



Technical Assistance Report

Project Number: 48116-001
Capacity Development Technical Assistance (CDTA)
December 2014

People's Republic of China: Sustainable and Climate-Resilient Land Management in the Western Regions (Financed by the Global Environment Facility)

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 19 December 2014)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1609
\$1.00	=	CNY6.2156

ABBREVIATIONS

ADB	–	Asian Development Bank
CPMO	–	central project management office
GEF	–	Global Environment Facility
ha	–	hectare
MOF	–	Ministry of Finance
MOU	–	memorandum of understanding
PRC	–	People's Republic of China
SFA	–	State Forestry Administration
SLM	–	sustainable land management
TA	–	technical assistance

NOTES

- (i) The fiscal year of the Government of the People's Republic of China and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 48116-001	
Project Name	Sustainable and Climate-Resilient Land Management in the Western Regions	Department /Division	EARD/EAER
Country Borrower	China, People's Republic of China, People's Republic of	Executing Agency	State Forestry Administration
2. Sector	Subsector(s)	Financing (\$ million)	
✓ Agriculture, natural resources and rural development	Land-based natural resources management		5.25
		Total	5.25
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
Environmentally sustainable growth (ESG)	Environmental policy and legislation Natural resources conservation		
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development	Some gender elements (SGE)	✓
Partnerships (PAR)	International finance institutions (IFI) Official cofinancing		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Not Applicable	
6. TA Category:	A		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources	Amount (\$ million)		
ADB	0.00		
None	0.00		
Cofinancing	5.25		
Global Environment Facility	5.25		
Counterpart	0.00		
None	0.00		
Total	5.25		
9. Effective Development Cooperation			
Use of country procurement systems	Yes		
Use of country public financial management systems	Yes		

I. INTRODUCTION

1. In 2012, the Government of the People's Republic of China (PRC) asked the Asian Development Bank (ADB) to provide capacity development technical assistance (TA) for Sustainable and Climate-Resilient Land Management in the Western Regions.¹ The TA, financed by the Global Environment Facility (GEF), will continue to support government efforts to strengthen the PRC–GEF Partnership on Land Degradation in Dryland Ecosystems by expanding the regional scope and upscaling sustainable land management (SLM) investments in selected provinces and autonomous regions. In February 2014, an ADB mission visited the PRC and reached an understanding with the government on the TA impact, outcome, outputs, cost estimates, financing plan, terms of reference for consultants, and implementation arrangements, including TA delegation. The design and monitoring framework is in Appendix 1.

II. ISSUES

2. SLM and building resilience to climate change remain a priority for the provinces and autonomous regions in the western regions of the PRC, home to approximately 75% of the PRC's rural poor. As part of its development strategy, a number of domestic programs have been implemented over last 20 years to introduce traditional larger scale land degradation control measures for selected areas in the western regions. In 2002, to get more exposure to innovative practices and promote international cooperation, the government formalized the PRC–GEF partnership as a long-term cooperation agreement between the PRC, GEF, ADB, the International Fund for Agricultural Development, the World bank, and other development partners. The partnership has successfully promoted and introduced new concepts in SLM such as integrated ecosystem management, payment for ecosystem services, and public–private partnerships. Provincial strategies and action plans were mainstreamed into the local development planning to ensure investment and financial flows for SLM and livelihood activities. SLM practices applied in pilots and investment programs include reforestation, greenhouses for vegetable production, soil erosion control measures, mulching, grazing management, irrigation control, and other development activities for income generation and livelihood improvement. Capacity development and knowledge management supported the activities. Achievements and lessons learned, including the need for further innovation and a stronger support for initiatives by local governments, are documented in national and international publications.²

3. Since the establishment of the partnership in 2002, the State Forestry Administration (SFA) has taken the lead in the promotion and coordination of TA and investment projects under the PRC–GEF partnership. ADB's grant and TA projects for the SFA, with GEF cofinancing, focused on capacity development, institutional strengthening, and pilot testing of new technologies for SLM in selected western provinces and autonomous regions.³ In parallel, ADB-financed investment projects were prepared and implemented in Gansu and Shaanxi provinces

¹ The TA first appeared in the business opportunities section of ADB's website on 23 May 2014.

² For example, ADB. 2009. *Integrated Ecosystem Management of Drylands: Lessons from Building institutional Capacity in the People's Republic of China*. Manila; Z. Jiang et al. 2013. *Best Practices for Sustainable Land Management in Dryland Areas of China*. Volume 2. Beijing: China Forestry Publishing House; A. Tengberg et al. 2014. Scaling up of Sustainable Land Management in the Western PRC. *Land Degradation and Development*. Available at: <http://onlinelibrary.wiley.com/doi/10.1002/ldr.2270/abstract>; and J. Wu and J. Yu. 2008. *Best Practices for Land Degradation Control in Dryland Areas in China: PRC–GEF Partnership on Land Degradation in Dryland Ecosystems*. Beijing: China Forestry Publishing House.

