)	Biological abundance index	
	Vegetation coverage index	
	Water conservation index	
	Habitat naturalness	
	Basin water quality compliance rate	
Sub-total	5	
Threats to Ecological Function and Biodiversity	Population density	
	Proportion of agricultural gross income	Farm land income
		Income from forest, fruit and tea
		Livestock income
		Fishery income
	Environmental pollution	
	Average usage of fertilizers and pesticides	
	Wildlife resource gathering intensity	
Growth rate of land for engineering facility		
Natural factor (No score)		
Sub-total	6	
Eco-Friendly Development Situation	Ratio of mining land restoration	
	Ratio of nuisances free, green, and organic agricultural product base	
	Ratio of use of organic fertilizer and biological pesticide	
	Growth rate of tree planting	
	Index of sustainable production of Chinese medicinal herbs	
	Popularity rate of clean energy	
Sub-total	6	
Total	26	

ANNEX VI: HHRB KEFZ LESSONS LEARNED

As provided direct from the PMO.

Experience 1: Linked to the campaign of learning and practice of Scientific Outlook on Development.

In biological conservation, conducted activities such as training workshops on officials and leaders of townships and villages, national study visits and publicity to raise their awareness on conservation, which were closely integrated the local campaign of learning and practice of Scientific Outlook on Development, achieving better effects.

Experience 2: Local government paid high attention to the work of ecological function and biodiversity conservation, which was closely combined with the central work of the government.

Mr. Wang Tie, Deputy Governor of Henan Provincial Government, Secretary of Xinyang Municipal Party Committee, and Mr. Guo Ruimin, Deputy Secretary of the Municipal Party Committee, Mayor of XMG, paid high attention to the work of ecological function and biodiversity conservation in Xinyang Municipality, always regarded ecological construction and environmental protection as a continuing issue and the top priority of the agenda of the municipal Party committee and government. XMG promptly issued document and established Xinyang Municipal HHRB National KEFA Construction Leading Group, with Mr. Zhang Mingchun, Deputy Mayor, as Group Leader, who is responsible for comprehensive planning, monitoring and coordination to conserve ecological function and biodiversity.

Experience 3: Attention was paid to mobilize the initiatives of the related government and non-government organizations and the enthusiasms of women and children to participate in biodiversity conservation.

Importance was attached to mobilize enthusiasm of NGOs, women and children. Xinyang Municipal Government (XMG) paid attention to mobilize the enthusiasm of the related government departments and non-government organizations and the enthusiasms of women and children to participate in biodiversity conservation, and established good cooperation with Xinyang Municipal Wildlife Conservation Society, Xinyang Municipal Poverty Alleviation and Development Association and Xinyang Municipal Eco-Environmental Association, which provided a cooperative platform for organizing and mobilizing people of all walks of life to participate in ecological construction. In the activities related to ecological function and biodiversity conservation, conditions and opportunities were created for participation of women and children who were guided to play their role in the activities. Increased the participation of the public and the local stakeholders and made great efforts to get the participation of villagers' committees and farmers in biodiversity conservation. Increased awareness of participation of the public, especially the awareness of the villagers' committee and farmers to arouse their enthusiasm of participation in ecological construction.

Experience 4: Combining with strategy of “Ecology-Oriented Municipality” of Xinyang Municipality, the ecological construction level in HHRB was increased.

XMG has paid high attention to ecological protection all the time. As early as the end of last century, XMG set up the guiding ideology of “Ecology-Oriented Municipality”. While the great efforts were devoted to the economic development, importance was also attached to conservation of eco-environment, ensuring the balanced development of economy, society and environment. Combining with ecological construction in HHRB, we enhanced the construction level of NRs and made great efforts to get national, provincial projects related to environmental governance and ecological conservation, which promoted biodiversity conservation and ecological function rehabilitation in HHRB.

Experience 5: Linked biodiversity conservation to the farmers' poverty alleviation.

In ecological construction, attention was paid to increase awareness and ability building of farmers regarding biodiversity conservation as well as the practical skills training on farmers, such as cultivations of landscaping trees, fruit trees, flowers, and Chinese medicinal herbs, and fish and shrimp breeding. By impartation of these practical techniques to farmers to help them shake off poverty and become rich, enthusiasm of farmers was greatly aroused to participate in biodiversity conservation. In the townships and villages where poverty rate was high, poor population was relatively concentrated and ecological function and biodiversity were very typical, the regional poverty alleviation plan was formulated to plan the resources as a whole, integrate various forces by special poverty alleviation, by industry poverty alleviation and by society poverty alleviation, create conditions of prompting development of regional economy, expedite infrastructure construction, ecological backbone industries and collective economy development, and promote development of regional economy to drive the poor family to shake off the poverty under the push of leading enterprises, cooperative economic organizations and able persons and rich households. According to the biodiversity characteristics and ecological functions, poor areas were aided to develop industries of biodiversity sustainable use on the basis of resources advantages and marketing demands. The industries may include such advantage ones with local characteristics as facility agriculture, tea, gardening, fruit trees, massive breeding, processing of subsidiary agricultural products, tourism service, etc. which widen the channels to increase farmers' income.

