

Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an Area, China.

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Mid-Term Review

Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an Area, China

Programme/project CHN-2152; 14/0002



FINAL REPORT
4. December 2017

Preface

An independent review is part of the normal project cycle in Norwegian-supported projects and is embedded in the agreements signed between MOFCOM and the Norwegian Embassy in Beijing.

The embassy approached Norad to carry out the mid-term review of the project *CHN- 14/0002 Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an Area, China*.

The Review Team consisted of the following members:

- Ms. Helle Biseth, Norad (Team leader)
- Dr. Jan Mulder (Norwegian technical expert)
- Mr. Zhao Yang (Chinese technical expert)

Ms Jane Liu assisted the Team with interpretation.

The field work was undertaken in October 2017. Apart from meetings with the main project partners and stakeholders, the Review team visited Ya'an Municipality and Baoxing County. We wish to thank the Ya'an and Baoxing officials for the hospitality they showed. The Review Team also wishes to thank the Norwegian and Chinese partners for facilitating the review, and also all respondents for sharing information with us.

The draft report has been submitted to relevant parties for comments related to factual errors and/or misunderstandings, and analysis based on such errors. Feedback was received from CICETE on behalf of the Chinese side as well as the Norwegian Environment Agency and the Norwegian Embassy in Beijing. Since the parties also gave feedback on some of the Team's recommendations, we have included the relevant recommendations and the feedback in Annex VII.

The assessments and recommendations in this report is the opinion of the Review Team.

Oslo
04 December 2017
Helle Biseth,
Team leader

Front page photo: This young fellow lives in the Baoxing Panda Breeding Centre. When the Team met him, he seemed a bit bored (photo Helle Biseth)

List of acronyms and abbreviations

BXG	=	Baoxing County Government
CIB-CAS	=	Chengdu Institute of Biology - Chinese Academy of Science
CICETE	=	China International Center for Economic and Technical Exchanges
CFIPI	=	China Forestry Inventory and Planning Institute of State Forestry Administration
CPC	=	Communist Party of China
CRAES	=	Chinese Research Academy of Environmental Sciences
EPB	=	Environmental Protection Bureau
FYEP	=	Five Year Environmental Plan
GDP	=	Gross Domestic Product
GEP	=	Gross Ecosystem Product
IWHR	=	China Institute of Water and Hydropower Research
MCE	=	Ministry of Climate and Environment (Norway)
MEP	=	Ministry of Environmental Protection of the People's Republic of China
MFA	=	Ministry of Foreign Affairs (Norway)
MOFCOM	=	Ministry of Commerce of the People's Republic of China
MoU	=	Memorandum of Understanding
NDRC	=	National Development and Reform Commission
NEA	=	Norwegian Environment Agency
NIVA	=	Norwegian Institute for Water Research
NOK	=	Norwegian kroner
Norad	=	Norwegian Agency for Development Cooperation (under MFA)
NP	=	National Park
NPMO	=	National Project Management Office
RNE Beijing	=	Royal Norwegian Embassy, Beijing
RMB	=	Ren Min Bi (Chinese currency -Yuan)
SCAES	=	Sichuan Academy of Environmental Science
SFA	=	State Forestry Administration
TEEB	=	The Economics of Ecosystems and Biodiversity (a UN Environment Initiative)
ToR	=	Terms of Reference
YAPMO	=	Ya'an Local project management Office

Various Sichuan Provincial and Ya'an Municipal Level Agencies:

SCFIPI	=	Sichuan Forestry Inventory and Planning Institute
SEEAC	=	Sichuan Environment & Engineering Appraisal Center
SCFD	=	Sichuan Provincial Forestry Department
SCWAPS	=	Sichuan Wild Animal Protection Station
SPDC	=	Sichuan Provincial Department of Commerce and Grain
SCAF	=	Sichuan Academy of Forestry
SCAU	=	Sichuan Agricultural University
SCEPB	=	Sichuan Provincial Environmental Protection Bureau
WHMO	=	Sichuan Provincial Office of World Heritage Management Office
SCU	=	Sichuan University
YABCG	=	Ya'an Bureau of Commerce and Grain
YAFB	=	Ya'an Forestry Bureau
YAEPB	=	Ya'an Environmental protection Bureau