³ ADB. 2004. *Report and Recommendation of the President to the Board of Directors: Financial Arrangement for a Proposed Global Environment Facility Grant and Asian Development Bank Technical Assistance Grant to the People's Republic of China for the Capacity Building to Combat Land Degradation Project*. Manila; and ADB. 2009. *Management and Policy Support for Combating Land Degradation in Dryland Ecosystems*. Manila.

and in Ningxia Hui and Xinjiang Uygur autonomous regions. Total investment by all partners for TA and grant projects under the partnership is about \$800 million.

4. In 2012, ADB provided policy and advisory TA to help develop a new 10-year SLM strategy for the PRC–GEF partnership.⁴ Endorsed by the national steering committee, this new and broader-reaching strategy (i) focuses on replicating and upscaling achievements of the partnership, with a strong emphasis on investments by local governments and communities; (ii) targets capacity development and its linkage to demonstration and investment activities; (iii) adopts a broader financial resource mobilization strategy, including innovative mechanisms like eco-compensation programs; and (iv) has a stronger link with the PRC’s National Action Plan for the United Nations Convention to Combat Desertification and the objectives of the United Nations Convention to Combat Desertification.⁵

5. The proposed TA will support the SFA with its increased responsibilities to coordinate the implementation of the new strategy for regional expansion and upscaling of investment programs under the PRC–GEF partnership. Through its continued engagement in and support for the partnership, ADB aims to support the PRC’s sustainable development agenda, as presented during the Third Plenum of the 18th Central Committee of the Communist Party of China. Climate change and environmental sustainability are key considerations, including greater preparedness for extreme weather events and conservation of natural resources. The TA is in line with ADB’s Midterm Review of Strategy 2020⁶ which calls for expanding efforts in the agriculture and natural resources sector to support inclusive growth. It is also in line with ADB’s country partnership strategy, 2011–2015⁷ for the PRC in supporting inclusive and environmentally sustainable growth.

III. THE PROPOSED CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

A. Impact and Outcome

6. The impact will be degraded lands restored and local livelihood improved in the project areas in western PRC. The outcome will be strengthened capacity of the PRC government to introduce innovations in sustainable and climate-resilient land management.

B. Methodology and Key Activities

7. The TA will support the SFA in strengthening its capacity for effective implementation of the new strategy, as prepared under ADB’s TA for the Integrated Strategy for Sustainable Land Management in Dryland Ecosystems (footnote 4). Support for implementation of the strategy includes introducing innovations in sustainable and climate-resilient land management and upscaling of activities in three provinces and one autonomous region that participated in the first phase of the PRC–GEF partnership (Inner Mongolia Autonomous Region; Gansu, Qinghai, and Shaanxi provinces); and strengthening the enabling environment for SLM in two new provinces (Guizhou and Sichuan), which are added to expand the geographic scope of the partnership. The project has four outputs, which are based on the GEF focal area outcomes.

8. **Output 1: Resilience of landscape ecosystems to climate change improved.** Mobilization of investments in Inner Mongolia Autonomous Region; and Gansu, Qinghai, and

⁴ ADB. 2012. *Technical Assistance to the People’s Republic of China for the Integrated Strategy for Sustainable Land Management in Dryland Ecosystems*. Manila.

⁵ The SFA has been serving as the secretariat of the PRC national committee for implementing the United Nations Convention.

⁶ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

⁷ ADB. 2012. *Country Partnership Strategy: People’s Republic of China, 2011–2015*. Manila.

Shaanxi provinces will be promoted and supported.⁸ The first component will restore degraded grassland areas and agro-ecosystems, leading to an increase in land productivity on about 1,803,321 hectares (ha) of degraded land.⁹ The GEF incremental support will focus on (i) implementing SLM and restoration techniques suitable for different types of degraded land, (ii) scaling up investments in sustainable grassland and farmland management at innovation sites in Inner Mongolia Autonomous Region and Gansu Province, (iii) scaling up SLM on farmland by supporting establishment of four public–private partnerships in the project areas, and (iv) scaling up SLM for the establishment of two eco-compensation mechanisms for sustainable watershed management in project areas. The second component will strengthen sustainable forest management on about 442,200 ha of land in Qinghai, leading to an estimated total system carbon stock¹⁰ increase of 57,600 tons of carbon equivalent by 2023 in the project area. The GEF incremental support will (i) promote tree-planting for carbon sequestration in forested areas in Qinghai, (ii) support two investment projects focusing on sustainable forestry management in Qinghai, and (iii) introduce best practices to improve plant survival rates.

