**Priority Institutional Strengthening and Capacity Development to Implement China Biodiversity Partnership and Framework for Action Project**

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The opinions and recommendations in this report are those of the authors and do not necessarily reflect the position of the UNDP, MoF or FECO/MEP.

# Part I Executive Summary

## Project summary table

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Project Title | Priority Institutional Strengthening and Capacity Development to Implement China Biodiversity Partnership and Framework for Action | | |  |
| GEF Project ID | PIMS 3934 |  | At endorsement (US$) | At midterm (US$) |
| UNDP Project ID | 00059593 | GEF financing | 4,508,182 | 761,540[[1]](#footnote-1) |
| Country | China | IA/EA Own | 6,000,000[[2]](#footnote-2) | 6,000,000 |
| Region | China | Government | 9,000,000 | 4,554,326 |
|  |  | Government of Italy | 180,000 | 203,879.14 |
|  |  | WWF | 1,600,000 | 1,441,176 |
|  |  | TNC | 1,460,000 | 2,252,991 |
| Focal Area | BD | Other |  |  |
|  |  |  |  |  |
| FA Objectives (OP/SP) | BD | Total co-financing | 21,420,000 |  |
| Executing Agency | UNDP | Total project costs | 22,748,182 |  |
| Other partners involved | Government of Italy, WWF, TNC | Project Document signature | | 19.11.2009 |
|  |  | Operation closing date | Proposed 31.02.2015 | Actual: 15,213,912 |

## Project description

China hosts a significant proportion of global biodiversity. In response to the challenges and opportunities presented by the socio-economic developments of the past two decades the Government of China has initiated the *China Biodiversity Partnership and Framework for Action* (CBPF) recognising that there are still many critical threats to biodiversity and that there are likely to be emerging threats in the future to the resilience of ecosystems resulting from the development pressures and larger global issues such as climate change. This new approach (the CBPF) to biodiversity conservation represents a significant shift in conservation strategies and is comprised of a partnership of key national and international stakeholders from Chinese biodiversity conservation community and a results-oriented “*Framework for Action*”. This approach is intended to greatly increase coordination, integration and strategic impact.

The CBPF-IS project aims to directly support the operationalization of the CBPF approach (which was largely developed during the project development phase (PDF-B)) and to support critical initiatives under the Framework for Action. Specifically, this project support is focussed into five components:

* An institutionalized mechanism for the biodiversity conservation partnership;
* An improved planning system and framework for biodiversity conservation;
* The mainstreaming of biodiversity into socio-economic development;
* A mixed enabling framework for government and market based payments for ecological services;
* The integration of biodiversity into climate change adaptation measures.

The project mainstreams biodiversity into priority socio-economic issues (poverty and climate change adaptation), thereby constructing positive links between conservation and sustainable development.

## Review rating table

|  |  |  |  |
| --- | --- | --- | --- |
| Project aspect | Rating | GEF description | MTR description |
| Progress towards results | Satisfactory | There were minor shortcomings  The MTR makes this assessment based on the short time that the present PMO has been in place and cautions that unless the project moves swiftly to address the issues raised here and to implement the recommendation of the MTR (particularly 1, 9 & 10) then there is a likelihood that the satisfactory ratings could slip by the end of the project | The project has a number of features to recommend it. This is a good project, but it is necessary, to be more cautious about making judgements on the achievements of the objective and outcomes at the mid-term. The project has a capable PMU and has good relations with project partners and stakeholders. The project has supported a large number of activities (see below) and is on track to produce some good quality outputs and there is reasonable likelihood that the project will achieve a great deal. However, the CBPF is a strategic framework and the IS project, designed to enable the CBPF, also needs to be strategic, particularly in the way it interacts with other key players. This is particularly important with regards the jurisdiction issues that have been cited as a barrier to influence issues such as the PES legislation or the DPZs. For instance the project has expressed that the formulation of PES legislation, DPZ planning and climate change are the responsibility of the NDRC and that MEP/FECO does not have the mandate to address these issues thus they are largely beyond the influence of the project. However, the MTR argues that Biodiversity is the mandate of the MEP and therefore it does have a role in ensuring that all sectors of policy, planning, state agencies and committees and society are broadly aligned with the NBSAP and CBD. Adaptive management should therefore be applied to look for novel and innovative ways to proactively influence the course of issues such as PES legislation directly through the NDRC and embed the project experience and intellectual resources in these developments even though they are outside the direct responsibility of the MEP (see recommendation 1, 6 and 9 and lesson 2).  The MTR is also concerned that the common M&E framework will be applied only to GEF projects whereas the project’s design envisaged a national M&E system that would include all the agencies that impact upon biodiversity.  There are some concerns about the establishment of the CBPF Secretariat. An effective secretariat is critical to the success of the CBPF post the IS project. While the MTR recognises that this is still a “work in progress” and the present PMU will likely evolve into the secretariat with the present outcome teams becoming the Thematic Groups it is important that the project quickly moves to secure funding for the secretariat and obtains sufficient authority (regulatory if necessary) for it to hold the CBPF partners accountable. |
|  |  | Suggested response by project |  |
| Outcome 1: A strengthened CBDSC mechanism and an effective biodiversity partnership | Satisfactory | The project, utilising the resources of the M&E Consultant ensures that there is cross-sectoral acceptance of the proposed M&E programme and if necessary this should be reinforced either by agreements (*e.g.* an MoU) or by regulation  The MEP/FECO in response to the MTR develops a clear financing mechanism for the Secretariat and ensures that there is cross-sectoral acceptance of the Secretariat (including a mandate and terms of reference) and if necessary this should be reinforced either by agreements (*e.g.* an MoU) or by regulation | The project has facilitated exchange meetings between the nine projects under the CBPF framework, started to develop a common M&E framework and look for synergies and coordinated actions between these projects but this needs to be broadened out to include other key players and if necessary it may require a regulatory instrument to ensure that there is compliance by agencies and the private sector. It has organised a number of workshops, meetings and forums and facilitated the signing of the “*Agreement on China Biodiversity Partnership and Framework for Action (CBPF”)* Work is about to begin on the CBPF website and a number of studies (*e.g.* study on the relevance and effectiveness *vis a* vis the CBPF of the current GEF 4 projects) related to the CBPF have been, or are being, carried out. Training workshops have been implemented and are planned on an annual basis particularly targeting media and non-governmental organisations. FECO has also carried out a briefing meeting providing information on screening biodiversity projects at the local level and emphasis on PES legislation, DPZ planning and mainstreaming biodiversity. The Secretariat role is currently being carried out by the PMU and it is understood that this will evolve into the national secretariat at the end of the project along with the outcome teams which will become the Thematic Groups. This makes good sense but the secretariat will need to be given some powers of authority (regulatory if necessary) and it is important that funding for the secretariat is established through a manner which ensures its independence from all of the CBPF partners. |
| Outcome 2: An effective planning framework for biodiversity conservation | Satisfactory | See outcome 1 | The project has facilitated exchanges meetings between the nine projects under the CBPF framework at which issues such as institutional arrangements, a common M&E framework and synergies and coordinated actions The project has been actively supporting the process of developing the PBSAPs in Hainan (not visited by the MTR), Guangxi and Jilin (visited by the MTR and satisfactory) as well as two sectoral BSAPs; the State General Administration of the PRC for Quality Supervision and Inspection and Quarantine (AQSIQ) and the Ministry of Water Resources. The project is working with corresponding funds to support the study and development of the NBSAP implementation indicators for national M&E of the entire system. However the principle national legislation on the PES, climate change and the DPZs is being formulated by the NDRC. The project needs to be more proactive in joining in this process using an adaptive management approach to review the ways it can “get a seat at the table” using project resources and integrating project experience. This is the essence of the GEF incremental costs, adding to the process already underway. |
| Outcome 3: An effective mainstreaming of biodiversity into key socio-economic plans and planning processes is demonstrated | Satisfactory | See outcome 1 and the project develops works with the NCBC to put at the disposal of the NDRC project technical assistance and experience as well as other resources as necessary to ensure that biodiversity is fully integrated into the PES, DPZ and climate change enabling environment | The project has been supporting the integration of biodiversity into the Strategic Assessment (SEA) of China’s Western Development Programme planning. A study is being carried out to assess how biodiversity can and should be integrated into the management reforms taking place in local government. The project is looking at ways that biodiversity can be mainstreamed in the DPZs at the local level and has had a meeting, the “Launch Meeting on Strengthening Biodiversity Management Mechanism of Local Environmental Protection Departments” which was organized by FECO and has selected a reform pilot to be carried out in Yili Autonomous Prefecture. A workshop on Biodiversity Mainstreaming was held in Beijing with four thematic subjects; PES, DPZ planning, climate change and partnerships. However, the MTR is concerned because the project has expressed that the formulation of PES legislation, DPZ planning and climate change are the responsibility of the NDRC and that MEP/FECO does not have the mandate to address these issues, thus they are largely beyond the influence of the project. The MTR takes the view that these challenges (inter-agency/institution) coordination and collaboration are the very challenges the project was intended to address. A more proactive approach to the NDRC is needed, possibly with the MEP/FECO enlisting the support of the National Committee of Biodiversity Conservation (NCBC) and offering the services of the PMU and the upcoming consultancies to the NDRC as a service. At the very least an agreement between project and NDRC to work together on these issues is urgently needed. |
| Outcome 4: Market-based PES is the fastest growing source of finance for biodiversity conservation in China | Satisfactory | See outcome 1 | The project has carried out a study for the “roadmap” for PES legislation in China and a study of PES legislation demonstration including a study of international models for PES-related regulation. The outcome group has provided technical input for the PES guidelines research and a workshop was carried out; “PES: Sustainability and Green Development”.A pilot PES legislation demonstration project in Liaoning Province started in 2012 facilitating ecosystem service payments between two upstream and downstream municipalities and based on the water quality in the Liaohe River with an expected PES of 80 million US$ from the provincial budgets. However, as discussed above, PES are extremely challenging to establish and it is of paramount importance that the lead biodiversity agency (the MEP) is closely integrated into the work of the NDRC on a range of issues that are currently the responsibility of the NDRC to develop. The PMO is acting as the CBD Secretariat at the moment and it will evolve into the permanent secretariat when the project closes. However, if the PMO is to function as such (as well as being the PMO) then it needs to be clearly communicated to partners that this is what it is doing and it needs to be provided with some authority as such. This will be difficult because it is still essentially a project structure therefore it needs to consider how this can be done, for instance by producing a discussion document that outlines the roles, responsibilities and authority and powers of the Secretariat which will be different from those of the PMO. |
| Outcome 5: Planners/decision-makers in nature conservation and in selected provinces are integrating biodiversity into their adaptation to climate change policies | Satisfactory | See outcome 1 | A study into on-going biodiversity and climate change projects in China has been completed. The project has organized a workshops on “Stewardship for Biodiversity-oriented Climate Change Adaptation” and “Biodiversity Mainstreaming and Progress of the GEF China Biodiversity Partnership and Framework for Action (CBPF) covering four themes; (i) PES and biodiversity conservation, (ii) Biodiversity Mainstreaming, (iii) Biodiversity and climate change, and (iv) Biodiversity partnership in China: CBPF and projects.  However, in the second half of the project it is important that the findings and experience from the IS project are carefully integrated into the regulatory mechanisms that are being developed by the NDRC. |
| Adaptive management | Moderately Satisfactory | The project has moderate shortcomings (in this area)  See outcome 1 | The project did not take full advantage of the inception phase. However, there is considerable intellectual capacity in this project at all levels, that is; the project has the capacity to think. There are many issues at play between the adaptive management and contractual functions of the SRF, UNDP Atlas reporting, GEF and the Government of China’s own internal systems. While necessary and proper they can act as anchors against adaptive management. What is clear is that the project has responded well, for instance in the way it has recovered from the first year.  However, the project will have to “think adaptively”, and effectively use the planned technical assistance inputs to drive greater integration of the project objectives with those of the NDRC, in the second half in order to ensure that the distance between the MEP mandate and the NDRC policy and planning responsibilities is significantly reduced. The MTR provides a number of recommendations to achieve this through a multi-faceted approach. Secondly, as the PMO is to become the Secretariat then this should be clearly articulated through partnership agreements, terms of reference and if necessary regulatory backing to provide it with sufficient authority. |
| Management arrangements | Satisfactory | If the PMO is to become a fully functioning Secretariat after the close of the project then the necessary steps (*e.g.* financial support, ToR, mandate, CBPF partnership agreements, regulatory framework, *etc.*) need to be developed and this needs to be clearly articulated in the project’s exit strategy | The management arrangements are very good however something clearly went wrong during the first year with the start-up of the project, delays in appointing a PMU and then the necessity to replace the PMU. Although this needs to be measured against the way the project recovered from this, which it has. The PSC, PMO and the provincial arrangements appear to work very well. If the PMO is to fulfil the function of the CBPF Secretariat it is important that these two functions, project management and implementation, are clearly understood, there is training for the roles and they are clearly distinguished between in reporting.  During the second half of the project full use of the international TA (particularly the CTA position) will be necessary to provide and external perspective on the internal challenges to achieving cooperative governance between line agencies, committees and other sectors with biodiversity conservation as an agreed and shared common end goal. |

**Summary of conclusions**

The CBPF IS project is a good project, however, the progress towards results is rated *Satisfactory.* In all likelihood it can achieve much more in the second half of the project providing it takes a number of steps to strengthen the way it is interacting with key players in biodiversity management such as the NDRC and it broadens its scope out beyond the nine GEF portfolio projects. Admittedly it has suffered from a difficult first year because PMO was not established and UNDP did not receive the necessary annual work plan for the transfer of GEF funds to be effected. After this the PMO had to be entirely replaced due to staff leaving or not taking up positions.

However, with the installation of a new, highly qualified and dynamic PMO at the end of 2011 and early 2012, the project is still progressing well but the MTR is concerned that it will need some revision of its strategy if it is to achieve the stated outcomes and objectives.

The project design from the Project Development Facility (PDF) phase through to the production of the Project Document has been used to good strategic advantage and the intervention is strategic in nature, intending to create a framework for biodiversity management (or decision-making), finance and monitoring in China, in this sense the CBPF will give direction to biodiversity conservation. It provides an interesting example of how important strategic thinking around the design and implementation of a project can be.

There is strong leadership at all levels within the project and despite the earlier setbacks there is a good chance that this project will achieve its stated objectives. However, because it is essentially a *process* oriented project and is addressing an *adaptive challenge* there is a risk that the project might “trade” outcomes for outputs and expediency in the remaining time available, that is; it will produce a large number of high quality outputs but they may not add up in total to the outcome. While there is no sign that this is currently happening, it should be recognised as a significant risk. The most effective way to avoid this would be to allow the project more time to follow process rather than focusing on outputs and for the project to engage directly with the body responsible for establishing the enabling environment for PES, climate change adaptation and DPZ planning.

This last point is of particular worry to the MTR which is concerned about the project’s ability to integrate the biodiversity aspects of the MEPs mandate into the policy and planning process currently underway by the high-level and influential National Development Reform Council (NDRC) and is reflected in the MTR *Moderately Satisfactory* for Adaptive Management.

**Recommendations**

The MTR makes the following recommendations in order to strengthening the MEP/FECO’s ability to influence the development of PES legislation, climate change adaptation and DPZ planning and to seize opportunities (such as the National Committee of Biodiversity Conservation) that have arisen since the project’s start and to build on the existing strengths of the project.

**Recommendation 1: Strengthen CBPF though the National Committee of Biodiversity Conservation of China under Outcome 1, 3, 4 and 5:**

The National Committee of Biodiversity Conservation was first established in 2010 for the UN Biodiversity Year 2010, and it was renewed as the leading government platform for UN Decade of Biodiversity Conservation in June 2012. It is chaired by Vice Premiere of the State Council with members from 25 line ministries and government agencies and with the Secretariat in MEP. In June 2012, the National Committee approved the China Action Plan for UN Decade of Biodiversity Conservation, which is closely link to UN Aichi Targets for biodiversity conservation. The National Committee provides considerable legitimacy to the CBPF-IS project  as the technical services providers for coordination and partnership at national level, which will significantly contribute to CBPF-IS outcomes and outputs in particular Outcome 1, 3, 4 and 5.

**Action:** Project Steering Committee delegate a working group consisted of officials from MEP Department of Ecology and Nature Conservation and FECP/MEP (including PMO) to jointly develop a working plan for the remaining period of the CBPF-IS project, listing the PMO as a technical services provider of Secretariat of National Committee, identifying the priority activities to facilitate and support the National Committee, such as jointly International Forum on Biodiversity and Green Development and other activities related to the China Action Plan for UN Decade of Biodiversity Conservation as well as the UN Aichi Target, exploring the possibilities to integrate the PMO into the National Committee Secretariat as the CBPF Partnership Secretariat post-IS project.

A first task of these IS project related responsibilities would be to examine ways in which the MEP and the NDRC could, using the vehicle of the IS project, integrate the IS project experience into the formulation of PES legislation, DPZ planning and climate change adaptation policies and plans.

**Recommendation 2: Revise and reduce the outputs under Outcome 3, 4 and 5:** The responsibility for the development of the PES legislation, climate change adaptation and DPZ planning are being undertaken by the NDRC. However, because they involve biodiversity they are very firmly within the mandate of both the MEP and the IS project. In particular the issue of the PES legislation, DPZ planning and climate change for which the responsibilities now largely rest with the NDRC. However, biodiversity *per se* is the responsibility of the MEP and the IS project.