Experience 6: Linked to the collective forest tenure reform conducted in Xinyang Municipality.

According to the unified arrangements of the nation, collective forest tenure reform, which has close relation to biodiversity conservation, was one of the central work of Xinyang Municipal Forestry Bureau over the years. Xinyang Municipal Government devoted a lot of manpower and material resources to the work and promptly formulated Xinyang Municipality Biodiversity Resources Authorized Management Scheme and authorized management templates, to some extent which solved the problem of biodiversity conservation in the course of the collective forest tenure reform. In order to solve the problem of biodiversity conservation and sustainable use in HHRB, "Village Regulations and Folk Agreement" suitable for conservation of local biodiversity types were established.

Experience 7: Linked to the campaigns of "Jointly Building a Model Municipality in Six Aspects" conducted by Xinyang Municipality.

Linkage to the campaigns of "Jointly Building a Model Municipality in Six Aspects" conducted by Xinyang Municipality. The six aspects referred to building Xinyang Municipality as National Ecological Demonstration Municipality, National Top Tourist Municipality, National Garden Municipality, National Hygienic Municipality, National Double-Support between the Civilian and the Arm Forces Model Municipality and Henan Provincial Civilized Municipality. XMG made close linkage with biodiversity conservation in the course of conduct of the above mentioned building activities, which ensured formulation and implementation of the relevant policies, planning and regulations.

Experience 8: Established powerful Xinyang Municipal HHRB National KEFA Construction Leading Group and Management Office.

Because ecological function and biodiversity conservation involves in every department of municipal and county governments, needs the powerful support of the local governments. XMG established Xinyang Municipal HHRB National KEFA Construction Leading Group with the deputy mayor as the group leader and with the participation of all departments of XMG, and convened special meeting regularly. Under the leading group established HHRB Ecological Function Area Management Office. The county PLGs were also established in all the counties or districts within the jurisdiction of Xinyang Municipality, with the deputy county governor as the group leaders. They provide organizational guarantee for the construction of Xinyang Municipal HHRB National KEFA.

Experience 9: Fully exerted the role of the stakeholders and experts.

XMG fully exerted the role of the stakeholders and experts and paid attention to dissemination of the results of ecological function area construction. Whether ecological function and biodiversity conservation was mainstreamed into the plan and daily activities of local government in HHRB or not involved in improving administrative function of governments as well as in the policies and techniques related to conservation and construction of National KEFA, so the roles of all stakeholders and experts had to be played. We adhere to the principle that all activities must be discussed and negotiated repeatedly to gain the support and involvement of all stakeholders and to establish a cooperative team.

Experience 10: Importance was attached to the lessons shared among the IEFAs in China.

Taking the management experiences of the other IEFAs for references, XMG established a series of policies and regulations about ecological function and biodiversity conservation and built the management system of ecological function and biodiversity conservation. For example by taking the experiences of “Conservation Steward Program” implemented by Conservation International (CI) in Ganzi of Sichuan Province and south-west mountainous region of China, combing the collective forest tenure reform, XMG developed a lot Specialized Farmer Cooperatives related to biodiversity conservation in HHRB, with which “Authorized Management” of biodiversity resources was conducted. The experience was demonstrated in ECBP HHRB project and disseminated to the whole HHRB.

ANNEX VII: TABLE OF CONTENTS OF HHRB TRAINING BOOK

CHAPTER 1: HHRB NATIONAL KEY ECOLOGICAL FUNCTION AREA

- I. THE HEADWATERS OF THE HUAIHE RIVER BASIN
 - 1. Geographic location of HHRB
 - 2. Significance of conservation and construction of HHRB National KEFA
 - 3. Priorities of conservation of HHRB National KEFA
 - 4. Present situation of the water and soil resources in HHRB and it's Countermeasures
 - 4.1. Present situation of the water and soil resources
 - 4.2. Restoring measures for water conservation in HHRB
- II. ZONING OF ECOLOGICAL FUNCTION
 - 1. Necessity of zoning of ecological function
 - 2. Difficulties and priorities of zoning of ecological function
 - 3. Ecological function zoning is the important guarantee of realization of sustainable development
- III. THE MAIN FUNCTIONAL REGION ZONING
 - 1. Origin of the main functional region zoning
 - 2. Relation between main functional region and EFA