9. Output 2: Management of degraded lands to support rural livelihoods and green development improved. Sixteen SLM sites will be set up to demonstrate innovative practices to improve management of degraded forests, grassland, and farmland in project areas. The output will promote sustainable alternative climate-resilient livelihoods for communities in affected areas, and support demonstration of green development.¹¹ The first component will support SLM at SLM sites covering around 25,000 ha of land supporting sustainable livelihood systems for over 2,000 residents in project areas. GEF financing will support (i) identification and testing of sustainable livelihoods related to innovative SLM practices, multifunctional community forestry, and grassland development; (ii) development of ecological industries in Guizhou and Sichuan; (iii) improvement of ecological compensation standards of land restoration and livelihood improvement to support eco-compensation innovation sites and upscaling in Gansu and Shaanxi; and (iv) training in SLM and sustainable livelihoods through farmer field schools to scale up SLM activities in Guizhou and Sichuan.¹² The second component will enhance community awareness of climate change impacts to reduce vulnerability and carbon emissions from land management and production models at SLM innovation sites with about 3,000 residents. GEF financing will support development of guidelines on climate-resilient SLM measures and reduction of carbon emissions, and training to improve local communities' understanding of climate resilience. The third component will increase productivity of agro-ecological and forest landscapes on over 30,000 ha of land through green development in Guizhou and Sichuan provinces. GEF financing will support (i) development of green products and marketing in four communities; and (ii) regional green development with eco-agriculture, ecotourism, and clean energy.

10. Output 3: Enabling environment and capacity for scaling up of SLM in Guizhou and Sichuan provinces enhanced. Technical regulations and SLM policies will be put in place for Guizhou and Sichuan provinces.¹³ The first component will strengthen the institutional and regulatory framework, including SLM policies, in Guizhou and Sichuan provinces. This will support improvements in institutional frameworks and investment policies for cross-sector

⁸ Output 1 contributes to GEF focal area outcome 3.3: increased investments in integrated landscape management.

⁹ Agro-ecosystems encompass intensive and extensive crop-based, livestock-based, and mixed systems, as included in the new GEF-6 land degradation focal area, complementing forest ecosystems.

¹⁰ The quantity of carbon contained in a “pool”, meaning a reservoir or system which has the capacity to accumulate or release carbon. The Intergovernmental Panel on Climate Change. 2003. *Good Practice Guidance for Land Use, Land-Use Change and Forestry*. Japan.

¹¹ Supports GEF focal area outcome 3.2: integrated landscape management practices adopted by local communities.

¹² The project will support activities that will enhance the incentives of local communities to engage in SLM.

¹³ Output 3 contributes to the GEF focal area outcome 3.1: enhanced cross-sector enabling environment for integrated landscape management.

mainstreaming of SLM via integration into provincial development plans and investment programs. The second component will enhance technical SLM capacity for 2,000 local beneficiaries in Guizhou and Sichuan provinces. The GEF incremental support will focus on developing capacity of the two new provinces in monitoring and assessing SLM impacts.

11. **Output 4: Project management supported.** Overall support will be provided for implementing the project activities specified for each output and thereby ensure that project outcomes are delivered on time and with the expected quality.

C. Cost and Financing

12. The TA is estimated to cost \$23,300,776 equivalent, of which \$5,250,776 equivalent will be financed on a grant basis by the GEF and administered by ADB.¹⁴ The government will provide \$3,150,000 equivalent in cash. The balance will be in-kind support by the government in the form of field testing, meeting venues, workshops, travel, per diem, reports, staff time, office facilities, and other in-kind contributions, including all local taxes, in line with the GEF cofinancing requirements, the TA framework agreement between the government and ADB, and the memorandum of understanding (MOU) on the Enhanced Partnership on TA Delegation to the executing agency. The counterpart funds will be administered by the government. Cost estimates and financing plan are in Appendix 2. A financing agreement will be prepared in accordance with the MOU between ADB and the GEF Secretariat on Direct Access to GEF Resources dated 4 July 2004.

D. Implementation Arrangements

13. The TA will be implemented from 1 February 2015 to 31 January 2018. The SFA will be the executing agency. There will be six implementing agencies: the Inner Mongolia Autonomous Region; and Gansu, Guizhou, Qinghai, Shaanxi, and Sichuan provinces. The existing institutional and organizational arrangement under the PRC–GEF partnership will continue. The national steering committee includes representatives from the national legislative and stakeholder ministries and agencies. The central project management office (CPMO) at the SFA will manage the TA implementation. Provincial project coordination offices and provincial project management offices (PPMOs) have been set up for each implementing agency, headed by the vice-governor or chairperson in charge of the agriculture sector.