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Executive summary

The Norwegian Embassy in Beijing has requested Norad to undertake a Mid-term Review of the project *CHN-14/0002 Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an Area, China*. Based on the agreed ToR, the Review Team has assessed the relevance, design, progress, efficiency, outcome and sustainability as well as relevant crosscutting elements of the project.

The main project partners on the Chinese side are CICETE (executing agency), China Institute of Water and Hydropower Research (technical support and project management), Chengdu Institute of Biology-CAS (implementing institution for sub-project *Management framework and capacity building for Ya'an Giant Panda National Park*) and Sichuan Academy of Environmental Science (implementing institution for sub-project *Water Management framework for the Ya'an - Baoxing River Basin*). On the Norwegian side, Norwegian Environment Agency (NEA) is in charge of project coordination as well as providing technical input for both sub-projects. The agreement between Norway and China was signed in December 2014, but the project implementation started only in 2016. The total financial contribution from RNE Beijing is NOK 24,236,000. At the time of the review, the outstanding amount was NOK 12,5 mill for CICETE and NOK 3,1 mill for NEA.

One main challenge for the team (and the project partners) has been an extremely complicated Results Framework resulting from the merger of two quite different projects into one. The partners have deciphered the Result Framework to make it workable, and in the opinion of the Team, all main elements of the original agreed framework are followed up. The project also has a complicated project management structure with many layers resulting in nearly 25 pst of the project budget being allocated to project management.

The project is well aligned with both Norwegian and Chinese priorities. The two sub-projects coincides with important national processes in China, and the project has been able to deliver important and useful input to these. The Giant Panda National Park pilot is one of 10 national park pilots established by the Chinese government, and the knowledge developed by the project - especially on the relationship between local communities and the planned protected area- is seen as relevant. In terms of management of watersheds, the project will provide reference and support for the establishment of the Chinese Watershed management system using best practices based on the EU Water Framework Directive. The sharing of Norwegian experiences as well as international best practices is deemed relevant by the Chinese partners.

Long term sustainability is likely to be achieved because the knowledge gained is relevant for ongoing political processes. The expert team under IWHR is seen as important, and especially the link to State Forestry Administration since this institution is given the responsibility for the Giant Panda NP pilot. Anyhow, the role and expected deliveries of the expert team should be clarified better. Gender, Human Rights and Anti-corruption are the cross-cutting issues discussed. The team has highlighted some issues related to local communities in and around the proposed NP since the establishment of the national park may involve relocation of people as well as restrictions on income generating- and other activities.

The Team has given its assessment and/or recommendation throughout the report; we have answered separately the specific questions listed in the ToR for easy reference, and the overall conclusions as well as a list of the main recommendations can be found in the last chapter.

1 Introduction

1.1 Project background

A severe earthquake of 7.0 magnitude hit Ya'an Municipality in Sichuan Province on April 20th 2013 causing human loss and destruction of buildings and other infrastructure as well as huge landslides and other destruction in a fragile environment. In the aftermath of the earthquake; the Norwegian embassy in Beijing (RNE Beijing) contacted MOFCOM to offer Norwegian assistance. Based on discussions between MOFCOM and the embassy as well as several fact finding missions and local consultations, it was decided that Ecological Restoration was an area where Norway could contribute.

Before the earthquake, Ya'an officials and CIB-CAS researches had started discussing the possibility of establishing a Ya'an Giant Panda National Park, and in the reconstruction process after the earthquake this initiative was brought to the table. Norwegian environmental authorities have in-depth experience in national park establishment and – management, and would also be able to share experiences from other countries and international best practices. Another issue of great concern to the Ya'an authorities was the state of the Baoxing River, and a sub-project on developing a Water Framework for this river basin was included in the planned project.