***Action:*** PSC instructs PMO to organise a SRF planning workshop including the participation of the key project partners and the Outcome Groups. Review the project SRF against the current circumstances and propose changes to the UNDP-GEF RC for validation. It is important that this is a substantive workshop and the process is not rushed. Full use should be made of the (by then) newly appointed CTA to facilitate the workshop. An important aspect of this workshop, and one which might require an external facilitator[[3]](#footnote-3) to fully challenge the participants should be the participation by representatives of the NDRC. It is recommended that the facilitator uses some of the approaches utilised by scenario planning and proposes a “key question” to the participants: “*how can the CBPF-IS effectively and positively influence the development of PES legislation, DPZ planning and climate change adaptation policies and plans in China for the next two years”.*

**Recommendation 3: Actions to strengthen the Outcome 1 and Out 2:** These two outcomes have been well designed and implemented, they are in line with the MEP mandates in biodiversity conservation, the strength has been built in the CBPF- IS project, and the provincial and sectoral BSAPs are drafted and of high quality in their format and content. A critical comment might be that they all make a distinction between conservation and sustainable and the CBD would argue that sustainable use can and does improve the status of the resource being used. Most of them are nearly ready to be approved by related provincial governments and line ministries.  The project argues that it is urgently needed to work with the provincial and sectoral authorities to work on at least one priority action in each BSAP after it is approved as a demonstration of its implementation (and as a means to uncover any inefficiencies in the plan) and to avoid stasis in its implementation. However, the MTR recommends that the project works with the National Committee of Biodiversity Conservation (established in 2010) to review the enabling environment for the implementation of the PBSAPs to identify inefficiencies and inequalities in the enabling conditions. Not only would this put at the NCBC and provinces disposal the technical expertise of the project but it would also be a clearly incremental over what the government is spending and in line with the GEF’s policies of incremental funding.

***Action***: PMO to organise a workshop with the Outcome Groups to integrate new opportunities into the existing activities and outputs. As this is at output level it need not be validated by the GEF although it would be prudent to seek advice from the RC on this matter. It should be noted that this may require a budget revision from under-spent funds in outcomes 3, 4 and 5. Given the changes recommended above it is important that the PMO reviews the existing work plan and revises it against any changes that are made. The PMO to review the TYWP taking into account any alterations due to the revised and realigned SRF. Submit the TYWP to the PSC for approval following completion of recommendations 1 and 2.

**Recommendation 4: Review and streamline budget and contract approval procedures:** FECO’s due diligence regarding project expenditures is admirable and reflects the importance and responsibility of the project partners. The CBPF-IS now has a demonstrably responsible and professional PMO and it should be possible to review and streamline the budget and contract approval process given that there is considerable trust between the project partners and PMO. Furthermore, the often necessary delays in approving budget expenditure can be reduced by more forward planning in submitting requests. However, there is still a strong case to streamline approval procedures.

***Action:*** MEP and FECO to review budget approval procedures and provide new guidance to PMO on expenditure submissions. PMO to ensure that budget approval submissions are submitted well in advance of the TYWP commitments.

**Recommendation 5: Capacity building to the PMO and extending to the provincial PMOs:** There is frequently an assumption in projects that project personnel (the PMO) should not benefit from any training and capacity building provided by the project. However, investment in human resources is almost always cost-effective and it is unreasonable to assume that the PMO will necessarily have the requisite set of skills to prosecute a project. Providing good quality TA staff with training and mentoring mandate during the early stages of the project, possibly defined during the inception phase when an assessment of the skill needs can be made is important, but given that the inception phase has passed it would be wise to provide training opportunities to the PMO now. Using the opportunity presented above, the project extends this training to build the capacity of the project management officers at the provincial level (such as Guangxi and Jilin) and other sectors (*e.g.* the Water and Quality Bureau) can also be included, as well as other PMO staff of other CBPF projects. The training should be targeted at developing facilitation skills. The objective of the training would be to build the capacity of the individuals in collective problem solving, facilitating workshops and building coalitions (*e.g.* to implement recommendation 2 by starting with a question rather than an answer).

***Action:*** The newly appointed CTA should be tasked with assessing the PMOs skills and tools for facilitation and provide a targeted training programme introducing a range of tools, methodologies and approaches to participatory problem-solving and planning and facilitation. Based upon the training received by the PMO and their existing skills there is an opportunity to multiply the effect across a larger area either by including them in the training or by providing a programme of training to the provincial PMOs.

**Recommendation 6: Communications programme:**  The project’s strategy did not provide for a communications programme. However, the project is producing experience and lessons that are important in influencing the approach towards biodiversity conservation which is an integral part of the CBPF. Outcome 3, 4 or 5 could reasonably provide a basis for broadcasting these lessons across a wide spectrum of stakeholders.

***Action:*** The PMO assesses whether it has the “in-house” capacity to develop a communications programme. This challenge of doing this should not be underestimated and if necessary an external contract might be considered.

**Recommendation 7: Increase the participation of non-governmental project partners:** WWF and TNC, particularly the latter are able to provide high quality technical inputs to conservation planning, in particular data. Consideration should be given to increasing linkages between the BCPF-IS project and the activities of these two organisations.

***Action:*** PMO to arrange meetings with WWF and TNC to explore ways to increase their participation in the IS project process. If necessary the PMO should produce and agree a strategy to increase collaboration.

**Recommendation 8: Project extension:** The project design was ambitious (albeit justified). However, like so many GEF projects it did not take into account the risk of ordinary events effecting the establishment of the project framework. This project has lost time in the first year, however, it now has considerable intellectual and political capital and is gathering momentum but it still needs time. Therefore the MTR recommends that the project applies for a “budget neutral” extension of one year. The MTR realises that while this will be budget neutral in terms of the GEF financing there will be cost implications on the part of UNDP and FECO. However, this project is “special” and there are significant risks in trying to rush the process. It is “special” because it is an “influential project” and importantly it is one which has built considerable trust between, and is trusted by, the project partners; *trust* is a key component of any governance system. Trust increases efficiency and significantly reduces transaction costs.

***Action:*** UNDP contacts the UNDP-GEF RC and discusses the implications of extending the project. If given a favourable answer the PSC writes to UNDP requesting an extension, providing a rationale and stating how the additional costs of maintaining the PMO and other recurrent costs might be met. UNDP should then process the application through the UNDP-GEF RC. The MTR suggests that this should be a priority action regardless of whether an extension is granted in order to provide the PMO and other stakeholders with some certainty as to the remaining length of the project. Delays in making a decision, either to extend or not, could damage the project and be counterproductive and disrupt the planning process by creating uncertainty.

**Recommendation 9:** Develop the role of the PMO as the Secretariat. This has to be different from its role as a project management unit, possibly including this role in the training in recommendation 4.

**Action:** The secretariat will need to be given some powers of authority (regulatory if necessary) and it is important that funding for the secretariat is established through a manner which ensures its independence from all of the CBPF partners. The role and function of the Secretariat will need to be communicated to, and agreed upon, by all the CBPF partners including a risk analysis of any conflicts between the PMO’s function as project management office and its role as the Secretariat.

**Recommendation 10:** Develop an exit strategy at an early stage during the final half of the project. The CBPF will continue to run beyond the life of the IS project and many of the structures put in place during the project will continue to function afterwards. This should also provide a clear pathway for the “migration” of the CBPF Secretariat from the PMO to its final destination. It is important that prior to the closing months all of these different components have a clear pathway. The exit strategy can be developed and regularly updated as the project draws to a close. Developing an exit strategy in the closing months of a project does not provide a seamless handover.

**Action:** PMO to develop the exit strategy and SC to approve. Regular review of the strategy will need to be factored into the work planning. An example from the UNDP-GEF CACILM Multi-country Capacity Building project is provided as a very good template.

**Lessons**

**Lesson 1: In order to use the inception phase to their full advantage projects should have key external technical advisers (*e.g.* a CTA) in place during the inception phase:**

The inception phase of a project, while being used to establish the project and the PMO, is also a critical point in the project’s cycle when the inevitable changes in circumstances and the assumption inherent in the intervention are first tested. It is critical that the PMO and project stakeholders are able to challenge the project’s design and to make quite fundamental changes if there is sufficient cause and justification. This includes in critically reviewing the SRF. In this instance the SRF was exceptionally good but even then there were weaknesses due to a variety of reasons and these have remained for half of the time available to the project when they could have been addressed at the very beginning. However, in order to do this it would be very useful to have both the PMO and any embedded technical assistance (*e.g.* a CTA) in place so that they can take ownership of the process.

**Lesson 2: Complex projects such as the CBPF IS project will require better facilitation tools and skills:**

The project design lacked a tool or methodology, other than the conventional workshops, seminars, studies and reporting, to achieve the aims of the CBPF, to increase participation, and to reach a broad consensus across the multiplicity of stakeholders tasked with managing a complex and unpredictable system; the ecosystem and the sum of its biological diversity. Furthermore, it is unlikely that PMO staff will already have all the requisite capacities, especially so when a project is trying to introduce new approaches such as collaborative governance.

**Lesson 3: Project start dates:** GEF projects start with the signing of the Project Document. From this point on the clock is ticking towards the end of the project. However, this is a fairly arbitrary starting point and ignores the difficulties in actually establishing a project and militates against adaptive management because it places such pressures on the project partners and PMO that they do not have the time to stop and think, furthermore, it involves a considerable assumption that the project design is implacable.

The MTR understands that GEF Adaptation Fund projects start at the Inception Workshop[[4]](#footnote-4) (*i.e.* once the PMO is in place and any necessary revisions to the projects strategy have taken place. This would appear to be a much fairer way of ensuring that the plan (the Project Document) has the full time envisaged for its execution.

# Part II Acronyms & abbreviations

|  |  |
| --- | --- |
| APR | Annual Progress Report |
| AWP | Annual Work Plan |
| BSAP | Biodiversity and Action Plan |
| CBD | Convention on Biological Diversity |
| CBDSC | China Steering Committee for Implementation of the CBD |
| CBPF-IS | Priority Institutional Strengthening and Capacity Development to Implement China Biodiversity Partnership and Framework for Action project |
| CO | Country Office |
| DPZ | Development Priority Zone |
| ECBP | European Union-China Biodiversity Programme |
| FECO | Foreign Economic Cooperation Office of the Ministry of Environmental Protection |
| FSP | Full-sized Project |
| GEF | Global Environment Facility |
| GPRC | Government of the People’s Republic of China |
| MELS | Ministry of Environment, Land and Sea (Government of Italy) |
| MEP | Ministry of Environmental Protection |
| MOF | Ministry of Finance |
| MTR | Mid Term Review |
| PBSAP | Provincial Biodiversity Strategy and Action Planning |
| PMO | Project Management Office |
| PRC | People’s Republic of China |
| NDRC | National Development and Reform Commission |
| NGO | Non-governmental Organisation |
| PCG | Partner Coordination Group |
| PDF | Project Development Facility |
| PES | Payment for Ecological Services |
| PIR | Project Implementation Review |
| PSC | Project Steering Committee |
| SRF | Strategic Results Framework |
| TNC | The Nature Conservancy |
| TOR | Terms of Reference |
| WWF | World Wide Fund for Nature |

# 1 Introduction

1. This report provides an account and the findings and conclusions of the Mid Term Review (MTR) of the UNDP-GEF Project (Biodiversity Full-sized Project UNDP 2902, GEFSEC 2435) Priority Institutional Strengthening and Capacity Development to Implement China Biodiversity Partnership and Framework for Action project (CBPF-IS) that is being implemented by United Nations Development Programme China and jointly executed by the Foreign Economic Cooperation Office (FECO) of Ministry of Environmental Protection (MEP), Ministry of Finance (MOF).

## 1.1 Purpose of the review

1. The GEF recognizes that all its projects by their very nature are addressing complex systems and issues. As a result there is a high level of uncertainty when it comes to predicting the outcomes of project interventions. Therefore the GEF works through a process of adaptive management on the understanding that project‘s designs and planning processes are invariably based upon a number of assumptions which may, or may not, hold true. Therefore the MTR, as part of the monitoring and evaluation process, is tasked with elements of audit and adaptive management and will necessarily consider:

* The performance of the project – has it done what it said it would do?
* The effectiveness of the interventions – having done what it set out to do, has it worked?
* The impact of the project – what are the outcomes now, and in the future, of the Project’s intervention.

1. Through this process the MTR identifies the strengths and weaknesses within the project, any critical issues and proposes remedial actions or changes in the strategy where necessary. Therefore, the MTR is an integral component of the GEF project cycle management and as such is intended not simply to audit the performance but importantly to ensure the project is adaptive over its lifetime in order to achieve the stated objectives and outcomes.

## 1.2 Scope & methodology

1. The ToR will guide the MTR in assessing the projects:

* Performance; its design and the progress towards results
* Adaptive management; its work planning, finance and co-financing, monitoring systems, risk management and reporting as well as assessing how much the project has been able to challenge any assumptions made during the design phase based upon experience and understanding and if this has been incorporated into the projects strategy
* Management arrangements; have these been efficient and effective.

1. The MTR will consider the contribution of the entire project partners and stakeholders.

### 1.2.1 Methodology

1. The process of evaluation began with a study of the considerable project documentation and background literature that is associated with any UNDP-GEF project. Following on from this there was a period of interviews and consultations with key project partners and stakeholders during the in-country mission.
2. The in-country(s) mission consisted of focused meetings and discussions (in person and by electronic communications) with the UNDP Country Offices in Beijing, PMO and the UNDP/GEF Regional, key GPRC Ministries and other stakeholders[[5]](#footnote-5) starting with a briefing of the purpose and the process of GEF monitoring and evaluation. The subject of these meetings focused on (but was not limited to) determining a number of key questions, based on the project’s intended outcomes, at times these were expanded by the consultants as deemed appropriate. These included:

* Assessing overall performance against the project objective and outcomes as set out in the Project Document, project’s Strategic Results Framework (SRF) and GEF Increment, and other related documents;
* Assess the effectiveness and efficiency of the project;
* Analyzing critically the implementation and management arrangements of the project;
* Assessing the progress to date towards achievement of the outcomes;
* Recommendations to the project in improving/updating its Outcomes’ indicators;
* Reviewing how appropriate the planned strategies and plans for achieving the overall objective of the project within the timeframe were;
* Assessing the sustainability of the project’s interventions;
* Listing and documenting initial lessons concerning project design, implementation and management;
* Assessing the project relevance to national priorities (including achieving gender equality goals).

1. Project review is an iterative process and the MTR team has constantly analysed and updated their understanding of the project, the critical issues and eventual recommendations.
2. At the end of the country mission the MTR team provided feedback to key project partners and provided a brief *aide memoire* to the UNDP CO and PMO outlining the MTRs understanding of the project, the strengths and weaknesses, conclusions, critical issues and recommendations.
3. GEF project review requires the evaluators to provide ratings for the key components of the project on a six-point rating scale ranging from Highly Satisfactory to Highly Unsatisfactory and the likelihood of the project outcomes being sustainable post GEF funding on a similar rating scale ranging from Highly Likely to Highly Unlikely.

### 1.2.2 MTR Team composition

1. The MTR Team was composed of two consultants with a broad experience of international, regional and national biodiversity conservation with particular reference to GEF project planning and formulation, implementation, monitoring and evaluation, conservation policy and legislation, institutional strengthening and capacity building.

### 1.2.3 Approach of the MTR

1. The approach followed by the MTR can be described thus:

***Emphasis on constructive analytical dialogue:*** with the project partners providing the project participants with an opportunity to explain the strategies applied to date, the challenges that had been faced and the inevitable nuances that affect a project. In this way the MTR is able to deepen the partner’s conceptual understanding of the key issues underlying the project and the driving forces that have shaped, and continue, shaping events.

***Defining the scope of the MTR’s focus:*** through discussions with the UNDP and the project staff the areas and extent of inquiry to be defined.

***Critical analysis of the project design:*** the original design, the Project Document, is challenged against best practices and in light of the project’s experience to consider whether there were flaws in its logic and approach or whether there were assumptions, known or unknown, that have not proven correct.

***Critical reflection on the measures of project success:***measuring progress and performance against the indicators provided in the project’s logical framework with the participation of the project partners and reflecting on their relevance and adequacy, and where these were in doubt, alternative or complimentary indicators can be identified and/or re-phrased.

***Assessment of the project’s performance and impact to date:***analysing the performance and progress against the indicators and reasonably expected impacts of the project’s implementation.

***An examination of process:*** critically examining the project’s actions and activities to ensure that there was sufficient effort in ensuring that elements of capacity building and participation, establishing processes and mechanisms, that would enable the targets to be achieved in the longer term rather than being *expedient*.

***Synthesizing plausible future impacts:*** using analytical methods to identify plausible future outcomes resulting from the impact of the project in the future.

***Jointly defining the conclusions and recommendations with the PMO and project partners:***ensuring that there is a common understanding of any weaknesses or shortcomings in the project’s implementation and an understanding the reasons for, and the appropriate detail of, any remedial actions that might be necessary.

1. GEF projects are ordinarily measured against the indicators provided in the strategic results framework[[6]](#footnote-6). However, the MTR has at times used its judgement when assessing progress against the stated SRF targets in arriving at a suitable rating that reflects the value of the CBPF-IS project. Where this has occurred an explanation and justification is provided in the text.

### 1.2.4 Comments on the first draft MTR Report

1. Following the review of the first draft MTR Report both the UNDP China Office and the UNDP-GEF RTA raised concerns that the review was not challenging the project sufficiently on outcomes 3, 4 and 5. In particular these concerns related to the mandate of the MEP and the role of the NDRC in developing PES legislation, the DPZs and mainstreaming biodiversity into climate change adaptation policies and plans. The concern was that the report too readily agreed with the view that these issues lay outside the MEP mandate and the project was therefore not able to achieve these outcomes. The RTA put forward the alternative view that the CBPF-IS project was designed to catalyse these partnerships and ensure that there was cooperative governances around a common biodiversity conservation agenda.