14. The TA will be implemented as a delegated TA. The SFA will be responsible for organizing and supervising procurement (the procurement plan is in supplementary appendix A), and will sign the contracts with contractors and suppliers.¹⁵ ADB-financed procurement will be conducted in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). The ownership of purchased goods and services will be transferred to the SFA upon TA completion. The SFA will be supported by CPMO staff, a consulting firm, and individual consultants to provide technical support for implementation of the activities in the project areas. All consultant engagements will be conducted in accordance with the 2009 MOU on the Enhanced Partnership on TA Delegation to the executing agency. The SFA will be responsible for the selection of consultants following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). ADB will sign the contracts with the consultants. A consulting firm, providing international (18 person-months) and national consultants (105 person-months), will be recruited using the quality- and cost-based selection at a quality–cost ratio of 90:10. Twelve national individual consultants (334 person-months) will be engaged to support the project

¹⁴ Grant funding of \$5,250,776 was obtained from the GEF on 2 June 2014. Upon the request of the PRC government, the scope of activities to be financed by the grant was increased from the initial project identification.

¹⁵ Excluding for procurement under consulting services contracts.

management offices on day-to-day implementation of the TA, using the individual consultant selection method. This method is considered appropriate and cost-effective as (i) the organization structure is already established for the PRC–GEF partnership, and (ii) local experts are required in all six provinces. The outline terms of reference for consultants are in Appendix 3.

15. Except for consulting services, ADB will disburse the proceeds of the GEF grant to the government in accordance with the MOU between ADB and the GEF Secretariat. For the proceeds of the GEF grant, the Ministry of Finance (MOF) will establish an imprest account at a bank acceptable to ADB. The account will be managed and replenished in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time). The initial and additional advances to be deposited to the imprest account will be based on project expenditures for the forthcoming 6 months of implementation. The imprest account ceiling will be 10% of the TA amount. MOF will disburse proceeds of the GEF grant to the executing and implementing agencies in line with the consolidated annual work and financial plans. The statement of expenditures procedures may be used to reimburse eligible expenditures financed by the GEF grant, and for replenishing and liquidating advances that were deposited to the imprest account. Any individual payment to be reimbursed under the statement of expenditures procedure will not exceed \$50,000 equivalent.

16. For withdrawal of the grant, the SFA will submit to ADB the original withdrawal application, signed by authorized representatives of MOF and the SFA; summary sheet; and copies of supporting documents. The SFA will maintain separate accounts for the GEF grant and have these accounts audited on an annual basis by an external auditor acceptable to ADB. Within 6 months after the end of the fiscal year, the SFA will submit to ADB and MOF a consolidated audit report covering the CPMO and the six PPMOs. The SFA will include in the TA progress report the status of the GEF grant utilization during the report period and utilization, cumulative from the start of implementation. The SFA will retain the original supporting documents for expenditures under the TA for at least 2 years after TA completion, and make these documents available to ADB upon request within the indicated TA retention period.

E. Governance

17. The procurement capacity assessment indicates that overall risk is considered low. The SFA and most implementing agencies have substantial experience with implementing ADB-administered GEF grants. Moreover, monitoring and internal controls for procurement are generally in place. The financial management assessment indicates that the overall risk is low. The SFA has administered and implemented two similar GEF grants, and has significant experience. The SFA, in cooperation with MOF, meets ADB's requirements in the area of fund flow arrangements, experienced finance staff, accounting policies and procedures, internal and external auditing, reporting and monitoring, and information systems. The TA will continue to provide additional assistance and training on ADB procedures and requirements for financial management, procurement, disbursement, and monitoring and evaluation, as necessary.

18. ADB's Anticorruption Policy (1998, as amended to date) was explained to the government; the executing and implementing agencies were informed that audit reports will be disclosed on ADB's website.