MOFCOM and the embassy signed an agreement for a pre-phase project in December 2013 called "*Pre-phase project for Demonstration of Post-Earthquake Ecological Restoration and Bio-diversity Protection in Ya'an Area*". One year later, in December 2014, the agreement for support to "*Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an Area, China*" was signed. The agreement has a financial frame of NOK 24.236.000 over three years. Because of delayed start up, the project will run up to the end of 2018.

1.2 The framework for cooperation between China and Norway

The cooperation between Norway and China is based on a MoU between the Norwegian Ministry of Foreign Affairs (MFA) and MOFCOM on technical cooperation stating that «projects in technologically and geographically most needed areas in China will be given priority, within the field of environment and climate...». MoUs between the Environmental Ministries of China and Norway (from 30 June 2008 and 27 June 2017) further outlines the priorities for cooperation. The project under review is not linked formally to the MoUs on environmental cooperation since the project was established on an initiative taken directly between MOFCOM and RNE Beijing. Anyhow, the content of the cooperation makes this project closely linked to this MoU also since nature conservation and biodiversity protection is part of both the previous and the present MoU.

1.3 Specific Chinese priorities related to the project under review

The Mid-Term Review was conducted in concurrence with 19th CPC National Congress. One of the decisions from the CPC was the establishment of the first four National Parks in China; the Giant Panda National Park being one of the four. The decision was taken on the highest level with personal involvement of General Secretary of the CPC President Xi Jinping (ref Annex V showing a news-clip from China Daily 24th October 2017). The official news

bulletins also emphasised the need for better and more professional management of the protected areas and signalled the establishment of a new agency for natural asset management by 2020.

The formal process towards establishing national parks in China was started in 2013. The National Development and Reform Commission (NDRC) is overseeing the process and 10 pilots have been established. Various agencies were given the responsibility to develop the pilots. The State Forestry Administration (SFA) was given the responsibility for three pilots; The Giant Panda National Park, The Siberian Tigers and Leopards National Park and Qilian Mountain National Park, the last with emphasis on protecting the habitat of the snow leopards. Eleven research programmes on various topics were also assigned to relevant institutions by the NDRC.

26th September 2017 the "Overall Plan for Establishment of National Park System" was released. Some highlights from the plan:

The Overall Plan for Establishment of the National Park System

- aims mainly to conserve China's large natural ecosystems by setting aside specific land, marine and ocean areas to achieve a combination of ecological protection and sustainable development;
- propose setting up a unified national department to manage affairs of the national parks and build a multi-layer financing mechanism;
- demands the strictest protection for parks and placed them within "Eco Conservation Red line" zones, a key government strategy putting designated areas under mandatory protection;
- protects fragile ecosystems, which have been under constant attack from human activities as primary purpose for China;
- prohibits development and construction that could hurt the ecosystem; illegal mining, discharging pollutants or poaching will be punished;
- gradually relocates residents in the core regions of national parks;
- offers educational and leisure opportunities for the public, under the prerequisite of efficient protection;
- stipulates that the current 10 pilot national parks are expected to undergo assessments in the coming years and could then be termed national park.

In terms of public policy and management of watersheds, many areas in China are facing low management skills and efficiency and common challenges include

- Incomplete management systems that need improvement
- Management under jurisdiction of different sectors and a lack of coordination
- Lack of managing and protecting ability in ecological management
- Non-sustainable use of land - and other natural resources
- Lack of effective ways of public participation in biodiversity conservation and watershed restoration.

The sub-project on Baoxing River project which includes implementation of EU's water Framework Directive (WFD), will provide reference and support for the construction of China's watershed management system. This will be done through establishment of a national demonstration watershed in the Ya'an - Baoxing river basin, focusing on management promoting ecological environment and achieving basin ecological disaster recovery as well as biodiversity conservation.