CHAPTER 2: CONCEPT OF BIODIVERSITY & BIODIVERSITY CONSERVATION

- I. CONCEPT OF BIODIVERSITY
- II. SIGNIFICANCE OF BIODIVERSITY CONSERVATION
 - 1. Natural resources and living resources
 - 2. Value of biodiversity
 - 3. Significance of biodiversity conservation
- III. BIODIVERSITY CONSERVATION
 - 1. Urgency of biodiversity conservation
 - 2. Approaches of biodiversity conservation
 - 3. Main organization undertaken biodiversity conservation in China
 - 4. Convention on Biological Diversity

CHAPTER 3: BIODIVERSITY IN HHRB, CHINA AND THE WORLD

- I. GLOBAL BIODIVERSITY
 - 1. Survey on biodiversity on the earth
 - 2. Countries with extremely rich biodiversity
- II. CHARACTERISTIC OF BIODIVERSITY IN CHINA
 - 1. Extremely rich species
 - 2. Various endemic genus and species
 - 3. Ancient origin flora
 - 4. Extremely rich species resources in hemerophyte, domestic animals and their wild relatives
 - 5. Rich ecosystem
 - 6. Diverse spatial patterns
- III. PRESENT SITUATION OF THREATS TO BIODIVERSITY
- IV. SITUATION OF BIODIVERSITY IN HHRB AND ITS THREATS

1. Geographical position and socio-economic situation
2. Present situation of biodiversity in HHRB
3. Threats to biodiversity in HHRB

CHAPTER 4: ANALYSIS OF THREATS TO BIODIVERSITY & CONSERVATION MEASURES

I. ANALYSIS OF THREATS TO BIODIVERSITY

1. Rapid increase of population
2. Habitat fragmentation
3. Impact of environmental pollution on biodiversity
4. Alien species invasion

II. MEASURES OF BIODIVERSITY CONSERVATION

1. In situ conservation by NRs
2. Ex situ conservation
3. Recommendations on communities in NR
4. National recommendations on NRs and communities

III HUNSHANDAK CASE STUDY - PROMOTING RECOVERY OF DEGRADED ECOSYSTEM BY NATURAL FORCES

CHAPTER 5: ENVIRONMENT FRIENDLY PRODUCTION PRACTICES - ORGANIC AGRICULTURE

I. CONSTRUCTION OF ENVIRONMENT FRIENDLY SOCIETY

1. Basic concept
2. Origin of the name
3. Approaches of construction
4. Significance

II. ORGANIC AGRICULTURE

1. Definitions of organic agriculture
2. Advantages of organic agriculture
3. International standards of organic agriculture

III. ORGANIC FOOD

- Annex 1. Notice on printing and distributing "Technical Guidelines on Formulation of Conservation and Construction Plan of National KEFA"
- Annex 2. Opinion of the State Council on Formulation of National Main Functional Regions Zoning
- Annex 3. Measures of Transfer Payment on National KEFA (Trial)

ANNEX VIII: MAP OF HENAN HHRB IMPORTANT ECOLOGICAL FUNCTION AREA



信阳市淮河源项目办

ANNEX IX: LONGER COMMENTS FROM THE PMO ON THE EVALUATION FINDINGS

Footnote #16 (paragraph 35, bullet #1, sub-bullet #1)

About Indicator #1: In fact, there are no this kind of words “direct intervention” about the area changes of forests, mining land and wetlands in the HHRB targets under the logframe in the Project document. The Project document and the logframe can’t be changed without the approvals of the tripartite sides. Anybody can’t change the agreed documents. So the evaluators should evaluate according to the current Project document and logframe. 15,000 ha of forests, 1,000 ha of mining lands and 5,000 ha of wetlands can’t be increased with the direct support of the Project funds, but the project can achieve the above targets by influencing the related key governmental production sectors. What the Project did about this target was: 1) The Project conducted awareness increase activities and trainings to the key governmental sectors by experts, lectures to increase their awareness and ability about biodiversity conservation, in turn they could initiatively develop policies and plans beneficial to biodiversity conservation, which could be implemented on the ground. 2) The Project conducted awareness increase activities and technological trainings to experts and technicians about biodiversity conservation, in turn the conservation level of ecological function and biodiversity will be increased in the course of afforestation, mining land restoration and wetland increase. Implementing mainstreaming of biodiversity conservation, the most important is to increase the awareness of biodiversity conservation of the officials, who are the policy-makers and executives of the related development plans. It is not important for them to grasp very specific measures about biodiversity conservation. In other words, it is not themselves that they plant trees and restore mining land, but they should lead the implementation of the work.