IV. THE PRESIDENT'S RECOMMENDATION

19. The President recommends that the Board approve ADB administering technical assistance not exceeding the equivalent of \$5,250,776 to the Government of the People's Republic of China to be financed on a grant basis by the Global Environment Facility for Sustainable and Climate-Resilient Land Management in the Western Regions.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Degraded lands restored and local livelihood improved in the project areas in western PRC</p>	<p>By 2020: Demonstrated upscaling of local government financing for sustainable and climate resilient land management investments in all six provinces or autonomous regions, in line with the approved 10-year SLM strategy for the PRC–GEF partnership (baseline 2014: 0 province or autonomous region)</p>	<p>Provincial annual reports on land management</p> <p>SFA annual reports</p> <p>United Nations Convention to Combat Desertification reports</p> <p>Partnership assessment reports</p>	<p>Assumptions Provincial governments are committed to implementing the provincial SLM SAPs for land degradation control.</p> <p>The national government provides adequate support.</p> <p>Risks Human and financial resources cannot be sufficiently mobilized.</p> <p>Government agencies are reluctant to contribute to implementing multisector approaches.</p>
<p>Outcome Strengthened capacity of the PRC government to introduce innovations in sustainable and climate-resilient land management</p>	<p>By 2018: At least two additional investments leveraged to implement three provincial and one autonomous region SAPs for SLM (Inner Mongolia Autonomous Region; and Gansu, Qinghai, and Shaanxi provinces) (baseline 2014: 0 additional investment)</p> <p>Implementation of two new SAPs started for strengthening institutional and technical capacity to support SLM in Guizhou and Sichuan provinces (baseline 2014: 0)</p>	<p>Project technical and progress reports</p> <p>Annual reports from MOF, SFA, and provincial governments</p> <p>Project documents from other organizations under the partnership</p> <p>Partnership assessment reports</p>	<p>Assumptions The national government provides adequate support.</p> <p>The national and provincial governments can mobilize sufficient human and financial resources.</p> <p>Provincial governments are committed to implementing the provincial SLM SAPs for land degradation control.</p> <p>Risks Human and financial resources cannot be sufficiently mobilized.</p> <p>Government agencies are reluctant to contribute to implementing multisector approaches.</p>
<p>Outputs 1. Resilience of landscape ecosystems to climate change improved (Inner Mongolia Autonomous Region; and Gansu, Qinghai, and Shaanxi provinces)</p>	<p>By 2018: Land productivity improvements promoted on 1,803,321 ha of land in four provinces and/or autonomous regions (baseline 2014: 0 ha)</p> <p>Sustainable forest management and forested area management in</p>	<p>Project technical and progress reports</p> <p>Annual reports from MOF, SFA, and provincial governments</p> <p>Partnership assessment reports</p>	<p>Assumptions Counterpart funding is made available on time.</p> <p>Ongoing interest from national programs, private sector, and development partners such as the GEF supports upscaling SLM.</p> <p>Local stakeholders understand and support SLM practices;</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	Qinghai strengthened on about 442,200 ha (baseline 2014: 0 ha)		proposed SLM activities have local community buy-in.
2. Management of degraded lands to support rural livelihoods and green development improved (Guizhou and Sichuan provinces)	<p>By 2018: 16 new SLM innovation sites established covering 25,000 ha and supporting sustainable livelihood systems for more than 2,000 people in six provinces and/or autonomous regions (baseline 2014: 0 site)</p> <p>Enhanced community awareness and reduced vulnerability to climate change for 3,000 residents in the 16 SLM innovation sites (baseline 2014: 0 resident)</p> <p>Demonstration of green development on about 30,000 ha in Guizhou and Sichuan provinces (baseline 2014: 0 ha)</p>	<p>Project technical and progress reports</p> <p>Annual reports from MOF, SFA, and provincial governments</p> <p>Project documents from other organizations under the partnership</p> <p>Knowledge products available on the partnership and ADB websites</p> <p>Partnership assessment reports</p>	<p>Sufficient incentives are in place for agencies to participate, contribute, collaborate, and cooperate in discussions and activities related to promoting and implementing SLM practices.</p> <p>Improved livelihoods serve as an incentive for local stakeholders.</p> <p>Climate change impacts are predictable and adaptation is feasible.</p> <p>Risks National and provincial agencies are reluctant to seek partnerships with ongoing programs and the private sector.</p> <p>Priorities of the provincial and/or central project management offices change.</p>
3. Enabling environment and capacity for scaling up of SLM in Guizhou and Sichuan provinces enhanced	<p>By 2018: Two new SAPs for SLM in Guizhou and Sichuan provinces approved (baseline 2014: none)</p> <p>Technical SLM capacity enhanced for 2,000 local beneficiaries in Guizhou and Sichuan provinces (baseline 2014: none)</p>	<p>Land degradation monitoring system</p> <p>Project technical and progress reports</p> <p>Annual reports from MOF, SFA, and provincial governments</p> <p>Project documents from other organizations under the partnership</p> <p>Partnership assessment reports</p>	
4. Project management supported	<p>Project consultants engaged on time</p> <p>Project reports submitted on time</p> <p>ADB audit requirements complied with</p>	<p>Project technical and progress reports</p> <p>Partnership assessment reports</p>	