MEP’s mandate is to coordinate the efforts of various agencies and ensure that conservation of China’s globally significant biodiversity can be achieved collectively as a nation, in line with the National Biodiversity Strategy and Action Plan (NBSAP).  MEP is responsible for meeting the country’s biodiversity targets towards attainment of Aichi Targets by 2020.

1. The MTR had intended that the lack of a tool or methodology to facilitate the process of building partnerships as well as the specific facilitations skills and capacity was a weakness in an otherwise reasonable project strategy and was likely to be the main reason contributing to this weakness in the project. However, the MTR broadly agreed with the criticisms of the first draft; that is that biodiversity is the mandate of the MEP and therefore it does have a role in ensuring that all sectors of policy, planning, state agencies and committees and society are broadly aligned with the CBD. Therefore there was a substantive revision of the first draft to address these concerns (see section 2.5).

## 1.3 Structure of the review report

1. This report is structured in three parts; section two provides a description of the project, section three provides the main findings of the MTR, and section four provides the conclusions, any necessary remedial actions and the lessons extracted from the project’s experience.

# 2 Project description & development context

1. China hosts a significant proportion of global biodiversity. In response to the challenges and opportunities presented by the socio-economic developments of the past two decades the Government of China has initiated the *China Biodiversity Partnership and Framework for Action* (CBPF) recognising that there are still many critical threats to biodiversity and that there are likely to be emerging threats in the future to the resilience of ecosystems resulting from the development pressures and larger global issues such as climate change. This new approach (the CBPF) to biodiversity conservation represents a significant shift in conservation strategies and is comprised of a partnership of key national and international stakeholders from Chinese biodiversity conservation community and a results-oriented “*Framework for Action*”. This approach is intended to greatly increase coordination, integration and strategic impact.
2. The CBPF-IS project aims to directly support the operationalization of the CBPF approach (which was largely developed during the project development phase (PDF-B)) and to support critical initiatives under the Framework for Action. Specifically, this project support is focussed into five components:

* An institutionalized mechanism for the biodiversity conservation partnership;
* An improved planning system and framework for biodiversity conservation;
* The mainstreaming of biodiversity into socio-economic development;
* A mixed enabling framework for government and market based payments for ecological services;
* The integration of biodiversity into climate change adaptation measures.

1. The project mainstreams biodiversity into priority socio-economic issues (poverty and climate change adaptation), thereby constructing positive links between conservation and sustainable development.

## 2.1 Project start and duration

1. The CBPF-IS project was designed as five-year project originally planned from March 2010 until February 2015. The Project Development Facility (B) phase took place between 2005 and 2007. The Project Document development began in November 2007 and ended in November 2009. The Project Document was signed in May 2010. However the first payment was not made until December 2010 because the Project Management Office[[7]](#footnote-7) (PMO) was not installed and no AWP developed by PMO until then. The inception phase lasted from January 2011 until April 2011 resulting in the Inception Workshop on the 20th April 2011. Due to a number of reasons, most importantly being a high turnover in project staff, a new PMO was installed in between November 2011 and February 2012 and has been in place since. The project is still due to close in February 2015.

## 2.2 Problems that the project seeks to address

1. The project is a strategic intervention to address the “loss of globally significant biodiversity and the consequential negative impacts on poverty and sustainable development”[[8]](#footnote-8). More specifically it was designed to strategically tackle issues of overgrazing of grasslands, unsustainable extraction of freshwater resources, commercial and illegal logging of forests, resource exploitation for the construction and mining sectors, urban expansion, pollution, increased reliance upon monocultures, invasive and alien species, the trade in wildlife and climate change. By any measure this was an ambitious undertaking in one project.

## 2.3 Immediate & development objectives of the project

1. The objective of the CBPF-IS project is “*the development of the national policy and institutional framework bringing it closer to international best practices*” which was considered necessary in order to achieve the larger CBPF goal which is stated as “*a significant reduction of the rate of biodiversity loss as contribution to sustainable development”.*
2. As the IS project supports the development and future operation of the CBPF. The MOF has accepted the CBPF Results Framework as a national planning tool for GEF biodiversity related projects[[9]](#footnote-9) and the CBPF was fully consistent with China’s 11th Five-Year National Socio-Economic Development Plan (2006 - 2010) and the ecological aspirations of the current 12th Five-Year Plan.

## 2.4 Baseline indicators established

1. Baseline indicators were established during the project development phase. The MTR considers that these were reasonable indicators for the five outcomes providing an indication of both project performance and impact. An assessment of the projects progress towards results as measured against those indicators is provided in Annex 8 of this report.

## 2.5 Main stakeholders

## 2.5 Main stakeholders

1. The CBPF-IS project stakeholders reflect the strategic nature of the project intervention; that is, they consist mostly of statutory agencies with a lesser number of non-governmental organisations (NGOs) which until the midterm have played an important role as co-financing partners while not being directly involved in the project’s activities (this will be further elaborated in section 3.2.3) and the committees set up to oversee the implementation of the CBPF and the Convention on Biological Diversity (CBD). A comprehensive list of project stakeholders is provided by the Project Document (see Annex 6). However it is worth noting that, given the complexities of environmental management in China and more particularly the scale, there are a very large number of line ministries and other statutory agencies, indeed this is part of the challenge facing the CBPF and the IS project; in getting all of these stakeholders to adjust their planning, internal operations, long term strategies *etc.,* towards biodiversity conservation. The size and scope of this challenge, while not underestimated by the project’s design, was almost certainly underestimated in the time available to the project and means by which change could be facilitated.
2. An example of this can be seen in the CBPF-IS project’s outcomes 3, 4 and 5, namely mainstreaming, market-based incentives and integration of biodiversity into climate change adaptation policies and plans.
3. The power to make payment for ecosystems services (PES) legislation and Development Priority Zones (DPZs) planning as well as climate change adaptation policy and planning lies with the National Development and Reform Commission[[10]](#footnote-10) (NDRC) and not with the key project stakeholders (MEP, MOF, FECO/MEP, and UNDP). However, these three outcomes (outcome 3, 4 and 5) are critical to the overall CBPF-IS’s strategy. The NDRC was listed as a stakeholder in the Project Document but in reality it is a key player with regards to these three project outcomes. A situation that has resulted in the projects lesser performance in influencing the payment for ecosystems services (PES) legislation and Development Priority Zones (DPZs) and mainstreaming biodiversity into climate change policies. The fact that the responsibility of these developments lies with the NDRC is not so much a barrier to the project but rather it should be viewed as an opportunity. The very fact that such a high-level Commission is taking responsibility for PES, DPZs and climate change is a mark of how serious these issues are to the Government. Therefore the project should be seizing this opportunity through an adaptive management process and putting its organisational, intellectual/technical and incremental financing assets at the disposal of the NDRC to formulate sound policies and legislation that mainstream biodiversity into the emerging enabling environment.
4. However, the MTR argues (as does the Project Document and the CBD) that biodiversity is both a critical component of all of these three themes and equally; critically important to their success and sustainability. The mandate for biodiversity does lie firmly with the MEP. This really gets to the heart of the CBPF-IS project and what it is expected to have achieved by its end.
5. Overcoming these sectoral disconnections and insuring that there is cooperative governance between different line ministries, agencies and committees. While the responsibility for making the various laws and plans might lie outside the key project partners, the responsibility for ensuring that biodiversity is at the core of these reforms (the biodiversity mandate) must lie within the MEP and the project. Therefore it is critical both for the success and sustainability of future PES schemes, DPZ sustainability and climate change adaptation policies that the MEP, through this project, is able to influence these; it needs through whatever means to “get a seat at that table”[[11]](#footnote-11).
6. The challenge for the project is in influencing a process that is, at least in terms of the power to affect change, largely outside of their control unless the MEP/FECO participate in the processes being driven by the NDRC, but could have the greatest effect upon the core values of their mandate.
7. The National Committee of Biodiversity Conservation[[12]](#footnote-12) is a critical stakeholder which was not in existence at the time the project was designed. However, the formation of this Committee is an opportunity that has arisen since the project’s start and could be used as vehicle to integrate the project into the NDRC activities and ensure that biodiversity is mainstreamed into the policy and legislation surrounding PES, DPZs and climate change. The MEP has good relations with the NDRC[[13]](#footnote-13) and these should be capitalised upon. Firstly through PSC and then more formerly perhaps through the NCBC.

## 2.6 Expected results

1. The project was designed to facilitate the implementation of the CBPF. The CBPF itself is an “umbrella programme” designed to support biodiversity conservation in China according to the national commitments as a Party to the CBD. Therefore the CBPF is explicitly designed to contribute to all four of the GEF Strategic Objectives for biodiversity.
2. The CBPF-IS is designed to achieve this through five outcomes:

* **Outcome 1:** Strengthened coordination mechanisms at the central level for biodiversity conservation.
* **Outcome 2:** Strengthened planning system for biodiversity conservation, including monitoring and evaluation.
* **Outcome 3:** Biodiversity mainstreamed into national development plans and programmes.
* **Outcome 4:** Enabling framework for government and market-based payments for ecosystems services (PES).
* **Outcome 5:** Integration of biodiversity conservation into climate change adaptation policies and plans.

1. Outcome 1 is to directly strengthen the CBPF partnership and the implementation of the CBPF Results Framework, that is, to increase cooperation amongst the partnership. Outcomes 2, 3, 4 and 5 are to address priority institutional and policy issues in the CBPF Framework. In short the project should result in greater collaboration between sectors and stakeholders, an improved planning process and a suit of normative documents to support biodiversity conservation.

# 3 Findings of the midterm review

1. It is important to view the progress of the IS project against the challenges that it faced in the first year (section 2.1, para. 15). On this basis it is reasonable to set a starting date for activities in any earnest around December 2011 when a new (and current) PMO was being installed amongst other mitigating factors (see lesson 3). This allows the MTR to judge progress based on approximately eighteen months of activities rather than from the point of signing the Project Document in May 2010. The MTR finds that the CBPF-IS project, by the mid-point of the project cycle, is satisfactory. The key project partners (MEP, MOF, FECO/MEP and UNDP) enjoy a supportive and effective relationship which is manifest in the way decisions are made and each representative’s in-depth understanding of the project and its workings, certainly there is no evidence of the stresses and strains that can sometimes affect projects such as this. The Project Steering Committee (PSC) is working well as the project’s executive. The Project Management Office (PMO) functions well; it has considerable energy and commitment and enjoys the support and confidence of the four principle project partners. Therefore the project has considerable internal strengths and the intellectual capacity to develop innovative solutions to the sort of non-rule-based problems that the project is designed to address. This is visible in the way in which the PMO has, since December 2011, got the project underway (see section 3.1.2 and Annex 9).
2. At the provincial level the PMO has developed a good working relationship with provincial authorities and institutions and is clearly well-regarded and trusted, indeed, *trust* appears to be a characteristic of this project which is both needed and commendable. Further, it appears to have built upon the outcomes of the earlier EU-China Biodiversity Programme and used the gains from this earlier project to good effect in the Provincial Biodiversity Strategy and Action Planning (PBSAP) process. For instance, there were clear signs that during the Jilin PBSAP preparation the planners had learned from the experience of the Guangxi team.
3. The key project partners and the PMO appear to have selected strong teams of technical experts to lead the five outcomes and provided them with clear ToR. Their work, which is mostly still in progress or nearing completion, has been adequately supervised but not controlled.
4. As far as the MTR could ascertain MEP/FECO has in place substantial procedures for carrying out *due diligence* on contracts (see recommendation 4) and other expenditure, the SC provides considerable oversight to the project and there is a diligent and capable PMO and the project has assembled a cadre of experts and professionals capable of carrying out the tasks given to them. Trust can be subjective and even individual, however, trust can also equate to having in place a transparent and efficient system. The MTR is of the opinion that there is considerable trust within the project partnership, but it is important that the project capitalizes on this to further the ideals of the CBPF. For instance, with regards the mandate of the MEP and the NDRC (and the hierarchical relationship) the project needs to trust its own judgement and find ways around these challenges. There are considerable intellectual resources, it has access to high-level decision-makers and it still has considerable material resources at its disposal. Therefore it is important that the project capitalizes on this to change the way that things are done. The CBPF is about changing the way that the process of government as it relates to biodiversity works. The responsibilities of the NDRC and the mandate of the MEP represents a significant challenge to the IS project and one which the IS will need to draw on its resources to resolve.
5. This process could be enhanced (see recommendation 9) by enlisting the support of, and by integrating the IS project into, the *National Committee of Biodiversity Conservation[[14]](#footnote-14)* to forge the high-level linkages and express the reasons why such collaboration can only strengthen the formulation of PES laws, DPZ planning, climate change adaptation and mainstreaming which is at the very heart of what the CBPF is driving at.
6. The anatomy of the project, its performance and progress, strengths and weaknesses are considered in greater detail in the following sections.

## 3.1 Progress towards results

1. The CBPF-IS project is now making good progress. It has established an effective PMO and SC. The process of building strategic partnerships has begun mostly through a number of high-level workshops and meetings. At the provincial level it has produced three PBSAPs which (of the two seen by the MTR) are of a very good quality in their format and content. A critical comment might be that they all make a distinction between conservation and sustainable and the CBD would argue that sustainable use can and does improve the status of the resource being used, and work is ongoing with the sectoral BSAPs, at the national (*e.g.* the water sector). In this and the establishment of the expert Outcome Groups it has assembled a very high calibre of thematic or subject-matter professionals and although most of the work is currently nearing completion or underway are providing innovative and interesting ideas and approaches to overcoming the barriers to cooperative governance. For instance the team carrying out activity 3.4.3, the study on the mechanism reforms of integrating biodiversity conservation into environment management of local government and the provincial level, while still in progress is considering the efficiency and effectiveness of decision-making and institutional reform specifically aimed at enhancing biodiversity conservation. The NGO sector has largely completed its co-financing commitments to the project both in spending and in material outputs. However, the PMO (and the partners) are actively considering ways to remain engaged in the CBPF process. However, due to a number of weaknesses outlined below during the first year progress was slow and this has a number of implications for the project’s outcomes in the future, if the project focuses too much on outputs rather than achieving the changes described in the outcomes, which might require a change to the project’s schedule in order to capitalise upon the considerable strengths. These delays are partly due to the delay in establishing a PMO, the rapid change over in PMO staff during the first year and partly due to a delay in receiving the first tranche of GEF funds, because the AWP was not submitted to UNDP, which were transferred in December 2010 whereas the project “clock” began ticking when the Project Document was signed in May 2010 (see lesson 3).

### 3.1.1 Project design

1. The project’s design as articulated in the Project Document presents a very progressive and strategic approach to biodiversity conservation. It is progressive in as much as it recognises the inherent complexity and unpredictability of engaging with a process of change on a very large scale. Further, it recognises, at least implicitly, if not explicitly, that the project’s strategy needs to address an adaptive challenge (See Annex 7) because planning is taking place in multiple fields such as ecology, economics, natural resource management, politics, business and the social sciences. In these fields there are a large and unquantifiable number of known and potential variables, all subject to continual change, all interacting with each other in ways that may be predictable or non-predictable. Applying science to the problems will make no difference to our inability to predict precisely or accurately given the complexity of multivariate, non-linear, cause and effect relationships[[15]](#footnote-15).
2. Therefore there are no technical fixes but rather, any solution relies on individuals, institutions and agencies changing the way they think about the future. The project design, while it identifies the issues, the key players and where change takes place it does not necessarily provide a tool to facilitate this change, rather it, or at least the subsequent IS project, relies on more conventional seminars, workshops and reports to move the *process*  forwards.
3. It still remains that the Project Document represents a very good strategy, well-written, well thought through and of particular note is the manner in which the preparatory (Project Development Facility or *PDF-B[[16]](#footnote-16)*) phase developed the *China Biodiversity Partnership and Framework for Action* and the CBPF *Results Framework* with a view to facilitating its implementation through the following ISproject. Clearly someone was thinking strategically.
4. But, there were a number of assumptions[[17]](#footnote-17) in the design. These mostly relate to the outcomes 3, 4 and 5. The outcomes 1 and 2 (see section 2.5, para. 21) are very closely aligned with the MEP’s mandate and its direct responsibility, that is it is within its statutory remit to carry out such works. However, outcomes 3, 4 and 5 are beyond it’s (the MEP) statutory remit and responsibility because these rest with the NDRC, in as much as the NDRC will make the legislation. This makes it more difficult for the IS project to influence areas such as the PES legislation, mainstreaming biodiversity into the DPZ planning process and climate change. In the event either these assumptions did not hold true or the project is experiencing difficulties in addressing this disconnection between the MEP’s biodiversity mandate and the powers to make policies and legislation that affect biodiversity. During the Inception Workshop the outputs, particularly for outcome 4, were changed slightly to reflect this, for instance the “*National legislation on PES/Eco-compensation*” was adjusted to “*Draft version of national regulation on PES/Eco-compensation*” which recognises that the project itself cannot actually make the Law. These changes were quite reasonable to recognise this fact but it still remains the responsibility of the MEP/FECO to ensure that biodiversity is mainstreamed into these new Laws.
5. It is likely that it is this latter issue that is at play, the disconnection between the mandate to do something; and the powers to actually do it. Indeed this was not picked up by the MTR in the first draft report (see section 1.2.4) but is at the very heart of what the CBPF and the IS project are intended to achieve.
6. Lastly, as is common with many GEF project designs, it appears to have underestimated the complexity of establishing the project itself. Complex multi-partner projects require time to establish which is not provided for in the GEF project cycle when invariably there are delays in signing the Project Document, receiving funding and getting the project off the “start line”. In the event the CBPF-IS had a protracted design phase spanning almost ten years. One has to raise the question, at least: *if a project takes ten years to design why is then assumed possible to implement it in half that time?* One might argue that a protracted and careful planning phase is critical to a successful project outcome. However, the project implementation phase is the point when there are sufficient resources to drive the project forwards and tests the project’s “*hypothesis*”. In other words it is the first point when the assumptions that are inevitably part of a project’s design are tested and sometimes found to be unrealistic.
7. However, the MTR is cautious to imply criticism of the project’s design because this was essentially a very good design; concise, well researched, analytical and developing strong arguments for the project’s intervention and it is more likely that the cause of problems which the project faced in its first year lie more with the GEF project cycle than with any inherent flaws in the project *per se.* Furthermore, the MTR could argue that the difficulties encountered in establishing the PMO in the first year are, in fact, an integral part of the *process* which the project is designed to interact with; it was part of the *learning process.*