Footnote #16: MTET response

Sadly, this comment illustrates at several levels the paucity of understanding that there is within the PMO regarding the Project. The MTET is not suggesting that the logframe or Project Document be altered (in this context), since there is no need to do that, and the evaluation has been made against the existing logframe. The Project Document/logframe set targets for increased forest cover (15,000ha) and restored mining land (1,000 ha) to be achieved as a direct result of the Project’s interventions. While no-one is expecting the Project to plant the trees or restore the land directly, or to get the policy-makers or executives to do so directly, it is expected that the Project is able to show a change over the baseline level of planting and restoration as a result of its direct intervention, i.e. the incremental benefit. This it has demonstrably failed to do. As an example (and as one example only), the Project could have pioneered some ecologically-valuable techniques in small demonstration plots on the ground (such as those discussed in paragraph 74) and through the use of carefully formulated technical guidelines (the sort which are missing entirely from this Project’s outputs) had these mainstreamed (with direct demonstrations available) into existing baseline forestry plantings. The area of forestry that was subsequently planted including these techniques could then be counted towards the 15,000 ha target. Such “*direct intervention on the ground*” is an important part of any mainstreaming exercise, but this appears to have passed this PMO by in favour of an almost exclusive focus on awareness-raising. Finally, it is interesting that the PMO wishes to argue this point over forestry and mining, yet it has undertaken direct intervention over wetlands – even though according to it, “*there are no this kind of words “direct intervention” about the area changes of forests, mining land and wetlands in the HHRB targets under the logframe in the Project document*”.

Footnote #17 (paragraph 35, bullet #1, sub-bullet #2)

The establishment of Gushi Huaihe River Nature Reserve was not a simple formal designation. In fact after its establishment, the special protection institution was set up and made a systematic planning about the NR and started sustainable protection and rescued it from the threats of degeneration factors such as garbage disposal sites, country grazing land, and farming and breeding land. It promotes the wetland system into a healthy development course. The ultimate goal of the NR is to achieve 4,722 ha of protected area. So converting the wetlands threaten by degeneration into protected wetland and conducting systematic nurturing conservation are also the important progress

in biodiversity conservation, which should get the affirmative of the evaluators, who are expected to slightly raise the rating of “Marginally Unsatisfactory” in the evaluation report according to the circumstances

Footnote #17: MTET response

The MTET acknowledges that the actions of the Project over the Gushi Huaihe River Nature Reserve have been beneficial to biodiversity conservation. Nonetheless, the wording of the logframe indicator target says “*increased wetland area*” not restored wetland or similar. Since the area that has become the Gushi Huaihe River Nature Reserve was already wetland, despite its poor condition and the many threats posed to it, it cannot count as “increased” wetland, however much the PMO would like otherwise. The MTET would also point out that in the comment above, the PMO states that “*the evaluators should evaluate according to the current Project document and logframe*”, and yet when the MTET has done so, the PMO seeks to change this idea to suit itself. Having said that, the MTET would not be against this indicator being changed to “*increased or restored wetland area*” during the recommended logframe review which would mean that these efforts could be acknowledged, but unless (or until) that happens, the MTET has to stand by its current assessment.

Footnote #18 (paragraph 35, bullet #1, sub-bullet #3)

First, because the existing NRs in Xinyang Municipality are distributed loosely, and the distances between some NRs are very far, making a connective channel among every NR is evidently unpractical. In addition, there are no such requirements in the Project document. Second, Jingangtai Provincial NR and Nianyuan Mountain Provincial NR were integrated into as Henan Dabie Mountain NR. This directly strengthens the connectivity between the two provincial NRs and raised the level of conservation. And the staff in PMO showed the evidence to MTET. In addition, municipal and county level biodiversity-friendly 15-year land use plans established provide enhanced connectivity amongst 12 existing and four planned protected areas [PMO emphasis]. Such contents in the plans were provided to MTET in the subsequent explanations. These were not mentioned in the evaluation report. It is recommended that MTET should change the rating of “Marginally Unsatisfactory” and raise the rating.