Activities with Milestones	Inputs
1. Resilience of landscape ecosystems to climate change improved	
1.1 SLM and restoration techniques suitable for different types of degraded land (forest, grassland, and farmland) promoted and taken up by 11 investment projects under autonomous region and provincial SLM plans through local, national, or international financing	ADB (GEF grant): \$5,250.78
1.2 Scale up investments in sustainable grassland and farmland management at seven innovation sites in Inner Mongolia (2), Gansu (3), Qinghai (1), and Shaanxi (1)	Consulting services 2,080.50 Equipment 990.00
1.3 Scale up of SLM on farmland through support for establishing two public–private partnerships in SLM in Shaanxi (2) and Inner Mongolia (2)	Training, seminars, and conferences 540.28
1.4 Scale up SLM through support for establishment of two eco-compensation mechanisms (payment for ecosystem services) for sustainable watershed management in Gansu (1) and Shaanxi (1)	Miscellaneous administration and support costs 70.00
1.5 Promote tree planting for carbon sequestration on 442,200 ha of forest land in Qinghai; two investment projects on SLM in Qinghai with total funding of \$61.1 million involve tree planting	Pilot testing —field inputs 1,570.00
2. Management of degraded lands to support rural livelihoods and green development improved	
2.1 Identify and test sustainable livelihoods related to innovative SLM practices, multifunctional community forestry, and grassland development at 16 SLM innovation sites	Government: \$3,150.00
2.2 Develop ecological industries suitable for local communities (e.g., community-based eco-tourism, household business)	Equipment 110.00
2.3 Improve ecological compensation standards for land restoration and livelihood improvement in Gansu and Shaanxi	Training, seminars, and conferences 1,170.00
2.4 Train three communities in SLM and sustainable livelihoods through FFS to promote upscaling of SLM in Guizhou and Sichuan	Miscellaneous administration and support costs 1,040.00
2.5 Develop guidelines on climate-resilient SLM measures and lowering carbon emissions from land management	Pilot testing —field inputs 830.00
2.6 Improve the understanding of local communities of adaptive measures to climate change and sustainable lower carbon emissions from land management by training communities at SLM innovation sites in FFS for further upscaling	
2.7 Develop green products and marketing	
2.8 SLM innovation sites support regional green development with, for example, eco-agriculture, water-saving agriculture, ecotourism	
3. Enabling environment and capacity for scaling up of SLM in Guizhou and Sichuan provinces enhanced	
3.1 Improve institutional framework and investment policies for SLM through development of two new provincial SLM SAPs and formulation and/or revision of at least two regulations in each province	
3.2 Align provincial SLM monitoring and assessment indicator system with national and regional frameworks	
3.3 Provide technical training on SLM for extension agencies and FFS	
4. Project management supported	
4.1 Complete project outcomes and outputs on time and efficiently	
4.2 Submit project administrative, financial, and other relevant reports required by ADB and GEF on time	
4.3 Comply with ADB's audit requirement as per the Public Disclosure Policy by the deadline.	

ADB = Asian Development Bank, FFS = farmer field schools, GEF = Global Environment Facility, ha = hectare, MOF = Ministry of Finance, PRC = People's Republic of China, SAP = strategy action plan, SFA = State Forestry Administration, SLM = sustainable land management.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	324.00
ii. National consultants	1,661.50
b. International and local travel	80.00
c. Reports and communications	15.00
2. Equipment ^b	990.00
3. Training, seminars, and conferences ^c	540.28
4. Miscellaneous administration and support costs ^d	70.00
5. Pilot testing ^e	
Field inputs	1,570.00
6. Contingencies ^f	0.00
Subtotal (A)	5,250.78
B. Government	
1. Equipment	110.00
2. Training, seminars, and conferences	1,170.00
3. Miscellaneous administration and support costs	1,040.00
4. Pilot testing ^e	
Field inputs	830.00
5. Contingencies ^f	0.00
Subtotal (B)	3,150.00
Total	8,500.78

Note: The technical assistance (TA) is estimated to cost \$23,300,776, of which contributions from the Asian Development Bank to be financed on grant basis by the Global Environment Facility (GEF), and the government are presented in the table above. The government will provide \$3,150,000 equivalent in cash and in-kind counterpart support in the form of field testing, meeting venues, workshops, travel, per diem, reports, staff time, office facilities, and other in-kind contributions, including all local taxes, in line with the GEF cofinancing requirements, the TA framework agreement between the government and the Asian Development Bank, and the memorandum of understanding on the Enhanced Partnership on TA Delegation to the executing agency. The counterpart funds will be administered by the government. The value of government contribution is estimated to account for 77.47% of the total TA cost.

^a Financed on grant basis by the Global Environment Facility and administered by the Asian Development Bank.

^b Equipment includes office equipment, computer and printers, photocopiers, training materials, farmer field school supplies, field tools, clean energy equipment, agricultural machines, greenhouse materials, monitoring equipment, and two project vehicles. The State Forestry Administration is responsible for all procurement. At the end of the TA, all equipment will be handed over to the provincial and/or autonomous area and county governments.