The Chinese-Norwegian cooperation under the project "*Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an*" is geographically located to Ya'an Municipality. One ninth of the proposed Giant panda national Park is expected to be within

the Ya'an Municipality, and Baoxing County is seen as one of the core areas for the wild giant pandas. The project provides technical support to national, provincial and local authorities on relevant issues like international best practices for river basin management and establishment of national parks.

1.4 Specific Norwegian priorities related to the project under review

1.4.1 Norwegian priorities

Apart from the priorities laid down in the MoU between the MFA and MOFCOM, Norway has some general priorities laid down for the use of development cooperation funds. The priorities agreed on by world leaders in the UN Sustainable Development Goals (SDGs) should be guiding, and Norway has committed itself to assist our partner countries in achieving the goals. As for the project under review *Goal 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss* is the most relevant, and especially target 1: *By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.* *Goal 6: Ensure access to water and sanitation for all* is also highly relevant for the River management sub-component of the project.

1.4.2 Priorities set by MFA for use of the technical cooperation budget.

The Norwegian financing for the project under review is drawn from funds earmarked for support to technical cooperation in specific fields. The government budget document states that priority should be given to areas where Norway has special competence and among them environment and climate change (MFA budget line "165.71 Technical co-operation").

RNE Beijing receives an annual allocation of approximately NOK 45 mill earmarked technical co-operation. Most of these funds are used towards projects developed under the MoUs between the Ministries of Environment of the two countries. Because of the earthquake, the Ya'an project was not developed under the MoU, but in a dialogue between RNE Beijing, MOFCOM and the Ya'an Municipality. Anyhow, the actual deliveries under the project falls under both the previous and the present MoU between MEP and the Norwegian Ministry of Climate and Environment (MCE).

The Norwegian technical input in the project under review is less than in most other projects under the MEP/MCE MoU where the Norwegian technical input has been around 50 pst of the total budget.

1.5 Methodology

The Norwegian Embassy in Beijing prepared the Terms of Reference (ToR) with input from CICETE, NEA and NORAD. The ToR states that the main purpose of the review is to assess if progress has been made in accordance with the work plan and budget, and to assess the effectiveness and efficiency of the project. Some questions related to issues specific to this project were also a part of the ToR. The ToR is enclosed as *Annex I*.

The review is based on interviews with the main partners and stakeholders as well as a desk study of the main project documents. The Team has not done a review of the technical papers produced by the project, but some documents (in English) were briefly assessed.

The Review Team (*Biseth and Mulder*) met with the Norwegian Environment Agency (NEA) while Ministry of Climate and Environment was interviewed on phone. The Review Team met with representatives from the following institutions in Beijing: Norwegian Embassy, Ministry of Commerce (MOFCOM), CICETE, Institute for Water Resources and Hydropower Research (IWHR) and State Forestry Administration (SFA). The review team also visited Ya'an Municipality and Baoxing County and met with relevant Sichuan provincial level institutions. In-depth interviews were done with implementing agencies for the two sub-projects; SCAES and CIB-CAS.

The review report has the following outline: The Project description and the Review Team's assessment on project design can be found in *chapter 2*. The qualitative assessment of the achievements and challenges of the project can be found in *chapters 3 and 4*. In *chapter 5* the main conclusions and recommendations are summarized. The ToR can be found in *Annex I*, a list of people met in *Annex II*, the main documents reviewed can be found in *Annex III*. *Annex IV* Lists the Expert Group members, *Annex V* shows a news clip announcing the establishment of national parks, *Annex VI* gives a timeline of the development of national parks in China. In the Final Report, an *Annex VII* has also been included with the comments received on the draft Report.