### 3.1.2 Progress

1. The project is currently progressing well (see Table 1). However, during the first year it appears to have encountered difficulties in establishing the PMO and progress was poor. The likely causes of this have been discussed at some length in the preceding sections. It could be viewed as being poorly prepared for the start-up of the project and perhaps the Executing Agency was. However, an alternative view might be that this should be considered as part of the *process* and that one or two changes in key staff positions within the PMO can easily derail a project during this critical phase. What is important to the MTR is how quickly the project recovers. In the event it appears that decisive action was taken and a new PMO was installed beginning in November 2011 and finalised by February 2012. Furthermore, the delay between signing the project into being and the arrival of the GEF funds[[18]](#footnote-18), because the PMO was not established and the UNDP had not received an AWP[[19]](#footnote-19), gives a distorted picture of the project’s activity because there were no GEF funds available between May and December of 2010.
2. Since then progress has been very good particularly as it relates to outcomes 1 and 2. The PMO is building a strategic platform for partnerships but this will take time because it needs to be recognised that this is a task that requires the development of personal (individual and institutional) linkages. The PBSAPs are nearing completion and are to a very good quality (Annex 8 provides the MTR assessment of the progress towards outcomes). The PMO has established very high calibre expert teams for the five outcomes and the work of these *Outcome Expert Groups* is nearing completion.
3. While outcomes 3, 4 and 5 have not progressed as was envisaged in the project’s design this is largely due to a few assumptions in the Project Document and a weakness in the Inception Phase (this issue is discussed further in section 3.2 below) when substantive changes could have been made to the projects SRF. These mostly relate to the issues of surrounding the PES legislation, the DPZ(s) and mainstreaming climate change (see section 3.1.1, para. 33). The MTR recognises that the project has not allowed this to create a hiatus but rather has looked for other ways in which it can still significantly achieve the outcomes, in particular by making good use of the Outcome Expert Groups. However, there are also concerns (raised by the UNDP-GEF RTA) that due to the institutional compartmentalisation and hierarchies the project has not been able to make as good progress in this area. An important outcome from the MTR should be a re-thinking of how the project can play a greater role with the NDRC in ensuring that biodiversity conservation issues are integrated into NDRC-produced policies, legislation and plans rather than retro-fitted as a means of mitigation (see recommendation 1).
4. As a result, up to the mid-term budget execution has been poor although it is now gaining pace. A contributing factor to this has been the considerable oversight by FECO to budget expenditure. While such *due diligence* is admirable in any project it has affected the rate of spending and there is a case to be made to streamline budget oversight (Recommendation 4). Currently by the mid-point of the project only 31% of the budget has been expended (US$ 906,038 spent and US$ 502,960 committed funds[[20]](#footnote-20)).
5. Furthermore, the engagement of a substantive technical assistant(s) to provide external technical input to the project’s activities has also been delayed although terms of reference for these positions have been produced.
6. The MTR considers that progress may also have been slowed, and continue to be restrained, by the absence of a “*tool”* and specific skills that it can use to facilitate change. Much of the progress thus far has been gained through seminars, formal workshops and targeted studies and reporting. This has had a significant impact but the MTR feels that this could achieve much more if the PMO were provided with some targeted capacity building to increase the range of facilitation skills and had there been a specific “*tool”* that the PMO could have brought to bear on solving problems. By no means is this a criticism of the professionalism and commitment of the PMO but rather it is a reflection on a weakness in the design (as it is of many GEF projects) where there is an implicit assumption that even highly qualified project management staff will have all the requisite skills to implement an innovative and progressive project. Recommendations 1, 5 and 8 are developed to address this shortcoming.

## 3.2 Adaptive management

1. During the GEF project cycle there are a number of points where adaptive management can be applied. Adaptive management is used in this instance to describe the manner in which a project (the key partners, PMO and Regional Coordinator UNDP-GEF) makes adaptations to the project’s strategy based upon changes in circumstances, assumptions that have not held true and increased understanding of how a system is working. There is every indication that the PMO has the intellectual capacity to be very adaptive and with certain tactical aspects of their work (*e.g.* with developing a two-year work plan or using the PMO as the Secretariat). However, on the larger strategic issues such as influencing the development of PES, DPZs and climate change legislation through the NDRC the project needs to be more adaptive. It needs to take advantage of the emerging opportunities such as the NCBC to drive the involvement of the MEP and use the technical, intellectual and incremental financial resources available through the project to ensure that biodiversity is fully integrated into this process.
2. Obviously there is the project development phase during which the project is conceptualised and developed and following this there is the Scientific and Technical Advisory Panel (STAP) review. However, the most important points in the project cycles to adjust the project in order to ensure that it reaches the outcomes and objectives are the Inception Phase and the MTR.
3. In this instance, as is often the case with GEF projects, the inception phase focused mainly on establishing the PMO and “simply” getting the project established. It did not significantly review and challenge the Project Document, rather it re-stated the project strategy, and therefore an opportunity to significantly adapt the projects strategy at least to the level of the outputs (in this instance the outputs under outcomes 3, 4 and 5) was missed. Furthermore, the inception phase is often used to recruit the PMO and any external technical assistance even though these key positions should play a significant role in shaping the project for the first half of its life, while this is not UNDP policy it is a frequent occurrence.
4. In the event the Inception Workshop was then used for a multiplicity of purposes including explaining the project, describing UNDP processes and protocols and agreeing the minor changes to the project’s SRF. Once again the MTR is cautious about being overly critical of the project because this is very typical of GEF projects and there are no useful guidelines as far as the MTR is aware. For the inception phase to genuinely play an adaptive role in the project cycle it is necessary to have had a number of quite substantial workshops addressing issues such as the SRF, UNDP procedures and protocols, project reporting, *etc*., as well as seriously challenging the project’s design. It is only through this process that it is possible to “shake out” any of the inefficiencies or inadequacies that are an inherent part of any design phase. In the second half of the project adaptive management will be critical in driving the outcomes 3, 4 and 5 particularly as they relate to the NDRC.

### 3.2.1 The SRF and adaptive management

1. The SRF is the principal planning and, monitoring and evaluation tool for GEF projects. As such it is very useful, but it is just a tool. It should be clearly recognized that the SRF serves two functions. Firstly it is a planning and monitoring tool establishing a logical hierarchy of objective, outcomes, outputs, and down to the level of activities necessary to achieve the objective. Furthermore, it develops indicators necessary to track progress and measure the effectiveness or impact of an intervention. However, it also functions as a contractual tool ensuring that there is conformity to the projects stated objective preventing “mission creep”[[21]](#footnote-21).
2. In the CBPF-IS instance the MTR distinguishes between the planning, monitoring and evaluation function of a project SRF and its contractual function (which is essentially an audit function) in order to allow the project to make changes at least to the outputs of outcomes 3, 4 and 5 (recommendation 1). By their very nature GEF projects are operating in a highly dynamic, complex and unpredictable environment. They are interacting with multiple drivers, socio-political, economic and environmental. All subject to sudden change. This is why GEF works through an adaptive management approach and this is why sometimes an SRF may need to be realigned with the circumstances that the project is experiencing, or as assumptions made during the design do not hold true. In the event that a rationale case can be made for changing a SRF then the adaptive management function should take precedence over the audit function.
3. The MTR is confident that the PMO has “*figured this out itself*” and provides the above as a justification for changes to the SRF.

### 3.2.2 Work planning

1. Apart from the difficulties experienced in the first year there appears to be considerable efficiency in the work planning carried out by the PMO. Indeed the development of the TYWP is a very reasonable achievement as long as this is to facilitate planning and not a means to avoid the lengthy clearance process for budget allocation. For the avoidance of doubt, the MTR believes that the reason behind the TYWP *is* to facilitate planning, and not the latter, which should be addressed in other ways (see recommendation 4).

### 3.2.3 Finance & co-financing

1. The IS project has been audited[[22]](#footnote-22) for the year 2012 with no issues arising from this. The MTR has no concerns about the financial management of the IS project except to stress that this project has earned considerable trust between the key project partners. Trust is important because it increase efficiency and reduces transaction cost. Therefore there is a strong case to be made to streamline the budget approval procedures (recommendation 4) in order to avoid the lengthy process of budget approval and *due diligence*.
2. There have been no budget revisions to date all though it is expected that following the MTR there may be a reallocation between outcomes to reflect the change of emphasis in outcomes 3, 4 and 5. The *Mid-term Review Summary Report* produced by the PMO on the request of UNDP China provides a very clear description of the financial procedures followed by the project[[23]](#footnote-23).
3. Part of the project’s co-financing however has not been accurately reported. Although the MTR is confident that the co-financing commitments given in the Project Document have been met and even exceeded, it is important that these are tracked and reported. During the MTR, Guangxi and Jilin Provincial Governments invested USD 1,612,903 (10 million RMB) in BSAP, and line ministries invested USD 483,871 (3 million RMB) for BSAP. The outcome team also received co-finance of USD 564,516 (3.5 million RMB) for study. USD 1,893,036 from MEP. But the co-finance of Hainan Province is not included. Part of the confusion may stem from the fact that considerable co-financing commitments were provided during the project’s design phase and prior to the start-up of the IS project itself (*e.g.* the TNC, WWF and EU-China Biodiversity Programme), but it is clear that these are indeed co-financing and not simply parallel funds. An example of this can be clearly seen in the development of the PBSAPs. The co-finance in cash contribution is 3 million RMB (USD 483,000) in Guangxi PBSAP and 7 million RMB (USD 1,129,000) in Jilin PBSAP, whereas the GEF investment is USD 100,000 for each of them.
4. Actual IS project co-financing is reported in Annex 5 of this report and can continue to be reported throughout the remaining life of the project.

### 3.2.4 Monitoring systems

1. The SRF is the principle monitoring tool for GEF projects. The SRF produced during the design phase provided a sound basis for both monitoring the performance and the impact of the IS project. The MTR recognises that there are now inconsistencies in outcome 3, 4 and 5 but these are not contractual issues but rather adaptive issues, that is, the circumstances have changed. This should not distract from the fact that the project’s SRF was and largely remains a useful tool for monitoring performance and impact.
2. An important aspect of this project and one worthy of note is the engagement of a full-time Monitoring and Evaluation Officer. The reporting requirements of UNDP-GEF projects are considerable and this is a useful addition to the PMO team. As a result the monitoring and evaluation of the project has been good. The addition of the *Mid-term Review Summary Report[[24]](#footnote-24)* provides a demonstration that the PMO is coping very well with this task and the MTR has no concerns regarding this aspect of the project management. Annex 9 provides an account of the projects reporting history to the midterm.
3. However, given the capabilities of the PMO an annual planning workshop prior to developing the AWP (or in this case the TYWP) might be a useful addition. This would provide an opportunity for the project to review progress and impact and ask important questions such as “*so what?”* and “*what if?”* as a means to strengthen the adaptive management and avoid focusing on performance and outputs. It should be clear that few GEF projects have this facility and it is presented here do as an opportunity rather than a weakness.
4. The GEF Capacity Building Tracking Tool has been applied by the project and validated by the MTR. The *Mid-term Review Summary Report* provides a clear account of the process followed in order to have a broad cross-section of participants and perspectives giving a reasonable degree of confidence that the tracking tool provides a measured assessment of capacities and there is a broad agreement with the MTR which compares favourably with the project’s baseline. The IS project assessment gives an aggregate score of 28.4 and the MTR assessed it to be 26 (Planning & Monitoring = 10, Mainstreaming = 9 and Partnership = 7).
5. In summary there have been sufficient resources allocated to monitoring and evaluation although, as is common with many GEF projects the costs of external monitoring and evaluation were probably underestimated in as much as the MTR team were unable to visit all three Provincial sites which is a reflection of the financial resources available to the MTR[[25]](#footnote-25).

### 3.2.5 Risk management

1. The Project Document cited five assumptions that were quite reasonable:

* The Chinese economy continues to grow;
* Institutional reform in the Chinese administration is smooth and does not hinder biodiversity conservation;
* The ongoing process of progressive reforms to governance, rule of law and public participation continues;
* Environmental protection remains a priority of the Chinese national government, and;
* The international community remains committed to conserving biodiversity and supporting China in its efforts to conserve biodiversity.

1. In all they are sufficiently robust assumptions not to have made the project particularly vulnerable. However, it is worth also considering that there was an assumption that all areas of the enabling environment would be within the project’s remit and sphere of influence. In the event three critical aspects of the project’s strategy did not fall within the direct influence of the project, namely; climate change, PES and the DPZ(s). Furthermore, as an academic point it is worth highlighting the complexity of these projects which can be illustrated by the final assumption regarding the international community’s ongoing support. Given the parlous state of the global economy there may be commitment but it is highly likely that funding will not match that commitment in the near future.
2. Four risks were identified (for a full description of the risks see Annex 10):

* *A disconnect between national policy and local implementation constrains project impact; medium risk:* The MTR broadly agrees with the Project Documents statement that there is an element of vertical integration. However this risk remains and the difficulties in getting national policy initiatives to filter down to actions on the ground, arguably an issue of scale, should not be underestimated. This was brought home to the MTR team during the two field visits (Guangxi Nanning National Nature Reserve and Changbai Mountain). It is at this scale (essentially the local level regardless of whether it is in a protected area) that the impact of the project’s intervention will really “play out”. Issues such as management planning, co-management, sustainable use, financing, broad participation, amongst others, are manifesting themselves at this level. Taking the DPZs as an example, the NDRC developed DPZs at national level and these were endorsed by Central Government, however, the local governments are reluctant to commit larger areas as the prohibited development zones or limited development zones (some are rich in biodiversity), implies the loss of opportunities for future development. To be clear, no criticism of the project is implied, the MTR is merely further defining the risk.
* *The dispersed responsibilities for biodiversity conservation across many government agencies at all levels frustrate efforts to increase synergies and coordination; medium risk:* Realistically this is not so much a risk as a barrier to which both the CBPF and the project strategy were directed to overcome. To be fair to the project it is working towards this (as was stated in the Project Document’s risk mitigation) and it is important to put some perspective on this that the project has only effectively been operating for eighteen months due to the challenging first year. In the remaining period it will need to step up efforts in this area (for instance with the NDRC) and the MTR has a degree of confidence in the PMO’s abilities to achieve this.
* *Poor buy-in by other line ministries and agencies to mainstream biodiversity conservation limits project impact; medium risk:* Again this is much of what the CBPF and the IS project is about. The risk mitigation, as suggested in the Project Document (see Annex 10) is sensible and the MTR suggests strengthening this through recommendation 7. However, the Project Document does describe a ““win-win” nature” to the projects approach and the MTR suggests caution in raising expectations that it is possible to achieve this. In reality the project will need to negotiate, *inter alia,* a transfer of responsibilities, financing, resources, decision-making; in short *power*, between various players, stakeholders and to different levels, this is the nature of an adaptive challenge. In any event if the project is to achieve its stated outcomes there will be losers (as well as winners), the challenge is to redefine the roles and responsibilities (for example state agencies moving from being resource managers to regulators and service providers) while maintaining control over the entire system. It’s no easy task and will require significant communications skills[[26]](#footnote-26).
* *Market-based PES does not develop despite the development of regulations and guidelines; medium risk*: Fortunately the IS project is not testing any PES schemes. Quite apart from the issues surrounding outcomes 3, 4 and 5 (see section 2.5, para. 21) there is considerable faith placed in the concept of PES which might suggest that the risk rating here should be raised in recognition that the “*sustainability and wide replicability of such approaches*” still needs to be assessed globally and not just at a national level. In other words there is an assumption that PES can be made to work, when in fact it is a work in progress.

1. The MTR considers that there is an additional risk that has emerged as a result of the time lost during the first year and in some ways it is a function of the projects own efficiency. The nature of the IS project’s intervention is to engage with a process, which in itself is part of a larger national reform process that is taking place. However, the different institutional stakeholders are moving at different paces and change takes time if is to be “organic” and internalised within the institutions own working practices and cultures. It would appear that the IS project is engaging with this process very successfully. However, the risk emerges when the PMO (and the key project partners including UNDP because this is an unfortunate function of the way in which success is measured) becomes fixated on producing outputs rather than concentrating on the outcomes as the pressure of completing the project before the projects close in February 2015. Recommendation 1, 9 & 10 are designed to mitigate this risk.