^c The executing agency is responsible for organizing all trainings, seminars, and conferences.

^d Miscellaneous administration and support costs include general operating costs and office supplies for the provincial project management offices.

^e Pilot-testing includes goods and small-scale works, which are implemented by local counties and procured through shopping and force account methods. Goods include seedlings and fertilizer. The goods and small-scale works are endorsed as part of the GEF approval document. The procurement plan describes the procurement procedures and specifies the procurement method.

^f The government agreed to pay all cost overruns through its counterpart contribution. This arrangement has been applied in previous GEF grants.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance (TA) will be implemented as a delegated TA. The State Forestry Administration (SFA) and participating provinces and autonomous regions will be supported by TA-financed consulting services to provide technical support in the areas of sustainable land management (SLM), climate change adaptation, rural livelihoods, and green development, following international good management practices.
2. The SFA will be supported by a firm and individual consultants to provide technical support for the implementation of the activities in the project areas. All consultant engagement will be conducted in accordance with the 2009 memorandum of understanding on the Enhanced Partnership on TA Delegation to the executing agency. The SFA will be responsible for the selection of consultants following the Asian Development Bank's (ADB) Guidelines on the Use of Consultants (2013, as amended from time to time). ADB will sign the contracts with the consultants. A consulting firm, providing international (18 person-months) and national consultants (105 person-months), will be recruited using the quality- and cost-based selection at a quality–cost ratio of 90:10.
3. Twelve national individual consultants (334 person-months) will be engaged to support the project management offices (PMOs) on day-to-day implementation of the TA, using the individual consultant selection method. The individual consultants will report to and submit inputs to the PMO. The consultants are expected to be mobilized during the first quarter of 2015.
4. Consultants will submit their draft and final reports in English and Chinese languages to the government and ADB, including one electronic copy on a CD-ROM. The reports will be published in Chinese and English and be available online.

A. Technical Assistance Consulting Firm

5. **Climate change and sustainable land management specialist** (international, 12 person-months). The specialist will provide technical and implementation support for (i) the preparation of provincial strategies in Guizhou and Sichuan, (ii) SLM, and (iii) climate change adaptation activities under output 2: management of degraded lands to support rural livelihoods and green development improved. The specialist should have (i) a master's degree in natural resources management, climate change, or a related field; and (ii) at least 10 years of relevant experience in climate change or SLM.
6. **Monitoring and evaluation specialist** (international, 6 person-months). The specialist will provide technical support to project activities at innovation sites and for the People's Republic of China (PRC)–Global Environment Facility (GEF) partnership database development, promote increase of land productivity and international impacts of the project, provide technical and implementation support for midterm and final project reviews, and assist the central PMO in conducting assessments and developing relevant reports in line with GEF and ADB requirements. The specialist should have (i) a master's degree in natural resources management, or a related field; and (ii) at least 10 years of relevant experience in monitoring and evaluation in the field of natural resources management, including agro-ecosystems.
7. **Sustainable land management specialist and team leader** (national, 18 person-months). The specialist will supervise and provide technical inputs and implementation support for activities in Inner Mongolia Autonomous Region; and Gansu, Qinghai, and Shaanxi provinces under output 2: management of degraded lands to support rural livelihoods and green

development improved. The specialist should have (i) a master's degree in natural resources management, ecology, or a related field; and (ii) at least 5 years of relevant experience in SLM.

8. **Public-private partnership specialist** (national, 6 person-months). The specialist will provide technical inputs and support establishment of public-private partnerships (PPPs) in the project area based on the methods and theories, and support development of innovation sites. The specialist should have (i) a master's degree or higher in natural resources management, or a related field; and (ii) at least 5 years of relevant experience in areas such as natural resources management, application of participatory methods, and establishment of PPPs.

9. **Environmental economist** (national, 12 person-months). The specialist will provide technical inputs on ecological compensation and green growth development, support the establishment and implementation of a pilot mechanism for sustainable ecological compensation, and enhancement of ecological compensation standards of land rehabilitation and livelihood improvement in project sites. The specialist should have (i) a master's degree in environmental economics and management; (ii) experience in agronomy and SLM; and (iii) at least 5 years of research experience in environment, ecology, or a related field.

10. **Capacity development specialist** (national, 18 person-months). The specialist will (i) supervise and provide technical inputs and implementation support for Guizhou and Sichuan provinces under output 3: enabling environment and capacity for scaling up of SLM in Guizhou and Sichuan provinces enhanced, (ii) support the preparation of provincial strategies in Guizhou and Sichuan provinces, (iii) develop SLM monitoring and assessment indicators in alignment with national and regional frameworks, and (iv) conduct a gender assessment for land management within the context of the project and partnership framework. The specialist should have (i) a master's degree or higher in natural resources management, environmental economics, or a related field; and (ii) at least 5 years of relevant experience in monitoring, evaluation, and research in natural resources management, environment, or rural livelihoods.