2 Project description and comments on project design

2.1 Project timeline

The background for the project is described under chapter 1.1. A timeline can be useful as a background when assessing the project performance:

- Ya'an Earthquake - 20 April 2013
- Agreement for pre-project signed 12. December.2013
- Agreement for main project signed 05.December.2014
- ICC CICETE - NEA signed November 2015
- Inception Report dated February 2016
- CICETE contracts with sub-contracted partners (IWHR, CIB-CAS and SCAES) signed 27. October2016
- (First) Transfer of funds to the implementing partners SCAES and CIB-CAS done in December 2016.
- First Annual Consultation: June 2017.
- Mid-term review: October 2017
- Anticipated project completion: end 2018, possibly with some wrap-up activities in 2019.

The process from the first contact between MOFCOM and RNE Beijing until the project was fully operational has been long; this is partly because of the complexity of the project design and the number of partners involved.

2.2 Project design

The Result Framework (called Goal hierarchy previously, but now normally referred to as "Result Framework") in the Project document, in the Agreement and the Inception report (dated February 2016) is extremely complicated. The Result Framework has Objectives with outputs and activities as well as sub-objectives with outputs and activities – and cross references between them. The background for this is because two separate projects - one on

forest, biodiversity and wildlife protection and the other on watershed management of the Baoxing River Basin - were merged. These two sub-projects are implemented by separate partners, but located in the same geographical region. The overall structure was changed in the 2016 project report to 13 “targets”. The implementing institutions for the two sub-projects have also designed their own structure in order to be able to operationalize the projects.

The Review team has asked some of the partners about the process to design the Result Framework. The answer was that it had been designed by Dongnan (South East) University. CICETE later gave written feedback that North China Electric Power University had drafted the project document. To the Review Team it seems like the project designer has tried to merge two projects into one and build a logical framework around this, but in the process developed a framework so complicated that it could not be used as guidance for the actual implementation. The obvious follow-up question is then – why did everyone accept the result framework? And why was it not changed as a part of the process developing the Inception Report? First when producing the 2016 Annual Report, the design was changed to 13 targets/outputs, but still trying to keep some of the old framework. In our view, the new design is also rather confusing.

Despite its confusing structure, the project focuses on the main outputs and deliverables as originally identified, and this was confirmed in the Review Team’s discussions with the sub-contractors (IWHR, CIB-CAS and SCAES).

The Review team has tried to decipher the documents and link them to the actual work undertaken. In the assessment of Project status and progress we have followed this outline:

- (i) Project level activities and outputs. This covers both project administration, workshops/study tour and other technical activities and outputs on project level. In this report referred to as “project level”.
- (ii) Management framework and capacity building for Ya’an Giant Panda National Park. In this report referred to as “National Park sub-project”, but we are aware that the partners usually refer to the project as the “Forestry project”.
- (ii) Water Management framework for the Ya’an - Baoxing River Basin. In this report referred to as “Baoxing River sub-project”.

***Recommendation:** In order to secure ownership to a Result Framework, the institutions/people closest to the project must be involved. The Result framework to be attached to the project document and agreement does not need to be a detailed a work-plan.*

2.3 Participating Chinese and Norwegian institutions

Below the main participants are listed as well as their role in the project:

Ministry of Commerce, International Department of Trade and Economic Affairs (MOFCOM/DITEA):

MOFCOM/DITEA is the overall responsible institution on Chinese side. MOFCOM has signed the agreement with the Norwegian Embassy. MOFCOM has delegated the responsibility for project management to CICETE.

China International Center for Economic and Technical Exchanges (CICETE):

CICETE is affiliated to MOFCOM and has established a National Project Management Office (NPMO) to oversee project activities. CICETE is fully responsible for project implementation

and daily management. CICETE has entered into a Institutional Cooperation Contract with NEA, a contracts with IWHR for technical support as well as sub-contracts with the institutions in charge of implementing the two sub-projects.

Norwegian Environmental Agency (NEA):

NEA is an agency under the Norwegian Ministry of Climate and Environment. Their tasks include work to reduce greenhouse gas emissions, manage Norwegian nature and prevent pollution. <http://www.miljodirektoratet.no/en/>. NEA is not a part of the NPMO, but has regular contact with CICETE on both project management issues and technical issues. NEA technical personnel work closely with the implementing institutions for the two sub-projects.