### 3.2.6 Reporting

1. The project governance, that is, the manner in which decisions are made appears to work well. The Steering Committee, comprised of the key partners is kept well informed through regular and transparent reporting. In discussions with the key project partners (MEP, FECO/MEP, MOF and UNDP) there was a clear understanding of the issues and a great deal of thought had been taking place on issues such as influencing the PES legislation, DPZ(s) and climate change and the means to integrate the NDRC into the processes driven by the project. UNDP-GEF projects, *per se,* place a heavy reporting burden on the PMOs and the addition of a full-time monitoring and evaluation officer on the PMO to cope with this (as designed in the Project Document) is unusual but clearly works well.
2. While there is no clear evidence to support this, there is certainly anecdotal evidence that the project is providing interesting lessons for the key project partners. This is an important and useful facet of the IS project because it is working in a system where planning is moving from a previous and more rigid approach to one which is much more adaptive and dynamic in nature. As it does so it builds a certain confidence amongst decision-makers which augurs well for the second half of the project. Examples of this can be seen in the development of the TYWP, the inclusion of the *Mid-term Review Summary Report,* the ways in which the project is planning to address the greater inclusion of the NDRC, *etc.*
3. Therefore, reporting within the project has been very good; certainly this is the case since the instalment of the current PMO. The reports are analytical, transparent and they are affecting the decision-making process.

## 3.3 Management arrangements

1. The project’s management arrangements are relatively simple (which is good). A Project Steering Committee comprised of the key partners (MEP, FECO/MEP, MOF and UNDP) is the highest executive in the project. To ensure integration with other biodiversity interests there is a Project Coordination Group which is an advisory panel. The PMO is accountable to the PSC and under the PMO are five Output Outcome Teams which will eventually become the Thematic Groups under the CBPF programme. There is a clear understanding of the purpose of the PSC.

### 3.3.1 Overall project management

1. As has been discussed at length the project management is very good. The PMO is highly qualified, motivated and dynamic. There appears to be considerable trust and confidence between the PSC and the PMO which is extremely important. The MTR formed a very favourable impression of the PMO. In fact the MTR has such confidence in the project that the recommendations made have considerable flexibility in the manner in which the project can respond to them.
2. However, the MTR also recommends that the PMO is provided with very specific training opportunities (see section 3.1.2, para. 23) to give them some additional facilitation skills. The MTR stresses that this is not a reflection on their capabilities but rather, better preparing them for the tasks ahead.
3. The project has also not engaged the specific external technical assistance (TA) including a substantive “Chief” Technical Assistant (CTA[[27]](#footnote-27)). However, the MTR is aware that the ToR for these positions have been produced and the recruitment process is underway.

### 3.3.2 Quality of executive of Implementing Agency

1. The UNDP Country Office has representation on the PSC and takes a very keen interest in the execution of the IS project and plays an active role in its implementation including high level representation at key meetings.
2. It was noted that UNDP now charges a fee for the recruitment of international technical consultants. While there are very good reasons for charging for this services the fee has only been introduced in the last year and was not envisaged in the Project’s design and budgeting. Thought should be given to whether this is waived for ongoing projects in the interests of fairness rather than cost implications because the sums are not of a magnitude that will greatly affect the project’s budget; but they were not envisaged in the design.

### 3.3.3 Quality of support provided by UNDP

1. No issues were raised concerning the quality of support provided by UNDP, indeed as has been mentioned throughout this report there is a very cordial and effective working relationship between the PMO, Government of China project partners and the UNDP.
2. There is a clear line of support through the project planning phase and into the project itself which has played an important role both at the CO and RC level in both challenging (see section 1.2.4) and supporting the project, which is the role of the Implementing Agency in a nationally executed project. The project is very much in line with the UNDP Country Programme for China[[28]](#footnote-28) (2011 – 2015) which states, inter alia: “rapid growth has come at a serious environmental cost and has raised concerns about sustainability in the face of urbanization and climate change” indeed the CBPF fits well with the UNDP country programme addressing issues of governance, sustainability, partnerships, etc. This likely reflects the importance that the Country Office places on the CBPF IS project.

# 4 Conclusions, recommendations & lessons

The CBPF IS project is a good project, however, the progress towards results is rated *Satisfactory.* In all likelihood it can achieve much more in the second half of the project providing it takes a number of steps to strengthen the way it is interacting with key players in biodiversity management such as the NDRC and it broadens its scope out beyond the nine GEF portfolio projects. Admittedly it has suffered from a difficult first year because PMO was not established and UNDP did not receive the necessary annual work plan for the transfer of GEF funds to be effected. After this the PMO had to be entirely replaced due to staff leaving or not taking up positions. However, with the installation of a new, highly qualified and dynamic PMO at the end of 2011 and early 2012, the project is still progressing well but the MTR is concerned that it needs some revision of its strategy if it is to achieve the stated outcomes and objectives.

The project design from the Project Development Facility (PDF) phase through to the production of the Project Document has been used to good strategic advantage and the intervention is strategic in nature, intending to create a framework for biodiversity management (or decision-making), finance and monitoring in China, in this sense the CBPF will give direction to biodiversity conservation. It provides an interesting example of how important strategic thinking around the design and implementation of a project can be.

There is strong leadership at all levels within the project and despite the earlier setbacks there is a good chance that this project will achieve its stated objectives. However, because it is essentially a *process* oriented project and is addressing an *adaptive challenge* there is a risk that the project might “trade” outcomes for outputs and expediency in the remaining time available, that is; it will produce a large number of high quality outputs but they may not add up in total to the outcome. While there is no sign that this is currently happening, it should be recognised as a significant risk. The most effective way to avoid this would be to allow the project more time to follow process rather than focusing on outputs and for the project to engage directly with the body responsible for establishing the enabling environment for PES, climate change adaptation and DPZ planning.

This last point is of particular worry to the MTR is concerned about the project’s ability to integrate the biodiversity aspects of the MEPs mandate into the policy and planning process currently underway by the high-level and influential National Development Reform Commission (NDRC).

### Table 1 Progress by outputs

|  |  |  |  |
| --- | --- | --- | --- |
| Project aspect | Rating | GEF description | MTR description |
| Progress towards results | Satisfactory | There are minor shortcomings | The project has a number of features to recommend it. This is an impressive project, it is necessary, however, to be more cautious about declaring project activities as “good practices” at the midterm in order to avoid them coming to be considered ‘good practice’ without adequate evidence. There are a number of issues that might become “good practice”, but at the midterm of the project further validation is required. However, the MTR is fairly confident that given a well-financed, well-designed project with an effective PMO and PSC this project has the potential to generate “good practices”. Of particular interest is the strategic “thinking” that went into the project which is worth examining and how this might affect the current and future generation of GEF projects.  Summary outcomes 1 and 2: The project has been active and productive with the new PMO building a certain momentum. However, the MTR raises a concern that during the second half of the project these outputs need to be held together in a coherent strategy to clearly demonstrate that the project has achieved the outcome (see recommendation10).  Summary outcomes 3, 4 and 5: The progress in these last three outcomes is still satisfactory but it is more challenging for the project to achieve tangible outputs (that readily contribute to achieving the outcomes) and the project needs to concentrate carefully on how the various studies, workshops affect real change in the way the PES legislation, DPZ planning, mainstreaming and climate change adaptation components. The Project Document makes it clear that the CBPF is intended to focus “*on achieving a coherent set of priority results and on mainstreaming biodiversity conservation into the socio-economic development process through coordinated partnership from the national level between the GoC and its key international partners, including the GEF. This new approach recognizes that previous actions have not adequately changed the incentive framework at local levels*”[[29]](#footnote-29). Therefore the MTR concludes that, taking into account the difficulties faced during the first year, the project has made good progress but will need to look for novel and innovative ways to proactively influence the course of issues such as PES legislation and embed the project experience and intellectual resources in these developments even though they are outside the direct responsibility of the MEP (see recommendation 1, 6 and 9 and lesson 2). |
| Outcome 1: A strengthened CBDSC mechanism and an effective biodiversity partnership | Satisfactory | There are minor shortcomings | The project has facilitated exchanges meetings between the nine projects under the CBPF framework at which issues such as institutional arrangements, a common M&E framework and synergies and coordinated actions were discussed as well as a workshop on the progress of the CBPF. It has organised a number of forums and meetings (e.g. International Forum on Biodiversity and Green Development at which the “*Agreement on China Biodiversity Partnership and Framework for Action (CBPF”)* was signed between international Implementing Agencies and domestic Executing Agencies and four different commercial enterprises also signed the “*Initiative on Biodiversity and Business”*. The tendering for the CBPF website has taken place and the website is expected to be working in the latter half of 2013. A number of studies related to the CBPF have taken place including a study on the relevance and effectiveness *vis a* vis the CBPF of the current GEF 4 projects. A number of biodiversity training workshops have been carried out on an annual basis particularly targeting media and non-governmental organisations. FECO has carried out a “Project Briefing Meeting” which provided information on FECO and the screening of projects at the local level with particular emphasis on PES legislation and DPZ biodiversity mainstreaming. The institutionalisation of a partnership coordination mechanism needs to be expanded beyond the GEF portfolio of project. There are clearly good relationships with NGOs such a TNC and WWF who are part of the project but the means to coordinate efforts in the future needs to be further developed, possibly through a strengthened Secretariat but this needs to be separated from the project management role. This might be because the Secretariat is currently being fulfilled by the PMO which lessens its authority as a *secretariat per se*. In which case the role of the PMO as a secretariat needs to be strengthened.  In summary the project has been active and productive with the new PMO building a certain momentum. However, the MTR raises a concern that during the second half of the project these outputs need to be held together in a coherent strategy to clearly demonstrate that the project has achieved the outcome. The Secretariat role is currently being carried out by the PMU and it is understood that this will evolve into the national secretariat at the end of the project along with the outcome teams which will become the Thematic Groups. This makes good sense but the secretariat will need to be given some powers of authority (regulatory if necessary) and it is important that funding for the secretariat is established through a manner which ensures its independence from all of the CBPF partners while at the same time providing direction to biodiversity conservation as detailed in the NBSAP. |
| Outcome 2: An effective planning framework for biodiversity conservation | Satisfactory | There are minor shortcomings | The project has been actively supporting the process of developing the PBSAPs in Hainan (not visited by the MTR), Guangxi and Jilin Provinces (visited by the MTR and satisfactory) as well as two sectoral BSAPs; the State General Administration of the PRC for Quality Supervision and Inspection and Quarantine (AQSIQ) and the Ministry of Water Resources. The project is working with co-funds to support the study and development of the NBSAP implementation indicators for national M&E of the entire system.  Summary as above.  As above comments on the role of the PMO and the Secretariat. If the PMO is to evolve into the CBPF Secretariat as planned then it is critical that this is reflected in the project’s Exit Strategy which should be developed early on in the second half of the project and should clearly articulate how the Secretariat will relate to the National Committee of Biodiversity Conservation.  As already stated, the PMO is acting as the CBD Secretariat at the moment and it will evolve into the permanent secretariat when the project closes. However, if the PMO is to function as such (as well as being the PMO) then it needs to be clearly communicated to partners that this is what it is doing and it needs to be provided with some authority as such. This will be difficult because it is still essentially a project structure therefore it needs to consider how this can be done, for instance by producing a discussion document that outlines the roles, responsibilities and authority and powers of the Secretariat which will be different from those of the PMO. |
| Outcome 3: An effective mainstreaming of biodiversity into key socio-economic plans and planning processes is demonstrated | Satisfactory | There are minor shortcomings | The project has been supporting the integration of biodiversity into the Strategic Assessment (SEA) of China’s Western Development Programme planning. A study is being carried out to assess how biodiversity can and should be integrated into the management reforms taking place in local government. The project is looking at ways that biodiversity can be mainstreamed in the DPZs at the local level and has had a meeting, the “Launch Meeting on Strengthening Biodiversity Management Mechanism of Local Environmental Protection Departments” which was organized by FECO and has selected a reform pilot to be carried out in Yili Autonomous Prefecture. A workshop on Biodiversity Mainstreaming was held in Beijing with four thematic subjects; PES, DPZ planning, climate change and partnerships.  However, the MTR is concerned because the project has expressed that the formulation of PES legislation, DPZ planning and climate change are the responsibility of the NDRC and that MEP/FECO does not have the mandate to address these issues, thus they are largely beyond the influence of the project. The MTR takes the view that these challenges (inter-agency/institution) coordination and collaboration are the very challenges the project was intended to address. A more proactive approach to the NDRC is needed, possibly with the MEP/FECO enlisting the support of the National Committee of Biodiversity Conservation and offering the services of the PMU and the upcoming consultancies to the NDRC as a service. |
| Outcome 4: Market-based PES is the fastest growing source of finance for biodiversity conservation in China | Satisfactory | There are minor shortcomings | The project has carried out a study for the “roadmap” for PES legislation in China and a study of PES legislation demonstration including a study of international models for PES-related regulation. The outcome group has provided technical input for the PES guidelines research and a workshop was carried out; “PES: Sustainability and Green Development”.  A pilot PES legislation demonstration project in Liaoning Province started in 2012 facilitating ecosystem service payments between two upstream and downstream municipalities and based on the water quality in the Liaohe River with an expected PES of 80 million US$ from the provincial budgets. However, as discussed above, PES are extremely challenging to establish and it is of paramount importance that the lead biodiversity agency (the MEP) is closely integrated into the work of the NDRC on a range of issues that are currently the responsibility of the NDRC to develop. |
| Outcome 5: Planners/decision-makers in nature conservation and in selected provinces are integrating biodiversity into their adaptation to climate change policies | Satisfactory | There are minor shortcomings | A study into on-going biodiversity and climate change projects in China has been completed. The project has organized a workshops on “Stewardship for Biodiversity-oriented Climate Change Adaptation” and “Biodiversity Mainstreaming and Progress of the GEF China Biodiversity Partnership and Framework for Action (CBPF) covering four themes; (i) PES and biodiversity conservation, (ii) Biodiversity Mainstreaming, (iii) Biodiversity and climate change, and (iv) Biodiversity partnership in China: CBPF and projects. |
| Adaptive management | Moderately Satisfactory | There are moderate shortcomings | The project did not take full advantage of the inception phase. However, there is considerable intellectual capacity in this project at all levels, that is; the project has the capacity to think. There are many issues at play between the adaptive management and contractual functions of the SRF, UNDP Atlas reporting, GEF and the Government of China’s own internal systems. While necessary and proper they can act as anchors against adaptive management. What is clear is that the project has responded well, for instance in the way it has recovered from the first year.  However, the project will have to “think adaptively”, and effectively use the planned technical assistance inputs to drive greater integration of the project objectives with those of the NDRC, in the second half in order to ensure that the distance between the MEP mandate and the NDRC policy and planning responsibilities is significantly reduced, especially with the high-level coordination of National Committee of Biodiversity Conservation. The MTR provides a number of recommendations to achieve this through a multi-faceted approach |
| Management arrangements | Satisfactory | The project has minor shortcomings. | The management arrangements are very good despite the delays during the first year with the start-up of the project, delays in appointing a PMO and then the necessity to replace the PMO. Although this needs to be measured against the way the project recovered from this, which it has. The PSC, PMO and the provincial arrangements appear to work very well. If the PMO is to fulfil the function of the CBPF Secretariat it is important that these two functions, project management and implementation, are clearly understood, there is training for the roles and they are clearly distinguished between in reporting.  During the second half of the project full use of the international TA (particularly the CTA position) will be necessary to provide and external perspective on the internal challenges to achieving cooperative governance between line agencies, committees and other sectors with biodiversity conservation as an agreed and shared common end goal. |

## 4.1 Recommendations

1. The MTR makes the following recommendations in order to strengthening the MEP/FECO’s ability to influence the development of PES legislation, climate change adaptation and DPZ planning and to seize opportunities (such as the National Committee of Biodiversity Conservation) that have arisen since the project’s start and to build on the existing strengths of the project.

**Recommendation 1: Strengthen CBPF though the National Committee of Biodiversity Conservation of China under Outcome 1, 3, 4 and 5:**

The National Committee of Biodiversity Conservation was first established in 2010 for the UN Biodiversity Year 2010, and it was renewed as the leading government platform for UN Decade of Biodiversity Conservation in June 2012. It is chaired by Vice Premiere of the State Council with members from 25 line ministries and government agencies and with the Secretariat in MEP. In June 2012, the National Committee approved the China Action Plan for UN Decade of Biodiversity Conservation, which is closely link to UN Aichi Targets for biodiversity conservation. The National Committee provides considerable legitimacy to the CBPF-IS project  as the technical services providers for coordination and partnership at national level, which will significantly contribute to CBPF-IS outcomes and outputs in particular Outcome 1, 3, 4 and 5.

**Action:** Project Steering Committee delegate a working group consisted of officials from MEP Department of Ecology and Nature Conservation and FECP/MEP (including PMO) to jointly develop a working plan for the remaining period of the CBPF-IS project, listing the PMO as a technical services provider of Secretariat of National Committee, identifying the priority activities to facilitate and support the National Committee, such as jointly International Forum on Biodiversity and Green Development and other activities related to the China Action Plan for UN Decade of Biodiversity Conservation as well as the UN Aichi Target, exploring the possibilities to integrate the PMO into the National Committee Secretariat as the CBPF Partnership Secretariat post-IS project.

A first task of these IS project related responsibilities would be to examine ways in which the MEP and the NDRC could, using the vehicle of the IS project, integrate the IS project experience into the formulation of PES legislation, DPZ planning and climate change adaptation policies and plans.

**Recommendation 2: Revise and reduce the outputs under Outcome 3, 4 and 5:** The responsibility for the development of the PES legislation, climate change adaptation and DPZ planning are being undertaken by the NDRC. However, because they involve biodiversity they are very firmly within the mandate of both the MEP and the IS project. In particular the issue of the PES legislation, DPZ planning and climate change for which the responsibilities now largely rest with the NDRC. However, biodiversity *per se* is the responsibility of the MEP and the IS project.