11. **Climate change specialist** (national, 18 person-months). The specialist will provide technical and implementation support, and supervise SLM and climate change activities for output 2: management of degraded lands to support rural livelihoods and green development improved. The specialist should have (i) a master's degree in natural resources management, climate change, or a related field; and (ii) at least 5 years of relevant experience in climate change or SLM.

12. **Green development specialist** (national, 15 person-months). The specialist will provide policy, technical, and implementation support for green development activities under output 2: management of degraded lands to support rural livelihoods and green development improved, including promotion and demonstration of these activities. The specialist should have (i) a master's degree or higher in environmental economics, agro-forestry, agricultural economics, natural resources management, or a related field; and (ii) at least 5 years of relevant experience in environmental policy and planning, including research, design, piloting, and upscaling of green development activities.

13. **Strategy and planning specialist** (national, 6 person-months). The specialist will be responsible for development and implementation coordination of SLM strategies and action plans in Guizhou and Sichuan provinces under output 3: enabling environment and capacity for scaling up of SLM in Guizhou and Sichuan provinces enhanced. The specialist should have (i) a master's degree or higher in strategy and planning, public administration, law, or a related field; and (ii) at least 5 years of relevant experience in environmental policy and law or related fields.

14. **Provincial capacity development specialists** (national, 2 persons, 6 person-months each). The specialists will be responsible for developing and implementing strategies, and strengthening the institutional environment for SLM for Guizhou and Sichuan provinces under output 3: enabling environment and capacity for scaling up of SLM in Guizhou and Sichuan provinces enhanced. The specialists should have (i) a master's degree or higher in natural resources management, public management, or a related field; and (ii) at least 5 years of relevant experience in project management or capacity development in environment, ecology, rural livelihoods, or a related field.

B. Individual Consultants

15. **Central technical project coordinator** (national, 34 person-months). The coordinator will be responsible for overall technical management of the TA under leadership of the central PMO director, and coordination of technical outputs under output 4: project management supported. The specialist should have (i) a doctorate degree in natural resources management, forestry, ecology, or a related field; and (ii) at least 7 years of relevant international experience in SLM in dryland areas, preferably in the PRC.

16. **Provincial technical coordinators** (national; 6 persons, 32 person-months each). The coordinators will be responsible for overall management, coordination, and implementation of project activities for their respective provinces under output 2: management of degraded lands to support rural livelihoods and green development improved, and provide support for the development of the provincial strategies under output 3: enabling environment and capacity for scaling up of SLM in Guizhou and Sichuan provinces enhanced. The coordinators should have (i) a master's degree in natural resources management or a related field, and (ii) at least 5 years of relevant project management.

17. **Public communications specialist** (national, 29 person-months). The specialist will be responsible for all project communication, information dissemination, translation requirements, and coordination with internal and external partners for the partnership under output 2: management of degraded lands to support rural livelihoods and green development improved. The specialist should have (i) a degree in project management or communication; and (ii) at least 2 years of experience in project administration, office administration assistance, or a related field.

18. **Technical sustainable land management investment advisor** (national; 10 person-months). The technical SLM investment advisor will be responsible for providing technical guidance and support for strengthening SLM activities for new investment projects under the partnership. The advisor should have (i) a master's degree in natural resources management, forestry, ecology, or a related field; and (ii) at least 5 years of relevant project management.

19. **Project financial manager** (national, 34 person-months). The manager will be responsible for project financial management. The specialist should have (i) a master's degree in finance, accounting, or a related field; (ii) at least 5 years of relevant experience in project implementation or financial management; and (iii) preferably be a member of a professional accounting body (chartered accountant or certified public accountant).

20. **Monitoring and data management specialist** (national, 20 person-months). The specialist will be responsible for (i) coordinating and developing the PRC–GEF partnership, (ii) collecting and analyzing project data and information, and (iii) managing technical and monitoring reports under the leadership of the central PMO director. The specialist should have

(i) a master's degree or higher in natural resources management, dryland management, or a related field; and (ii) at least 5 years of relevant international experience in SLM in dryland areas, including agro-ecosystems, and preferably including in the PRC.

21. **Procurement specialist** (national, 15 person-months). The specialist will be responsible for managing project procurement and related activities. The specialist should have (i) a bachelor's degree or higher in engineering or a related field; and (ii) at least 5 years of relevant experience in project management, procurement, and consulting services, including experience with ADB or the World Bank procurement procedures.