Footnote #18: MTET response

The MTET apologises to the PMO but disagrees with it entirely. First, to say that there are no requirements within the Project Document is wrong – the target for the second objective indicator states clearly that there should be a “*Biodiversity-friendly matrix of land uses ... provid[ing] enhanced connectivity amongst 22 existing and four planned protected areas*”. While it is true that the word “channels” or the idea of ecological corridors is not actually present within the Project Document, a modicum of understanding and reference to the body of literature on landscape ecology and its good practice would instantly show that using corridors is a far more practical measure than trying to influence the entire area of land covered by the HHRB. Then to say that because of the distances “*making a connective channel among every NR is evidently unpractical*” would appear yet again to misunderstand the very basis of mainstreaming, land-use planning, and the landscape scale approach to biodiversity conservation. Yes, the distances are large, but if the interventions to mainstream biodiversity conservation into the land-use plans had been undertaken with a greater practical application, then large-scale zones (i.e. corridors) could have been identified and incorporated into those plans where practical steps could have been encouraged or incentives provided whereby, over time, connectivity between the nature reserves could have been increased. As has been made clear throughout this report, the mere presence of the words “*biodiversity conservation*” in a plan does not equate with mainstreaming – the latter requires properly formulated supporting documentation including spatial zoning plans which the Project has failed to provide, despite what the PMO alludes to in the emphasised part of its comment. No evidence was shown to the MTET that “*biodiversity-friendly 15-year land use plans*” provided any “*enhanced connectivity*” between the nature reserves.

Footnote #19 (paragraph 35, bullet #3, sub-bullet #1)

It is a challenging exploration that the Project established the Guidelines of poverty alleviation lending with biodiversity conservation articles because there were no ready-made articles to copy. So the process of establishment of the Guidelines was a process of trial and error. Poverty Alleviation Office finally established the Guidelines based on the constant practices, analysis and summarization

of how to reflect the requirements of biodiversity conservation in the Guidelines. So the lending practices before the Guidelines laid foundations for the Guidelines establishment and the two processes of lending practices and of the Guidelines establishment were mutually supported. It could not be inferred that the lending practices before the Guidelines were not in keeping with the Guidelines. Although it is imperfect, the Guidelines will be improved to give directions to poverty alleviation lending and beneficial to biodiversity conservation with our joint efforts. So we recommend that evaluators should notice the practical efforts in biodiversity conservation of the Poverty Alleviation Office. We suggest that the diction should be “the Guidelines were finalised on 17th June 2011, which were established on the base of practices of US\$ 78,833,000 that was loaned to local people during the 24 months of 2010-2011. It partially embodied the Guidelines”. MTET is suggested that the rating of “Marginally Satisfactory” should be raised in the evaluation report according to the circumstances.

Footnote #19: MTET response

This is a particularly convoluted comment from which the MTET teases out four points. 1) Development of the guidelines was challenging because nothing similar had been done before. So what? There are many aspects of most GEF projects that involve ground-breaking work, it is the essence of GEF interventions. This reads like an excuse – no further comment. 2) That the Guidelines should evolve from existing practices is no surprise; the MTET has not expected that PMO to re-invent the wheel, but to develop with the Poverty Alleviation Office a set of practical guidelines for officers to refer to when agreeing loans. The MTET’s emphasis here is on the word “practical”, and it believes the current version of the guidelines is too general and open to differential interpretation by different officers. 3) Yes, the revised wording suggested could be used in a certain context, but the PMO made a big play out of suggesting originally that the Guidelines had been used to disperse US\$ 78,833,000 of loans, and only after several rounds of detailed questioning did the PMO change its stance and only after it was clear that its position had become untenable. The MTET does not believe that the revised wording adds anything to the basic point which is that the Guidelines are too general. 4) The MTET agrees that “*It could not be inferred that the lending practices before the Guidelines were not in keeping with the Guidelines*”, but then again any lending undertaken before the Guidelines were produced counts as baseline activities and cannot be taken into account in evaluating the Project’s achievements – a concept that the PMO appears to have had difficulty with throughout. The MTET feels that there is nothing presented anywhere in this comment that provides any reason for revising the rating.

Footnote #21 (paragraph 41)

These measures are specific recommendations themselves. Baseline survey reports cannot propose detailed specific suggestions about construction, because the implementation of these suggestions needs the corresponding construction funds. However, the allocation of the construction funds, personnel, financial and material resources is not decided by the baseline survey reports made by PMO. The baseline survey reports only provide some proposals for the local administrative departments for references, and it is up to the departments to decide where and how large the artificial wetlands, ecological parks, nature reserves will build under the support the technical units and experts. They should have an open, scientific and pragmatic attitude and establish a reasonable construction plan.