***Action:*** PSC instructs PMO to organise a SRF planning workshop including the participation of the key project partners and the Outcome Groups. Review the project SRF against the current circumstances and propose changes to the UNDP-GEF RC for validation. It is important that this is a substantive workshop and the process is not rushed. Full use should be made of the (by then) newly appointed CTA to facilitate the workshop. An important aspect of this workshop, and one which might require an external facilitator[[30]](#footnote-30) to fully challenge the participants should be the participation by representatives of the NDRC. It is recommended that the facilitator uses some of the approaches utilised by scenario planning and proposes a “key question” to the participants: “*how can the CBPF-IS effectively and positively influence the development of PES legislation, DPZ planning and climate change adaptation policies and plans in China for the next two years”.*

**Recommendation 3: Actions to strengthen the Outcome 1 and Out 2:** These two outcomes have been well designed and implemented, they are in line with the MEP mandates in biodiversity conservation, the strength has been built in the CBPF- IS project, and the provincial and sectoral BSAPs are drafted and of high quality in their format and content. A critical comment might be that they all make a distinction between conservation and sustainable and the CBD would argue that sustainable use can and does improve the status of the resource being used. Most of them are nearly ready to be approved by related provincial governments and line ministries.  The project argues that it is urgently needed to work with the provincial and sectoral authorities to work on at least one priority action in each BSAP after it is approved as a demonstration of its implementation (and as a means to uncover any inefficiencies in the plan) and to avoid stasis in its implementation. However, the MTR recommends that the project works with the National Committee of Biodiversity Conservation (established in 2010) to review the enabling environment for the implementation of the PBSAPs to identify inefficiencies and inequalities in the enabling conditions. Not only would this put at the NCBC and provinces disposal the technical expertise of the project but it would also be a clearly incremental over what the government is spending and in line with the GEF’s policies of incremental funding.

***Action:*** PMO to organise a workshop with the Outcome Groups to integrate new opportunities into the existing activities and outputs. As this is at output level it need not be validated by the GEF although it would be prudent to seek advice from the RC on this matter. It should be noted that this may require a budget revision from under-spent funds in outcomes 3, 4 and 5. Given the changes recommended above it is important that the PMO reviews the existing work plan and revises it against any changes that are made. The PMO to review the TYWP taking into account any alterations due to the revised and realigned SRF. Submit the TYWP to the PSC for approval following completion of recommendations 1 and 2.

**Recommendation 4: Review and streamline budget and contract approval procedures:** FECO’s due diligence regarding project expenditures is admirable and reflects the importance and responsibility of the project partners. The CBPF-IS now has a demonstrably responsible and professional PMO and it should be possible to review and streamline the budget and contract approval process given that there is considerable trust between the project partners and PMO. Furthermore, the often necessary delays in approving budget expenditure can be reduced by more forward planning in submitting requests. However, there is still a strong case to streamline approval procedures.

***Action:*** MEP and FECO to review budget approval procedures and provide new guidance to PMO on expenditure submissions. PMO to ensure that budget approval submissions are submitted well in advance of the TYWP commitments.

**Recommendation 5: Capacity building to the PMO and extending to the provincial PMOs:** There is frequently an assumption in projects that project personnel (the PMO) should not benefit from any training and capacity building provided by the project. However, investment in human resources is almost always cost-effective and it is unreasonable to assume that the PMO will necessarily have the requisite set of skills to prosecute a project. Providing good quality TA staff with training and mentoring mandate during the early stages of the project, possibly defined during the inception phase when an assessment of the skill needs can be made is important, but given that the inception phase has passed it would be wise to provide training opportunities to the PMO now. Using the opportunity presented above, the project extends this training to build the capacity of the project management officers at the provincial level (such as Guangxi and Jilin) and other sectors (*e.g.* the Water and Quality Bureau) can also be included, as well as other PMO staff of other CBPF projects. The training should be targeted at developing facilitation skills. The objective of the training would be to build the capacity of the individuals in collective problem solving, facilitating workshops and building coalitions (*e.g.* to implement recommendation 2 by starting with a question rather than an answer)

***Action:*** The newly appointed CTA should be tasked with assessing the PMOs skills and tools for facilitation and provide a targeted training programme introducing a range of tools, methodologies and approaches to participatory problem-solving and planning and facilitation. Based upon the training received by the PMO and their existing skills there is an opportunity to multiply the effect across a larger area either by including them in the training or by providing a programme of training to the provincial PMOs.

**Recommendation 6: Communications programme:**  The project’s strategy did not provide for a communications programme. However, the project is producing experience and lessons that are important in influencing the approach towards biodiversity conservation which is an integral part of the CBPF. Outcome 3, 4 or 5 could reasonably provide a basis for broadcasting these lessons across a wide spectrum of stakeholders.

***Action:*** The PMO assesses whether it has the “in-house” capacity to develop a communications programme. This challenge of doing this should not be underestimated and if necessary an external contract might be considered.

**Recommendation 7: Increase the participation of non-governmental project partners:** WWF and TNC, particularly the latter are able to provide high quality technical inputs to conservation planning, in particular data. Consideration should be given to increasing linkages between the BCPF-IS project and the activities of these two organisations.

***Action:*** PMO to arrange meetings with WWF and TNC to explore ways to increase their participation in the IS project process. If necessary the PMO should produce and agree a strategy to increase collaboration.

**Recommendation 8: Project extension:** The project design was ambitious (albeit justified). However, like so many GEF projects it did not take into account the risk of ordinary events effecting the establishment of the project framework. This project has lost time in the first year, however, it now has considerable intellectual and political capital and is gathering momentum but it still needs time. Therefore the MTR recommends that the project applies for a “budget neutral” extension of one year. The MTR realises that while this will be budget neutral in terms of the GEF financing there will be cost implications on the part of UNDP and FECO. However, this project is “special” and there are significant risks in trying to rush the process. It is “special” because it is an “influential project” and importantly it is one which has built considerable trust between, and is trusted by, the project partners; *trust* is a key component of any governance system. Trust increases efficiency and significantly reduces transaction costs.

***Action:*** UNDP contacts the UNDP-GEF RC and discusses the implications of extending the project. If given a favourable answer the PSC writes to UNDP requesting an extension, providing a rationale and stating how the additional costs of maintaining the PMO and other recurrent costs might be met. UNDP should then process the application through the UNDP-GEF RC. The MTR suggests that this should be a priority action regardless of whether an extension is granted in order to provide the PMO and other stakeholders with some certainty as to the remaining length of the project. Delays in making a decision, either to extend or not, could damage the project and be counterproductive and disrupt the planning process by creating uncertainty.

**Recommendation 9:** Strengthen CBPF though the National Committee of Biodiversity Conservation of China under Outcome 1, 3, 4 and 5:

The National Committee of Biodiversity Conservation was first established in 2010 for the UN Biodiversity Year 2010, and it was renewed as the leading government platform for UN Decade of Biodiversity Conservation in June 2012. It is chaired by Vice Premiere of the State Council with members from 25 line ministries and government agencies and with the Secretariat in MEP. In June 2012, the National Committee approved the China Action Plan for UN Decade of Biodiversity Conservation, which is closely link to UN Aichi Targets for biodiversity conservation. The National Committee provides considerable legitimacy to the CBPF-IS project  as the technical services providers for coordination and partnership at national level, which will significantly contribute to CBPF-IS outcomes and outputs in particular Outcome 1, 3, 4 and 5.

**Action:** Project Steering Committee delegate a working group consisted of officials from MEP Department of Ecology and Nature Conservation and FECP/MEP (including PMO) to jointly develop a working plan for the remain period of the CBPF-IS project, listing the PMO as a technical services provider of Secretariat of National Committee, identifying the priority activities to facilitate and support the National Committee, such as jointly International Forum on Biodiversity and Green Development and other activities related to the China Action Plan for UN Decade of Biodiversity Conservation as well as the UN Aichi Target, exploring the possibilities to integrate the PMO into the National Committee Secretariat as the CBPF Partnership Secretariat post-IS project.

A first task of these IS project related responsibilities would be to examine ways in which the MEP and the NDRC could, using the vehicle of the IS project, integrate the IS project experience into the formulation of PES legislation, DPZ planning and climate change adaptation policies and plans.

**Recommendation 10:** Develop an exit strategy at an early stage during the final half of the project. The CBPF will continue to run beyond the life of the IS project and many of the structures put in place during the project will continue to function afterwards. It is important that prior to the closing months all of these different components have a clear pathway. The exit strategy can be developed and regularly updated as the project draws to a close. Developing an exit strategy in the closing months of a project does not provide a seamless handover.

**Action:** PMO to develop the exit strategy and SC to approve. Regular review of the strategy will need to be factored into the work planning. An example from the UNDP-GEF CACILM Multi-country Capacity Building project is provided as a very good template and this has been left with the PMO by the MTR.

## 4.2 Lessons learned

1. The MTR draws three lessons from the IS project at the mid-term of the project. These might not be the lessons expected by the project partners but it is hardly surprising that a well-planned project with an effective and efficient PSC and PMO is producing high quality outputs and is well on the way to achieving the outcomes, this is not a lesson. However, there are two points that are worth considering and these are essentially related to the design and management of the project cycle to ensure that the proposed intervention, the project “*hypothesis*” remains adaptive.

**Lesson 1: In order to use the inception phase to their full advantage projects should have key external technical advisers (*e.g.*a CTA) in place during the inception phase:**The inception phase of a project, while being used to establish the project and the PMO, is also a critical point in the project’s cycle when the inevitable changes in circumstances and the assumption inherent in the intervention are first tested. It is critical that the PMO and project stakeholders are able to challenge the project’s design and to make quite fundamental changes if there is sufficient cause and justification. This includes in critically reviewing the SRF. In this instance the SRF was exceptionally good but even then there were weaknesses due to a variety of reasons and these have remained for half of the time available to the project when they could have been addressed at the very beginning. However, in order to do this it would be very useful to have both the PMO and any embedded technical assistance (*e.g.* a CTA) in place so that they can take ownership of the process.

In this instance, and based on experience of other GEF projects, UNDP support during the critical inception phase is very important and it is at this point that many projects “go wrong” and yet there is very little guidance available. Good projects generally recover but troubled projects rarely manage to. The IS project did not have a particularly bad inception phase but a number of opportunities were missed at this point which have effectively resulted in a year of the project being less productive. In particular as an international[[31]](#footnote-31) technical assistant was part of the project’s initial design it would have been useful to have this person embedded in the project from the beginning rather than post the inception phase. A further opportunity which could have been capitalized on (although the MTR recognizes that it has the benefit of hindsight and at this point in the project cycle, the inception phase, PMO and project partners are relatively “new” to the project because despite the protracted design phase it is rarely possible to completely understand just how a project will operate when it first starts up) in forging a significant partnership with the NDRC to integrate the biodiversity mandate of MEP into the NDRC planning process at a very early stage.

Guidance to projects *per se* from the GEF during this delicate stage, particularly the inception phase as there is guidance for the inception workshop, would be very useful in the future including providing the confidence to challenge the project’s design and SRF in light of changed circumstances and intervention assumptions not holding true.

**Lesson 2: Complex projects such as the CBPF IS project will require better facilitation tools and skills:**

The project design lacked a tool or methodology, other than the conventional workshops, seminars, studies and reporting, to achieve the aims of the CBPF, to increase participation, and to reach a broad consensus across the multiplicity of stakeholders tasked with managing a complex and unpredictable system; the ecosystem and the sum of its biological diversity. Furthermore, it assumed that the PMO would have the requisite skills and capacities for facilitating a change. This is a common and somewhat unfair assumption.

There is a methodology that can be used to facilitate the process, particularly when addressing an adaptive challenge. Scenario planning is a planning methodology that has its origins in post WWII military thinking where strategic military planners used scenarios to examine the threats posed to the Western Alliance by the Warsaw Pact countries. It was later applied to business planning by Pierre Wack at the multinational corporation, Shell Oil, to examine the threats and opportunities faced by Shell in the energy sector during the early 1970’s. The use of scenarios greatly assisted Shell in its business operations during the 1973 “oil crisis” resulting in Shell considerably improving its own position in the oil industry during a period of great uncertainty.

Scenarios were also used as a tool for conflict resolution during South Africa’s transition from Apartheid to a new democratic disposition in the early 1990’s. In this instance the use of scenarios firstly assisted in convincing senior policy makers in the (old) South African government of the inevitability of change and secondly assisted the range of political stakeholders in visioning the future of a democratic South Africa and the possible consequences of not accepting a peaceful and democratic transition to the “new” South Africa.

In the environmental sector the use of scenario planning is a relatively recent development. Scenario planning was used in the Millennium Assessment report to evaluate global environmental threats and highlight the need for alternative actions to prevent catastrophic environmental and ecological events.

However, the MTR had reservations about “retro-fitting” this to the project at the midterm through a recommendation, particularly if an extension is not approved. Given that the IS project was almost ten years in the making and the lesson might be that as these projects become more complex, more sophisticated, then it becomes necessary to build sophisticated tools such as scenario planning into the project design. Unfortunately this will make them more expensive. See Annex 11 for a fuller description of scenario planning.

**Lesson 3: Project start dates:** GEF projects start with the signing of the Project Document. From this point on the clock is ticking towards the end of the project. However, this is a fairly arbitrary starting point and ignores the difficulties in actually establishing a project and militates against adaptive management because it places such pressures on the project partners and PMO that they do not have the time to stop and think, furthermore, it involves a considerable assumption that the project design is implacable. Without criticism to those who design GEF projects, this is an impossible task and if it were possible then there would be no need for adaptive management, monitoring and evaluation, but purely audit would be sufficient. In this case the project design was very good and the MTR has no reservations in suggesting that other project designers could learn from this Project Document. But it still took from May 2010 to December 2010 for funds to be released and then until April 2011 to complete the inception phase. Clearly from the funding agency perspective there has to be rigorous timeframes for project implementation; but it is important to consider that the strategic plan, which is essentially what a GEF Project Document equates to also needs to have the time assigned for it and when considerable amounts of this time are used up either as a result of delays in funds arriving or through difficulties in establishing the PMO then it is the strategy that will likely suffer.

The MTR understands that GEF Adaptation Fund projects start at the Inception Workshop[[32]](#footnote-32) (*i.e.* once the PMO is in place and any necessary revisions to the projects strategy have taken place. This would appear to be a much fairer way of ensuring that the plan (the Project Document) has the full time envisaged for its execution.

# 5 Annexes

## Annex 1 Terms of Reference (MTR)

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| **Duties and Responsibilities** |
| The objective of the MTR is to gain an independent analysis of the progress of the project so far. The MTR will identify potential project design problems, assess progress towards the achievement of the project objective, identify and document lessons learned (including lessons that might improve design and implementation of other UNDP-GEF projects), and make recommendations regarding specific actions that should be taken to improve the project. The MTR will assess early signs of project success or failure and identify the necessary changes to be made. The project performance will be measured based on the indicators of the project’s logical framework and various Tracking Tools.    The MTR must provide evidence based information that is credible, reliable and useful. The review team is expected to follow a participatory and consultative approach ensuring close engagement with government counterparts, in particular the GEF operational focal point, UNDP Country Office, project team, UNDP GEF Technical Adviser based in the region and key stakeholders. The review team is expected to conduct field missions to Beijing, Jilin and Guangxi.    The team will review all relevant sources of information, such as the project document, project reports – including Annual APR/PIR, project budget revisions, progress reports, GEF focal area tracking tools, project files, national strategic and legal documents, and any other materials that the team considers useful for this evidence-based review.    **SCOPE of the MTR**  The review team will assess the following three categories of project progress. For each category, the review team is required to rate overall progress using a six-point rating scale.    **Progress towards Results**  Project design:   * Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions made by the project. Identify new assumptions. * Review the relevance of the project strategy and assess whether it provides the most effective route towards results. * Review how the project addresses country priorities. * Review the baseline data included in the project results framework and GEF Tracking tool and suggest revisions as necessary.   Progress:   * Assess the outputs and progress toward outcomes achieve so far and the contribution to attaining the overall objective of the project. * Examine if progress so far has led to, or could in the future lead to, beneficial development effects (i.e. income generation, gender equality and women’s empowerment, improved governance etc...) that should be included in the project results framework and monitored on an annual basis. * Examine whether progress so far has led to, or could in the future lead to, potentially adverse environmental and/or social impacts/risks that could threaten the sustainability of the project outcomes. Are these risks being managed, mitigated, minimized or offset? Suggest mitigation measures as needed. * Review the extent to which the implementation of the project has been inclusive of relevant stakeholders and to which it has been able to create collaboration between different partners. Identify opportunities for stronger substantive partnerships.   **Adaptive management**  Work Planning   * Are work planning processes result-based? If not, suggest ways to re-orientate work planning to focus on results. * Examine the use of the project document logical/results framework as a management tool and review any changes made to it since project start. Ensure any revisions meet UNDP-GEF requirements and assess the impact of the revised approach on project management.   Finance and co-finance:   * Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions. * Complete the co-financing monitoring table * Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions.   Monitoring Systems:   * Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? * Ensure that the monitoring system, including performance indicators, meet GEF minimum requirements. Apply SMART indicators as necessary. * Ensure broader development and gender aspects of the project are being monitored effectively. Develop SMART indicators, including disaggregated gender indicators as necessary; * Review the mid-term GEF Tracking Tool (s) as appropriate and comment on progress made, quality of the submission, and overall value of the GEF Tracking Tool. * Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to M&E? Are these resources being allocated effectively?   Risk Management   * Validate whether the risks identified in the project document, APR/PIRs and the ATLAS Risk Management Module are the most important and whether the risk ratings applied are appropriate. If not, explain why? * Describe any additional risks identified and suggest risk ratings and possible risk management strategies to be adopted.   Reporting   * Assess how adaptive management changes have been reported by the project management, and shared with the Project Board. * Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.   **Management arrangements**   * Review overall effectiveness of project management as outlined in the project document. Have changes been made and are they effective? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement. * Review the quality of execution of the project Implementing Partners and recommend areas for improvement. * Review the quality of support provided by UNDP and recommend areas for improvement.   **MID TERM REVIEW DELIVERABLES**  Inception Report:  Review team clarifies timing and method of review within 2 weeks before the review mission  Presentation:  Initial Findings by the end of review mission  Draft Final Report: Full report within 3 weeks of the review mission  Final Report:  Revised report with audit trail detailing how all received comment have (and have not) been addressed in the final review report) within 1 week of receiving UNDP comments on draft    **IMPLEMENTATION ARRANGEMENTS**  The principal responsibility for managing this review resides with the UNDP Country Office (UNDP CO) in China. The UNDP CO will contract the consultants and ensure the timely provision of per diems and travel arrangements within the country for the review team. The CBPF-IS project team will be responsible for liaising with the review team to set up stakeholder interviews, arrange field visits with missions to the pilots.    In preparation for the review mission, the project manager, with assistance from UNDP CO, will arrange for the completion of the tracking tools (METT, Financial and Capacity scorecards for mid-term stage). The tracking tools will be completed/endorsed by the relevant implementing agency or qualified national research /scientific institution, and not by the international consultant or UNDP staff. The tracking tools will be submitted to the mid-term review team for comment. These comments will be addressed by the project team, and the final version of the Tracking tools will be attached as annexes to the Mid-term review report.    **TIMEFRAME**  The total duration of the review will be 4 weeks starting late April 2013 according to the following plan:  Preparation:  1 - 5 May (5 days)  Review mission and debriefing:  6 - 20 May (14 days)  Draft review report: 21 - 26 May ( 6 days)  Finalization of final report: 27 - 29 May (3 days)    **TEAM COMPOSITION**  A team of two independent reviewers will conduct the review - one international team leader and one national expert. The consultants will not have participated in the project preparation and/or implementation and should not have conflict of interest with project related activities. |