Institute for Water Resources and Hydropower Research (IWHR)

IWHR is a research institute under the Ministry of Water resources. IWHR provides technical support, designing activities, reviewing project plans and outcomes with the help of an expert panel. Zhou Huaidong from IWHR is the leader of the expert group. IWHR was awarded a contract with CICETE through a tendering process.

Expert Team

A Chinese expert team supports the project and is also tasked with linking project outputs to work on nation park strategies at national level. The Expert group is chaired by IWHR and has a total of 12 members. The full list of membership is attached in annex IV.

National Project Management Office (NPMO):

NPMO is established at CICETE, with the Deputy Director General of CICETE as the National Project Director (NPD). The NPMO consists of CICETE and Sichuan Provincial Department of Commerce (SPDC). The NPMO is responsible for the project's daily operation and management, and coordination with NEA and Local Project Management Office (YAPMO).

Ya'an Project Management Office (YAPMO):

The so-called "leading group" under the Ya'an Municipal Government established a local project management office (YAPMO). The YAPMO is chaired by the Ya'an Municipal Bureau of Commerce and Grain (YAMBCG) and collaborates with NPMO for project execution and management on a daily base at municipal level. The YAPMO also include Ya'an Forestry Bureau (YFB) and Ya'an Environmental Protection Bureau (YAEPB.) Chengdu Institute of Biology (CIB-CAS) and Sichuan Academy of Environmental Sciences (SCAES) are listed as members of the YAPMO in the Inception Report, but our understanding is that they are not members, but institutions contracted for implementing the two sub-projects.

Baoxing County

Baoxing County Government (BXG) is not a formal part of the structure. However, post project activities are implemented in Baoxing County. BXG plays an important role in ensuring that appropriate activities are included in the annual work plans; a process mainly involving BXG, CIB-CAS and SCAES.

Chengdu Institute of Biology - China Academy of Sciences (CIB-CAS):

CIB-CAS is one of the two main implementing partners of the project and is responsible for

the national park sub-project. CIB-CAS has a sub-contract with Sichuan Agricultural University (SCAU), and might add contracts with Sichuan Wild Animal Protection Station, Forestry Department of Sichuan Province (SCWAPS) and China West Normal University (CWNU).

Two special purpose offices are relevant for the sub-project (i) Ya’an Giant Panda National Park accelerating office, headed by the Ya’an mayor and hosted by YFB, (ii) Sichuan Giant Panda National Park Pilot accelerating leading group office hosted by Sichuan Department of Forestry. These offices are using knowledge produced by the sub-project.