Footnote #21: MTET response

Again, the MTET apologises to the PMO but disagrees with it entirely. The recommendations are not specific – that is the whole problem. Taking one of the examples at random “*building artificial wetlands, ecological parks, nature reserves, etc*” – where is the specificity? It does not indicate where, when, how, how many; it does not say what the key habitats or priorities for the nature reserves should be, how they fit into an overall plan ... They are as the text says “*very general*”. Yet, having stated categorically in the first sentence that “*These measures are specific recommendations themselves*”, the PMO then immediately goes on to explain how they cannot be specific! Without attempting to unpick that contradiction, the MTET would like to point out two issues – 1) baseline surveys can be just that, a baseline survey that provides as detailed information as it has been tasked with determining; or 2) it can include recommendations. Where it provides recommendations, these

should be as precise as possible, something that these reports fail to be. Notwithstanding this, it could be that the baseline surveys are indeed providing basic guidance only, which may be acceptable if there was evidence that they were feeding into a process where more detailed plans were being developed, plans that provided a structured framework itemising priorities, scales, and suggested timelines for implementation that the administrative departments could aim to achieve within budgetary and other resource constraints, but there is no such evidence.

Footnote #22 (paragraph 42)

First, it is the mandate of the Land Resources Bureau to formulate the overall land use plan. The Project funds were only used to produce the biodiversity overlays and the PMO didn't participate in or give any guidance to the formulation of the plan. The PMO enhanced the contacts between the Land Resources Bureau by impact of the idea of biodiversity conservation and made the Plan take the idea of biodiversity conservation. It ensured that the Land Resources Bureau arranged the prohibited area and limited area within or round the important ecological function area when it made the Plan. The overall Plan took the biodiversity overlays, including the ecological service function map, in which the following areas were planned such as important area, medium-important area, and relative-important area of ecological function. In the map it identified the area of NRs, which reflects the key protection area of ecological function and biodiversity.

Footnote #22: MTET response

This comment simply confirms the PMO's inability to understand the basis of so much of the Project. The very foundation of a biodiversity overlay is its spatial dimension – each one is, in effect, a map of a certain biodiversity parameter that one uses to overlay onto another set of spatial information. Most of the ones that the Lead Evaluator has seen have used GIS to superimpose layers. These can be existing data from surveys, e.g. sightings or known breeding sites of species of interest, or habitat types; designations, e.g. nature reserves; or conservation priorities based on such types of data, e.g. proposed ecological corridors, proposed areas for new reserves, proposed areas with limitations on certain types of land-use or activity. And while it may be “*the mandate of the Land Resources Bureau to formulate the overall land use plan*”, it is the mandate of the Project to influence that process and the PMO should have participated in, and guided the process where biodiversity matters were involved – it is an integral part of mainstreaming! Finally, the ecological service function maps relate to just that – ecological service functions do not equate to biodiversity conservation priorities; a point made elsewhere in the report, e.g. paragraph 72.

Footnote #23 (paragraph 42)

The development axis in the land use plan made by the local governments of China is a schematic sign, which shows the connectivity of the roads among the centre city/town areas, and shows the organic connection between the stream of people and the interflow of goods and materials in the process of the main city/town development. It doesn't show the development and construction of the city/town is conduct along the axis. The roads in the axis are the existing roads. This schematic sign doesn't cause any loss because the axis running south from the secondary development centre passes directly through the highest rated ecological rating. It is recommended that MTET change the rating of “Satisfactory” in the evaluation report

Footnote #23: MTET response

The MTET remains unconvinced by this argument. The evaluators agree that the axis shows the “*organic connection between the stream of people and the interflow of goods and materials in the process of the main city/town development*” but inevitably this will lead to development along that axis – a process known in social geography as ribbon development, examples of which can be seen commonly the world over. While the road may already exist in the axis (the MTET does not have a copy of the map to hand when responding to this comment), there are also many roads in the area that have not been designated as an axis; it is the designation of the axis that is the concern since in planning terms this shows an intention of a preferred area for allowing (passively) or for prioritising (actively) development.