## Annex 2 Itinerary & list of persons interviewed and summary of field visits

| **DATE** | **ACTIVITY** | **VENUE** | **PEOPLE MET** |
| --- | --- | --- | --- |
| DAY1-5  May18-22 | Desk Review by MTR Consultants |  |  |
| DAY6  23 May Thursday | 09:30-11:30  Kick off meeting with CBPF-IS PMO | FECO  Room 818 | Zhu Liucai (FECO), PMO(Wang Aihua, Liu Haiou, Liu Jixin, Zhao Yang) |
| 13:30-15:00  Meeting with Ministry of Environmental Protection(MEP)  15:00-16:30  Meeting with National Project Director | FECO Room 818 | Mr. Zhang Wenguo(MEP)  Madam Li Pei (NPD & DDG,FECO /MEP）, PMO(Wang Aihua, Liu Haiou, Liu Jixin, Zhao Yang) |
| DAY7  24 May Friday | 09:30-11:30  Telephone conference with Ministry of Finance (MOF) | FECO  Room 218 | Ms. He Zheng(MOF), PMO(Liu Jixin, Zhao Yang) |
| 13:30-18:00  Meeting with WWF(Beijing Office) | WWF  (Beijing Office) | Ms. Wang Lei(WWF), PMO(Liu Jixin, Zhao Yang) |
| DAY8  25 May Saturday | Flight from Beijing to Nanning  (CA1335：07:20-10:45) | Beijing,  Nanning | PMO(Liu Jixin) |
| 15:00-18:00  Meeting with Guangxi Environmental Protection Department(Guangxi EPD), to learn the work status of the Guangxi PBSAP | Guangxi RAES  Nanning | Guo Jianqiang (DDG Guangxi RAES)，Tan Weifu (Forest consultant)，Xiong Ruiyang ( lawyer), Huang Ying (Guangxi EPD), Xiong Jianhua (Guangxi PMO),  PMO(Liu Jixin) |
| DAY9  26 May Sunday | 08:00-15:00  Field visit the Guangxi Nanning Chongzuo *Presbytis leucocephalus* National Nature Reserve | Nanning,  Chongzuo | Ms. Wang Ailong and her staff (DG of Nature Reserve), Guo Jianqiang (Guangxi RAES), PMO(Liu Jixin) |
| 15:00-18:00  Field visit the Guangxi Medicinal Herb Garden | Nanning | Prof. Miao Jianhua (Vice President of Guangxi Academy of Sciences; DG of Guangxi Medicinal Herb Garden),  Guo Jianqiang (Guangxi RAES), Xiong Jianhua (Guangxi PMO),PMO(Liu Jixin) |
| DAY10  27 May Monday | Flight from Nanning to Changchun（Nanning-Beijing CZ3277：8:00-10:55，Beijing- Changchun CA1649：13:10-  15:00） | Nanning-  Beijing-  Changchun | PMO(Liu Jixin) |
| 16:00-17:00  Meeting with Jilin Environmental Protection Department (Jilin EPD)，to learn the work status of the Jilin PBSAP | Jilin EPD  Room 408  Changchun City, Jilin Province | Yan Haishan and Du Jun(Jilin EPD), Chen Jianjun (Forest consultant), Chen Minghui(DG of Jinlin RAES), Wang Yuan (Jilin PMO), PMO(Liu Jixin) |
| DAY11  28 May Tuesday | 7:00-12:00  Drive from Changchun to  Changbai Mountain | Changchun,  Changbai Mountain | Du Jun (Jilin EPD), Chen Jianjun (Forest consultant),Wang Yuan (Jilin PMO), PMO(Liu Jixin) |
| 13:00-17:00  Field visit the Changbai Mountain Garden | Changbai Mountain | Du Jun (Jilin EPD), Chen Jianjun (Forest consultant),Wang Yuan (Jilin PMO) , PMO(Liu Jixin) |
| 17:00-19:00  Drive to Yanji | Yanji | Du Jun (Jilin EPD), Chen Jianjun (Forest consultant),Wang Yuan (Jilin PMO) , PMO(Liu Jixin) |
| DAY12  29 May Wednesday | Flight from Yanji to Beijing (CA1614：09:20-11:25) | Changbai Mountain,  Beijing | PMO(Liu Jixin) |
| 13:30-18:00  Meeting with PMO | FECO,  Room 818 | PMO(Wang Aihua, Liu Jixin, Zhao Yang) |
| DAY13  30 May Thursday | 09:00-11:30  Meeting with TNC(Beijing Office) | TNC  (Beijing Office) | Ms. Yu Qian (TNC), PMO(Wang Aihua, Liu Jixin, Zhao Yang) |
| 13:30-18:00  Meeting with the Outcome team experts | FECO,  Room 818 | Project experts: Zeng Xiangang, Wang Yukuan, Sheng Yan, Mao Xianqiang, HU Tao, PMO(Wang Aihua, Liu Jixin, Zhao Yang) |
| DAY14  31 May Friday | 09:00-11:30  Meeting with the General Administration of Quality Supervision, Inspection and Quarantine(AQSIQ) | AQSIQ | Lou Junwen (Division Chief, AQSIQ), Wan Benyi (Deputy Division Chief, AQSIQ), Li Mingfu (Professor of Chinese Academy of Inspection and Quarantine) and his team, PMO (Wang Aihua, Liu Jixin, Zhao Yang) |
| 13:00-14:00  Meeting with the Outcome team experts  14:00-16:30  Meeting with the Ministry of Water Resources(MWR)  16:30-17:30  Meeting with UNDP | MWR | Outcome Team Expert (Li Junsheng);  Development Research Center, MWR: Jinhai (DDG), Jiang Bin, Liu Qing, Jiang Renfu, Xia Ming, Liao Sihui;  Dr. Ma Chaode (UNDP), PMO(Wang Aihua, Liu Jixin, Zhao Yang) |
| DAY15  1 June Saturday | 14:00-16:30  Summary meeting of the MTR | FECO,  Room 818 | Mr. Guo Wensong (MOF), Mr. Zhang Wenguo (MEP), Madam Li Pei (DDG,FECO/MEP), Carsten Germer and Ma Chaode(UNDP), PMO(Wang Aihua, Liu Jixin, Zhao Yang) |
| DAY16-22(June2-8) | Draft report by MTR Consultant. |  |  |

## Annex 3 List of documents reviewed

Project Document

Project implementation reports (APR/PIR’s)

Quarterly progress reports and work plans of the various implementation task teams

Audit reports

Mid-term Review Summary Report

METT Tools; GEF BD TT; Financial scorecards

The Mission Reports and Lessons learnt study

M & E Operational Guidelines, all monitoring reports prepared by the project; and

Financial and Administration guidelines.

Project operational guidelines, manuals and systems

Minutes of PSC Meetings

Minutes of PCC Meetings

The GEF Completion Report guidelines; and

UNDP Monitoring and Evaluation Frameworks.

Annual Work Plan( AWP) and Two Year Work Plan(TYWP)

Field Scorecard questionnaires and analysis

Document package of completed activities (including the study reports of outcome teams in Chinese)

Routine project auditing report of State Auditing Administration

## Annex 4 Relevant mid-term Tracking Tool

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Planning & Monitoring | Mainstreaming | Partnership | Total |
| Outcome | Outcome 2 | Outcome 3 | Outcome 1 |  |
| Project Document target | 7 to 14 | 6 to 9 | 4 to 8 | 17 to 31 |
| Mid-term expected[[33]](#footnote-33) | 10.5 | 7.5 | 6 | 25 |
| PMO (& partners) assessment | 10.9 | 8.8 | 8.6 | 28.4 |
| MTR assessment | 10 | 9 | 7 | 26 |

## Annex 5 Co-financing table

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sources of co-financing | Name of co-financer | Type of co-financing | Amount confirmed at CEO endorsement /approval (US$) | Actual amount materialised at midterm (US$) |
| Government (PRC) | MEP, FECO, MOF, local government | In-kind & cash | 9,000,000 | 4,554,326 |
| Implementing Agency parallel funding | UNDP & ECBP | Cash | 6,000,000 | 6,000,000 |
| Government (Italy) | Ministry of Environment, land and Sea (IMELS) | Cash | 180,000 | 203,879.14 |
| NGO | WWF | In-kind | 1,600,000 | 1,441,176 |
| NGO | TNC | In-kind | 1,460,000 | 2,252,991 |
|  |  | Totals | 18,240,000 | 14,452,372.14 |

## Annex 6 CBPF-IS project stakeholders

***The China Steering Committee for the implementation of the CBD (CBDSC)***- The CBDSC is composed of 24 ministries and administrative agencies each of which plays a respective important role in conserving biodiversity, based on its own functions, mandate and comparative advantage. The CBDSC is responsible for coordination of CBD implementation and related biodiversity conservation and management amongst line ministries. This committee reports to China’s State Council – which is the highest level administration body in the country.

***The CBDSC Secretariat***- The CBDSC Secretariat provides secretarial services to the CBDSC, organising meetings and preparing workplans. Institutionally, the Secretariat has the status of a government Department - MEP’s Department of Nature and Ecology Conservation undertakes day-to-day coordination functions of the secretariat.

***Ministry of Environmental Protection***- MEP is the lead government environmental agency at the national level and the focal point for the CBD and the CBDSC. MEP is also responsible for policy and regulation development, and monitoring related to environmental protection, including biodiversity conservation.

***Ministry of Finance***- MOF is responsible for the budgetary process in China and for the development of fiscal and financial policy and legislation. The Ministry of Finance also acts as the focal point for GEF.

***The National Development and Reform Commission***- NDRC is responsible for the planning process in China, and for overall policy work related to development and Chinese society. Within NDRC, the Department of Regional Economy Development is responsible for the environment. The NDRC also hosts the Office of National Coordination Committee for Climate Change. The NDRC reports to the State Council.

***Ministry of Housing and Urban-Rural Development***– MHURD is responsible for municipal mid to long term planning and strategy development, including construction of city garden, undertaking related work on national scenery area and world natural and culture heritage sites.

*Ministry of Land and Resources* – MLR is responsible for the planning, administration, protection and rational utilization of natural resources such as land, mineral and marine resources in China.

*Ministry of Agriculture* – MOA is responsible for agricultural production and agricultural biodiversity and species conservation and management, preserve and sustainable utilizing agriculture wilding resources and crop germplasm resources, protecting agriculture wetland and leading the management of alien species.

***State Forestry Administration***- SFA is responsible for all forestry related issues, including conservation, monitoring and policy. The State Forestry Administration is also responsible for the conservation and sustainable use of wildlife resources and providing instruction on such topics. The Administration designs and manages Nature Reserves for wetland and forestry areas and for terrestrial wildlife.

*State Oceanic Administration* - SOA is responsible for marine and coastal management and protection, including marine biodiversity conservation.

***United Nations Development Programme*** – The UNDP is currently the largest Implementing Agency for GEF projects in China and has a strong environmental and governance mandate through its agreed China Country Programme. As the Implementing Agency for the CBPF-IS it has considerable influence over the outcomes of the project.

***European Union***– The EU is supporting an important and wide-reaching biodiversity programs in China – the EU – China Biodiversity Programme (ECBP), which is targeted to support China’s central government to better implement the CBD and to integrate biodiversity into wider development processes. A key component of the ECBP is its co-financing and guidance of 18 biodiversity-related field projects in biodiversity-rich landscapes in southern, central and western China.

***Conservation International***- CI is supporting many biodiversity programmes and projects, including several related to innovative financing. Conservation International’s work in southwestern China, which includes poverty alleviation, payments for ecological services (PES), capacity-building of the private sector, climate change adaptation, and species conservation, is especially relevant to this project.

***The Nature Conservancy***- TNC is supporting many biodiversity programmes and projects, including several related to biodiversity planning and climate change. The Nature Conservancy is especially noted for its nation-wide assessment to determine priority conservation areas (Blueprint project), provincial level capacity-building, biodiversity action planning, and climate change adaptation and climatic modelling, which is relevant to this project.

***World Wide Fund for Nature***– WWF is actively supporting forest, freshwater and marine conservation programmes in various parts of China. It also has an active programme to support research, capacity building and habitat conservation for the Giant Panda. WWF is also working to protect the Tibetan Steppes and has a programme on climate and energy.

***The Government of Italy’s Ministry of Environment, Land and*** *Sea* – IMELS works in partnership with the Chinese government through the Sino-Italian Cooperation Programme (SICP), which was developed in response to the Kyoto Protocol. IMELS is an active supporter of the CBPF.

## Annex 7 technical versus adaptive challenges

**Technical challenges:**

* A technical challenge is a challenge that can be addressed with existing expertise, protocols and operations.
* Implementing solutions to technical challenges often falls to someone with the authority to address them.
* Technical training (*i.e.* using a manual and new equipment) can resolve the problem.

**Adaptive challenges:**

* Encounter situations for which solutions lie outside the current way of operation, and possibly, thinking.
* Applying existing procedures and understanding does not provide the solution needed.
* Stakeholders must be involved in developing and implementing solutions.
* Solutions lie not in the application of expertise, but rather from a process of learning and adapting.
* Addressing adaptive challenges requires trying solutions that are new and maybe quite different.
* Inherent in addressing adaptive challenges are the need to become comfortable with not knowing what the next move might be, dealing with uncertainty.
* It is necessary to think (institutionally, individually, collectively…) what we should continue to do, what we should start to do and, critically, what we might need to stop doing…
* Addressing adaptive challenges may require the transfer of *power* (the ability to make decisions and to influence future events) from one party to another.
* Normally require *expert thinking*, which is the ability to solve non-rule-based problems.
* Addressing adaptive challenges requires solutions that are new and maybe quite different.
* Inherent in adaptive work is the need to become comfortable with not knowing what the next move might be.
* Adaptive challenges require time for adaptive solutions to have an effect and stakeholders cannot expect to react too quickly because of the discomfort that comes with not knowing.

*Adapted from: Heifetz, Ronald A.; Leadership Without Easy Answers (Belknap/Harvard University Press, 1994)*

## Annex 8 Progress against indicators

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Result | Indicator | Baseline value | Target & benchmarks | Means of verification & frequency | Actual Status by MTR (PMO comments & observation) | MTR comments and observations |
| Objective: The development of the national policy and institutional framework, bringing it closer to international best practices | A composite index of changes in the UNDP capacity development scorecard for planning, mainstreaming and partnership | 17 | Total on scorecard has increased to 31 | Scorecard completed by key individuals (as in baseline) | * ScoreCard result is 28.4. | MTR assesses scorecard at 26 and is broadly in agreement with the project’s assessment. The difference is negligible |
| Biodiversity conservation resources available from government and private sector | 500 million (GPRC?), 25 million private sector | 800 million  50 million from private sector & 3 billion from PES | Annual monitoring of financial flows, including through PES schemes | * Progressive;   Supported by Activity 4.1.2:  annually 500million RMB is estimated in the PES alongside Liaohe River PES Pilot Project, as evidenced in the Tracking Tool  (GEF, BD, SO2 TT)  However, it has no participation of private sector yet, so far. | The MTR agrees and recognises that the project has significant plans to engage the private sector although the challenge should not be underestimated |
| Outcome 1: A strengthened CBDSC mechanism and an effective biodiversity partnership | The index in the UNDP Capacity Development Scorecard for Partnerships | 4 | Total score on scorecard has increased to 8 | Scorecards completed by key individuals (as in baseline) | * Completed, result is 8.6   Supported by Activity 1.3.9 | The MTR arrives at a score of 7. The difference is negligible. |
| Financial viability of the Secretariat for the Partnership[[34]](#footnote-34) | No Secretariat | Secretariat has at least four full (time) staff, with full resources and operating budget. At least 4 partners contribute to budget | Project records | * Completed;   Supported by Output 1.1;  Activities: 1.3.2; 1.3.3 | The MTR considers this not so much *completed*  but rather *in progress*. The PMO is functioning as the Secretariat for the Partnership with IS project, however, there is not clear financial arrangement for post IS preject. The MTR did not received any commitments from WWF or TNC during their discussions |
| Existence of a common monitoring framework for CBPF partners | Project monitoring system is developed by different ministries, but still independent from each other | GEF and MOF and at least 4 partners accept and are using consolidated monitoring system | Secretariat records | * Progressive;   Supported by Activity 1.2.6; 1.2.1; 1.3.8; 1.6.1 | The ToR for this has been drafted and is in the next TYWP |
| Outcome 2: An effective planning framework for biodiversity conservation | The index in the UNDP Capacity Development Scorecard for planning | 7 | 14 | Scorecard completed by key individuals (as in baseline) | * Completed, result is 10.9   Supported by Activity 1.3.9 | The MTR arrives at a score of 10. The difference is negligible. |
| Extent of use of NBSAP in sectoral work | NBSAP is not used as guidance in preparing all sectoral work plans | From 2010 onwards, MOA, SFA, SOA and the Nature Conservation Department of MEP all include initiatives in their annual work plans that explicitly address priority actions identified in the NBSAP | Sectoral agency annual work plans | * Progressive;   Supported by Activity 2.5.2: | The IS-project is integrating biodiversity (through a sectoral BSAP) into the water sector and the Quality Supervision Inspection and Quarantine of China (AQSIQ) |
| The number of provincial BAPs | Only 1 province has a BAP, with no national standard | By the end of the project, at least 3 provinces have prepared BAPs, in line with agreed national standards and guidelines, supported by budget allocations | Project reports, provincial BAPs and provincial budget documents | * Progressive;   Supported by Activity: 2.5.1,  Activity 2.2.2 | The MTR saw two PBSAPs both of very good quality and interestingly the Jilin team appeared to have learned from the earlier Guangxi planning team. Recommendation 2 is intended to build on these successes |
| Outcome 3: The effective mainstreaming of biodiversity into key socio-economic plans and planning processes is demonstrated | The index in the UNDP Capacity Development Scorecard for mainstreaming | 6 | 9 | Scorecard completed by key individuals (as in baseline) | * Completed, result is 8.8   Supported by Activity 1.3.9 | The MTR arrives at a score of 9. The difference is negligible. |
| Biodiversity conservation is mainstreamed in DPZ plans | Biodiversity consideration including related technological skill and human resources is still inadequate in current DPZ planning | Biodiversity conservation included in the provincial DPZ plans |  | * Progressive;   Supported by Activity 3.5.1, 3.6.1, 3.6.2, 3.3.1;  also by the results achieved from the Co-financing Programmes of ECBP, WWF and TNC, before the Project Inception. | The DPZ(s) are under the remit of the NDRC and therefore it is much harder for the IS project to address this issue. The project recognises this and it is important that the SRF outputs at least are revised to reflect just how much the project can effect change in this area. |
| Outcome 4: Market-based PES is the fastest growing source of finance for biodiversity conservation in China | Amount of funding available for biodiversity conservation from all types of market-based PES schemes | To be determined | Every year the total amount of funding available for biodiversity conservation through market-based PES increases, and by the end of the project this figure is at least twice the baseline value | Annual monitoring of financial flows through PES schemes | * Progressive;   Supported by Activity 4.1.2 | As above, PES legislation is the remit of the NDRC. The project is conducting a study on PES legislation for watershed protection in Liaoning Province which the MTR considers is an adaptive way of meeting the SRF indicator. However, the project needs to also consider biodiversity directly and how PES can (if at all) directly influence wise management of biodiversity resources |
| Guidelines being used across sectors | Guidelines do not exist | Evidence that at least 10 PES across China, in at least 2 sectors, are being established in line with the guidelines | Agency records | * Progressive;   Supported by Activity 4.1.2  Activity4.2.1/4.2.2; aslo by the results achieved from the Co-financing Programmes before the Project Inception | The project is doing these things but the PSC needs to consider carefully the way in which any guidelines can be incorporated into the NDRC agenda. It is clear that the project is thinking along these lines, the MTR is merely reminding the PMO |
| Outcome 5: Planners/decision-makers in nature conservation and in a selected province are integrating biodiversity into their adaptation to climate change policies and plans | The adaptation of national nature conservation policies and plans to the impacts of climate change | National nature conservation policies and plans do not consider the impact of climate change | By 2012, national nature conservation policies and plans explicitly address adaptation to climate change | Policy and planning documents of the Nature Conservation department of MEP | * Completed;   Supported by the results achieved from the Co-financing Programmes | Agreed but these need to be supported by an aggressive communications programme and greater facilitation (see recommendations 7, 8 and 9) |
| Incorporation of BD into provincial sectoral adaptation to climate change | Provincial sectoral policies and plans do not incorporate measures to increase the effectiveness of biodiversity conservation by adapting to the impacts of climate change | By 2012, sectoral policies and plans in several provinces explicitly incorporate measures to increase the effectiveness of biodiversity conservation by adapting to the impacts of climate change | Sectoral policy and planning documents of the selected province | * Progressive;   Supported by the results achieved from the Co-financing Programmes and activity planning for Year 2013-2014 | Agreed, perhaps there is an opportunity to feed back into the NDRC climate change agenda based upon the lessons learned through the provincial process |

## Annex 9 Project reporting

| Type of M&E activity | Responsible Parties | Time frame | Compliance | Comments |
| --- | --- | --- | --- | --- |
| Inception Phase | MEP, FECO, UNDP & PMO | At least the first two months of the project | Yes | Inception phase was not utilized fully for adaptive management. The PMO were not fully in place and neither was the external TA |
| Inception Workshop (IW) | UNDP | Depending upon the inception phase | Yes | One day event |
| Inception Report | Executing Agency | Immediately following IW | Yes | Inception report prepared September 2011. The outputs under outcomes 3, 4 and 5 could have been significantly revised |
| APR/PIR | UNDP | Annually | Yes | 2011 January  2012 February  2013 PIR in progress to be finalized in September |
| Measurement of Means of Verification for Project Progress and Performance | Included in PIR | Annually prior to PIR and to the definition of annual work plans |  |  |
| Steering Committee Meetings | MEP, FECO, MOF & UNDP | Following IW and annually thereafter. | Twice yearly | Minutes of PSC  The 1st and 2nd PSC were held in 9 March 2011 and 1 March 2012 respectively.) |
| Technical and periodic status reports | PMO & Outcome Teams | As required | Yes | Reports submitted to GEF and UNDP |
| Mid-term Review Summary Report | PMO (on request of UNDP) | Not a UNDP-GEF project requirement | Yes | A very useful addition to the project reporting from the MTRs perspective but caution must be given to overloading the PMO in reporting |
| Mid-term External Evaluation | Independent Consultants | May – June 2013 | Yes | In progress with expected Satisfactory rating |
| Final External Evaluation | Independent Consultants | March 2015 | N/A | N/A at mid-term |
| Terminal Report | PMO | Jan – Feb 2015 | N/A | N/A at mid-term |

## Annex 10 Project Document risks identified

*A disconnect between national policy and local implementation constrains project impact.* This is considered medium. The project focus is largely on national policy and institutional strengthening, but several project activities focus on the sub-national level and address vertical linkages. In addition, several CBPF demonstration projects are planned/initiated[[35]](#footnote-35), which will facilitate the strengthening of communications between local and higher levels.

*The dispersed responsibilities for biodiversity conservation across many government agencies at all levels frustrate efforts to increase synergies and coordination.* This is considered medium. It is expected that the multi-stakeholder coordination process of the project will help clarify overlaps and gaps in responsibilities and contribute to a longer-term institutional responsibilities.

*Poor buy-in by other line ministries and agencies to mainstreaming biodiversity conservation limits project impact.* This is considered medium. The mitigation strategy rests on three pillars: (i) during preparation of the partnership, emphasis was placed on the benefits that this approach brings to all members, and its ‘win-win’ nature; (ii) the project strategy is designed to move ahead on several fronts - when tensions cause difficulties on one front, progress on other fronts will be possible, and (iii) the project will recruit high-quality, independent staff to work on planning and communications. These staff will be specifically tasked with further strengthening the partnership.

*Market-based PES does not develop despite the development of regulations and guidelines.* This is considered medium. There are currently several attempts to promote market-based PES in China. However, considerable work will be required to assess the sustainability and wide replicability of such approaches nationally. This project will not test any PES, but will help to develop guidelines, using existing experiments as its ‘tests’.

## Annex 11 Scenario planning

Scenario planning is a planning methodology that has its origins in post WWII military thinking where strategic military planners used scenarios to examine the threats posed to the Western Alliance by the Warsaw Pact countries. It was later applied to business planning by Pierre Wack at the multinational corporation, Shell Oil, to examine the threats and opportunities faced by Shell in the energy sector during the early 1970’s. The use of scenarios greatly assisted Shell in its business operations during the 1973 “oil crisis” resulting in Shell considerably improving its own position in the oil industry during a period of great uncertainty.

Scenarios were also used as a tool for conflict resolution during South Africa’s transition from Apartheid to a new democratic disposition in the early 1990’s. In this instance the use of scenarios firstly assisted in convincing senior policy makers in the (old) South African government of the inevitability of change and secondly assisted the range of political stakeholders in visioning the future of a democratic South Africa and the possible consequences of not accepting a peaceful and democratic transition to the “new” South Africa.

In the environmental sector the use of scenario planning is a relatively recent development. Scenario planning was used in the Millennium Assessment report to evaluate global environmental threats and highlight the need for alternative actions to prevent catastrophic environmental and ecological events.

The core of scenario planning is the identification of those elements that are shaping events or systems. These elements known as “drivers” interact with each other often at different physical and temporal scales. Most conventional planning systems are based on the assumption that drivers are constant (or predictable) and yet because of their interaction drivers are invariably in a state of change and this is often unpredictable. Sometimes this change is quick and at other times the change may be slower. Scenario planning is based on understanding what constitutes the current system drivers and the cause and effect relationship between the drivers. This understanding also helps to understand the scale (both physical and temporal) and impact that various drivers have on a system. Once the drivers are identified and their relationship understood, scenario planning provides a methodology for examining how the drivers might possibly interact in the future. Since driver interactions in socio-political, economic and environmental systems are complex the scenario planning process attempts to analyse possible and plausible future driver relationships rather than creating predicted futures.

While scenario planning may be used in different ways as outlined above there are certain consistent elements regarding the use of scenario planning:

* There is no one single scenario planning methodology and approaches will vary depending on the issues to be address and the scale of the scenario plan.
* Scenario planning is a systematic way of looking into and “rehearsing the future” without attempting to be predictive.
* Scenario planning helps us understand the “drivers” that are shaping the present and how they may influence the future.
* Scenario planning helps us understand that the future is not pre-determined. We can influence the future by understanding and managing those current drivers over which we might have control. The example of carbon emissions and their effect on climate change is a case in point.
* Scenario planning helps us prepare for the uncertainties, shocks and surprises that will inevitably arise in any socio-ecological system.

It is important however to realise that scenario planning has its limitations and as such scenario planning is not about predicting the future nor is it necessarily a replacement for conventional forms of planning.

Scenario planning can be used by policy makers, planners, managers and even communities to:

* Assist in testing existing plans and strategies in different futures, for instance in “climate proofing” the existing NBSAP and PBSAP(s).
* Identifying the key drivers for long term monitoring in an adaptive management system.
* Guide short term management responses where “rapid response scenario planning” is used.
* Visually demonstrate the importance of drivers that might hitherto have been considered irrelevant.
* Assist stakeholders in communicating their aspirations in large scale planning processes.
* To build understanding and consensus on key issues between stakeholders in order to work towards a common vision.

Lastly scenario planning is a useful tool to engage with “*wicked problems”*. Given the complexity and multiplicity of different interests and agendas affecting biodiversity conservation in China the CBPF is facing what might be termed a “*wicked problem*”. “*The criteria for judging the validity of a “solution” to a wicked problem are strongly stakeholder dependent*”. However, the judgments of different stakeholders …“*are likely to differ widely to accord with their group or personal interests, their special value-sets, and their ideological predilections.” Different stakeholders see different solutions as simply better or worse*”[[36]](#footnote-36).

In this sense scenario planning can be a powerful tool for building consensus within a group with widely differing backgrounds and agendas and is perhaps what is needed to drive the CBPF forwards.

1. Accumulative expenditures for 2011 & 2012 according to signed CDRs [↑](#footnote-ref-1)
2. Includes ECBP [↑](#footnote-ref-2)
3. The newly appointed CTA should be consulted as to whether this is necessary [↑](#footnote-ref-3)
4. UNDP-GEF RTA *pers. com.* [↑](#footnote-ref-4)
5. For a full list of persons to be consulted see Annex 2 [↑](#footnote-ref-5)
6. In the past referred to as the log-frame matrix (LFM) [↑](#footnote-ref-6)
7. Synonymous with a Project Management Unit (PMU) [↑](#footnote-ref-7)
8. Project Document p. 8 para. 11. [↑](#footnote-ref-8)
9. Project Document, p. 14, para. 30 [↑](#footnote-ref-9)
10. The NDRC is a macroeconomic agency under the Chinese State Council which has broad administrative and planning control over the Chinese economy. Its functions are to study and formulate policies for economic and social development and guide the restructuring of China’s economic system. [↑](#footnote-ref-10)
11. In Turkey there is a popular saying that if you don’t have a seat at the table then you are probably on the menu [↑](#footnote-ref-11)
12. The NCBC is a high-level Committee including twenty-five sector ministries which are considered to impact upon biodiversity which was formed in 2011 [↑](#footnote-ref-12)
13. Ministry of Finance, telephone interview, 24th May 2013 [↑](#footnote-ref-13)
14. National Committee of Biodiversity Conservation was first established in 2010 for the UN Biodiversity Year 2010 and it was renewed as the leading government platform for UN Decade of Biodiversity Conservation in June 2012. It is chaired by Vice Premiere of the State Council with members from 25 line ministries and government agencies and with the Secretariat in MEP. [↑](#footnote-ref-14)
15. Adapted from a discussion by Dr. Graham Webb [↑](#footnote-ref-15)
16. The suffix “*B”* denoting that this was a “full-size” project of over one million US$ [↑](#footnote-ref-16)
17. For the avoidance of doubt every plan is built upon assumptions and as long as these are reasonable then it is expected that some of these assumptions may be “false”. This is why the GEF works through an adaptive management approach. [↑](#footnote-ref-17)
18. The GEF funds were available from the point of signing the Project Document [↑](#footnote-ref-18)
19. The Executing Agency could have requested direct payment by UNDP for specific needs (RTA, *pers. Comm.)* [↑](#footnote-ref-19)
20. Mostly comprised of contracts with Outcome Expert Groups for work currently underway [↑](#footnote-ref-20)
21. The expansion of a project or mission beyond its original objectives and goals. [↑](#footnote-ref-21)
22. Audit Report No. 14 (2013), Audit Service Centre of China National Audit Office for Foreign Loan and Assistance Projects, 2013 [↑](#footnote-ref-22)
23. *Mid-term Review Summary Report*, section 6.2, p. 35 - 36 [↑](#footnote-ref-23)
24. See section 3.2.3, para. 51 [↑](#footnote-ref-24)
25. The MTR considers that visiting two provinces was sufficient but this might not have been the case if the project had been experiencing problems, for instance. [↑](#footnote-ref-25)
26. As was noted in the Project Document [↑](#footnote-ref-26)
27. The MTR uses this term loosely as it (CTA) is a familiar GEF project terminology to describe a permanent or semi-permanent external technical adviser with specific thematic experience as well as project implementation experience [↑](#footnote-ref-27)
28. <http://web.undp.org/asia/country_programme/CP/CP_CPR-2011-2015.pdf> [↑](#footnote-ref-28)
29. Project Document, p.6, para. 2 [↑](#footnote-ref-29)
30. The newly appointed CTA should be consulted as to whether this is necessary [↑](#footnote-ref-30)
31. The MTR uses the term “international CTA” simply to denote a substantive technical expert with experience regional or international experience which can be used to challenge assumptions about how a system can and should operate. The importance of this position is that it can provide an alternative and external viewpoint and it is often very useful for a project, particularly a nationally executed project to have someone the project can trust but can look at challenges from an external perspective. [↑](#footnote-ref-31)
32. UNDP-GEF RTA *pers. com.* [↑](#footnote-ref-32)
33. Note this is a rough median of the target and it should be recognised that the speed of gain will increase in the latter half of the project [↑](#footnote-ref-33)
34. The MTR recognises that these indicators have been modified during the Inception Phase and reported in the Inception Report. The MTR will consider the efficacy of these changes as indicators for monitoring before accepting them [↑](#footnote-ref-34)
35. For example the CBPF Huaihe River Basin project [↑](#footnote-ref-35)
36. From Murphree, M, Hazard Knowledge Product No. 32 Scenario Planning, African Centre for disaster Studies, South Africa).

    [↑](#footnote-ref-36)