Footnote #24 (paragraph 43)

Before *Guidance of the State Council on Support Henan Province to Accelerate Construction of Central Plains Economic Zone* was issued, 25 national ministries and commissions had made field

investigation in Xinyang, Mr. Zhang Mingchun, Deputy Mayor, Leader of PSC, and Mr. Liang Jihai, Director of EPB, National Project Director had made speeches at the meetings and had stated clearly in presence of the leaders of the 25 national ministries and commissions that Xinyang was located in the headwaters of the Huaihe River and that conducting biodiversity conservation and water retention had great significance. With the organization of the Mr. Liang Jihai, he himself had written formal letters to the 25 national ministries and commissions about the formulation opinions on *Guidance of the State Council on Support Henan Province to Accelerate Construction of Central Plains Economic Zone*. It included the biodiversity conservation contents, thus:

“Relaying on the ecological space such as mountains, rivers and trunk canals, ecological networks will be constructed and ecological safety area in upper and middle Huaihe River will be built. Supporting implementation of the programmes such as ecological migration, water and soil conservation and natural forest protection and strengthening the results of reforestation on arable lands, the mountainous ecological areas of Tongbai and Dabie Mountains will be constructed. Promoting ecological restoration and treatment in the mining areas and supporting construction of national Nature Reserves (NR), biodiversity conservation and prevention and control of alien species will be strengthened. Strengthening the efforts of the fiscal transfer payment to KEFA, ecological compensation mechanism in the headwaters of the Huaihe River will be established”.

In the formal Guidance the above quotations were adopted. And later the *12th Five-Year Plan for National Economic and Social Development of Henan Province* also put forward:

“Strengthen conservation and management of the important ecological function areas in the headwaters of the Huaihe River and in the Dabie Mountain to increase capacity of water retention and of water and soil conservation”.

Outline of Xinyang Municipality on the 12th Five-Year Plan for National Economic and Social Development also put forward:

“Based on the ecological foundation of the municipality, accelerate the construction of ecological municipality, promote the construction of ecological area along the Huaihe River and the Dabie Mountain, and strengthen the conservation and management of some important ecological function areas such as the Headwaters of the Huaihe River Basin, and Dabie Mountain, etc. to increase the capacity of soil and water conservation and conserve biodiversity.”

It was under the leadership of Mr. Zhang Mingchun, Deputy Mayor, Leader of PSC and Mr. Liang Jihai, National Project Director that these main points were incorporated into the plans after they had fed back their comments to Henan provincial and Xinyang municipal 12th Five-Year Planning committees. Mr. Zhang Mingchun, Deputy Mayor, is Leader of PSC and Mr. Liang Jihai, Director of EPB is National Project Director. They directly organized to formulate or fed back the formulation opinions about the related strategic plans and the opinions were adopted although their positions in the project were not deliberately showed in doing the above work. But it was their leadership and the active work of the PMO that biodiversity conservation was incorporated into the national, provincial and municipal development plans. The effects were prominent. We recommend that the above contents should be added to the evaluation report.

Footnote #24: MTET response

The MTET has no idea what point the PMO is trying to make by this verbose comment. The final quote of the comment is already given in the text of the report. However, in keeping with the PMO’s wishes, the comment is printed in full immediately above.

Footnote #25 (paragraph 46)

First, the monitoring indicators system took the technical specifications of HJ/T192-2005 Technical Specification for Evaluation of Ecological Environment Status (trial), etc. for references. We agree with the evaluators’ opinion that some indices are abstruse, but it doesn’t show that these indicators system has no professional value and hereby it is considered that the monitoring system is useless and that the monitoring technical specification made by Government of China is imagined. It is not simply compared to “two apples plus two oranges”. Second, the Project has set up a monitoring system and it started to operate and monitor. The monitoring system monitored and evaluated the 12 project

villages on social economy, forestry, farming, wild medicinal herbs collection and trainings and obtained the one-year data. These progresses have been substantial. It is recommended that MTET should scientifically evaluate the real work of the Project and revise the rating of “Highly Unsatisfactory” and increase the rating.

Footnote #25: MTET response

There are two points to be responded to here:

- 1) Any index (such as the Ecological Function Index) which is derived from mathematical functions on other indices is wrong. Pure and simple, there are no exceptions. Such formulas break the basic laws of mathematics and hence have no professional value because they are meaningless. This is not the evaluators’ opinion – it is as fundamental a law of the universe as is gravity. The mistake is made commonly and often by people who should know better (the Lead Evaluator has had numerous discussions with many professors in many countries over this issue), but a common mistake does not in itself become a right, just because it is common. It has nothing to do with the Government of China – but unless the Government alters its *Specifications* it will end up with useless data. [However, the MTET does have some sympathy for the PMO in that if the mistake is present in the published trial *Specifications*, it can be forgiven for following it – but the mistake should have been identified by TAG.] The evaluators use the example of apples and oranges because it is a simple analogy and explained the problem to the PMO at length – sadly it appears that the evaluators failed to get the PMO to understand. More technically, once you have developed an index, the values of that individual index become at best interval scale data (i.e. measurements having meaningful distances between themselves but no meaningful zero value). Take for example temperature – two common indices of temperature exist – Centigrade and Fahrenheit. The intervals between the degrees of either are meaningful, but the zero value is arbitrary – that of 0°C being the freezing point of water; that of 0°F being some 32 degrees above the freezing point of water). You cannot add, subtract, multiply, or divide degrees Centigrade and degrees Fahrenheit because they are different – almost as different as apples and oranges. One must use a complex conversion to turn one into another to do so. Furthermore, a temperature of say 40°C is not twice as hot as one of 20°C because the scale is an index and not an absolute scale. But there is a measurement of temperature that is not an index but a real ratio scale measurement (i.e. measurements having meaningful distances between themselves and a meaningful zero value) – the Kelvin scale. And because this is a ratio scale, physicists and chemists always use it (and not Centigrade and Fahrenheit) in their mathematical formulae.
- 2) Despite spending a great deal of time during the evaluation discussing the monitoring system, this is the first time the MTET has heard anything relating to a monitoring scheme running in 12 villages. The MTET specifically discussed impact monitoring of such things as training with numerous interviewees and in each case was told categorically that no monitoring or evaluation of training had been conducted (see paragraph 34). So the MTET considers it odd that the PMO now suggests that “*The monitoring system monitored and evaluated the 12 project villages on ... trainings and obtained the one-year data.*” Furthermore, the PMO’s tendency to overstate its case when reporting its achievements (see paragraph 86) means that the MTET puts little store by the phrase “... *progresses have been substantial*”, particularly when no evidence has been provided now or during the mission.

Footnote #27 (paragraph 47)

First, in the process of establishment of *Guidance of the State Council on Support Henan Province to Accelerate Construction of Central Plains Economic Zone, the 12th Five-Year Plan for National Economic and Social Development of Henan Province and Outline of Xinyang Municipality on the 12th Five-Year Plan for National Economic and Social Development*, the opinions of Leader of PSC and the National Project Director were adopted. Second, the evaluators didn’t mention the following local policies, regulations and plans: *Xinyang Municipal Mineral Resources Plan (2008-2015)(revised in 2010)*, *Administrative Provisions of Xinyang Municipality on Urban Ancient and Famous Trees (Xinzhengwen No [2009] 2)*, *Opinion on Further Strengthening Forest Resources Conservation and Management (Luoshan County Government, 2011)*, *Xinyang Municipal Wetland Resource Protection Regulation (Xinzhengwen No [2010] 3)*, *Notification on implementation of ‘Regulations of Henan*

Province on Protection of Drinking Water Sources of Nanwan Reservoir in Xinyang (Yurenchang No [2009] 17), *Opinion on Implementation of ‘Regulations of Henan Province on Protection of Drinking Water Sources of Nanwan Reservoir in Xinyang’* (Xinzhengwen No [2010] 26), and *Notification of General Office of Xinyang Municipal Government on Further Promoting Integral Mineral Resources Exploration and Exploitation* (Xinzhengban No [2010] 64). They were established under the leadership of the unit members of PLG and LPLGs such as Xinyang Municipal Land Resources Bureau, EPB, FB and Luoshan County Government, etc. It was because the Project trained the local key production sectors and increased their awareness concerning conservation of ecological function and biodiversity in HHRB and because the direct role that the unit members of PLGs played that the policies, regulations and plans adopted the contents beneficial to conservation of ecological function and biodiversity conservation in the end. For example, in *Notification of General Office of Xinyang Municipal Government on Further Promoting Integral Mineral Resources Exploration and Exploitation* (Xinzhengban No [2010] 64) required that “*Mines should be fully checked and banned ... within NRs, scenic areas, cultural relics protection units, Geoparks, first-grade protection zones in the important drinking water sources.*” So the evaluators should understand that although the PMO didn’t have the right to establish any policy, regulation and plan in China, the contents of conservation of ecological function and biodiversity added to the above policies, regulations and plans had close connection to the project implementation and the awareness increasing of the leaders in the policy-making levels. This is the linkages between the policies and the Project. We suggest that the above contents about the project progress should be added to the evaluation report.

Footnote #277: MTET response

Again, the MTET is confused as to how the comment relates to (or attempts to refute) what it wrote in the main text, namely that it has not clearly identified a set of critical ecological functions and associated targets for the HHRB, nor identified the specific sectoral drivers of deterioration or attempted to quantify their respective impacts. However, again in keeping with the PMO’s wishes, the comment is included in full herewith.