Figure 1

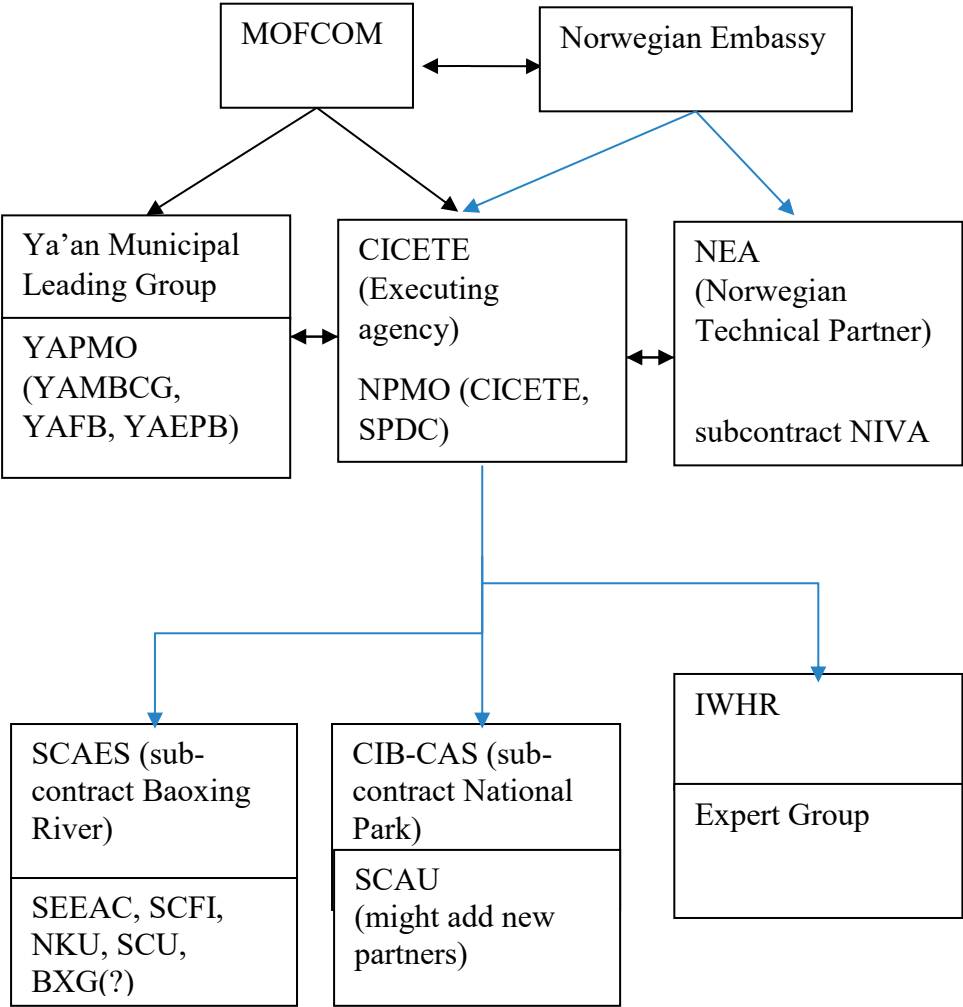


Figure 1: The relationship between the different actors is shown on pages 25 and 26 in the Inception report. Anyhow, we found this organisational chart confusing. The above chart shows the structure according to our understanding. Blue lines show flow of funds.

Sichuan Academy of Environmental Sciences (SCAES):

SCAES is the other main implementing partners of the project and is responsible for the Baoxing River sub-project. SCAES is affiliated with the Sichuan Environmental Protection Bureau (SEPB). SCAES has sub-contracts with:

- SEEAC, Sichuan Environment & Engineering Appraisal Centre
- NKU, Nankai University
- SCU, Sichuan University
- SCFI, Sichuan Fisheries Institute
- BXG, Baoxing County Government

Review team comment: *Although not formally involved as partners, the authorities in Baoxing County are of crucial importance for the success of this project. Possibly the local authorities (BXG) are members of YAPMO but this is not very clear. The review team suggests that their role in the project is made explicitly clear. Baoxing County has established a local PMO to oversee all projects in the county; the Baoxing PMO should have a representative in the YAPMO.*

2.4 Inputs

2.4.1 Project input

The total financial contribution from MFA/Embassy is NOK 24,236,000. CICETE and NEAs share of project funds are outlined in the Agreement. CICETE has entered into subcontracts with other institutions to implement the project. The subcontracts to date (October 2017) as well as their monetary values are listed:

<i>Institution</i>	<i>Amount (NOK)</i>	<i>Amount (RMB)</i>	<i>Comments</i>
Norwegian Environment Agency (NEA) total	5,366,000		Ref Project budget in MFA-MOFCOM Agreement To be paid from RNE Beijing NEA; Transfers: 774,763 (Dec 2015), 1,459,952 (Dec 2016)
NEA -> NIVA	92,912		2016-2017 to produce training material and conduct training course in China
CICETE total	18,870,000		Project budget in MFA-MOFCOM Agreement To be paid from the embassy to CICETE Transfers: 3,000,000 (Dec. 2014, but received Jan. 2015), 3,354,864 (Nov 2016).
CICETE -> IWHR	1,500,000		Contract technical support on project level
CICETE -> CIB-CAS	5,710,000		Contract – implementing sub-project Ya’an NP
CICETE -> SCAES	5,710,000		Contract – implementing sub-project Baoxing River
CICETE – budget for workshops, study tour etc	2,980,000		
CICETE – support to daily operations incl NPMO and YAPMO	1,470,000		
CICETE overhead	1,500,000		

Figure 2: Main partners and budget allocations

To our understanding, CICETE has both an USD account and a RMB account; some expenses are quoted in USD and others in RMB.

Additional to the contribution from MFA, The Chinese side provides an in-kind contribution of RMB 6,469,600. It is not clear to the review team how the in-kind contribution is calculated, but our understanding is that this is in-kind contribution to the project on local level; mainly Ya'an Municipality and Baoxing County. CIB-CAS and SCAES also run other projects that to some extent support the work on the two sub-projects.

2.4.2 Disbursements and Reporting

According to the Agreement, the embassy is to make semi-annual disbursements to CICETE. This is based on Norwegian Government Regulation stating that up-front disbursements should only cover 6 months anticipated spending. So far, disbursements have been done only once a year, and only one disbursement is planned for 2017. The Review Team will advise that the agreement is adhered to; i.e. two disbursements should be planned for 2018.

As for the disbursements to NEA, these can be made annually because the disbursement requests are based on actual work carried out (work hours and other costs), but the Review team will still advise that also these disbursements are done semi-annually. The outstanding amount by October 2017 is NOK 12,515,136 for CICETE and NOK 3,131,285 for NEA.

The Chinese side will received less funds than budgeted for because the Norwegian krone has lost value compared to RMB after the Agreement was signed. CICETE has informed the Review team that the sub-contracts are using NOK for the total contract value this means that the currency loss is spread out between all parties involved in the project.

According to the Agreement; interest can be spent towards the project if requested. CICETE is supposed to report interest gained as a part of the economic reporting. If the interest is to be used for project purposes, CICETE must request this, and the explicit purpose should be specified.

The project started de facto in 2016. Only one Annual Report (2016 Report) has been compiled and forwarded to the embassy. The report was used as documentation in the Annual Consultations between MOFCOM and RNE Beijing in June 2017. The report was written by CICETE/IWHR with input from NEA, CIB-CAS and SCAES. The project also produces quarterly reports (including updated workplans for the next period), these are mainly for internal use, but has also been shared with the embassy.

As explained in chapter 2.2; the reporting does not follow the Result Framework, but reports towards 13 outputs or targets. Given the complicated design of the Result Framework, it is understandable that the reporting follows a different format. The Review team will advise that the narrative part of future reports have separate sections dealing with the two sub-projects; this will help the project implementers who provides the input to the report as well as the recipients of the report. The project level report must give information on additional project level activities – especially how the outputs and findings from the two sub-projects are used as policy input in the ongoing national park process as well as in regional and national work on water management frameworks. Any specific contribution from the Expert Group should be included in the report and project management must be reported on as well. The Annual Report should not only include activities undertaken and outputs produced, but also risks and challenges as well as what is done to deal with these. The matrix with the 13 targets could be

kept if the project partners see them as relevant.

The review team has the following comments and recommendations

- realistic budget planning on the Chinese side is important. Requests should cover anticipated spending for the next 6 month period (including funds in account). Both parties should also adjust their spending prognosis.
- CICETE must report interest as a part of the annual reporting to the embassy, and if relevant request the use of this interest towards specific purposes.
- The format of the future Annual Reports (2017 report and 2018 report) should be structured around the two sub-projects with a separate section for project level reporting. Challenges and risks – as well as how these have been dealt with – must also be included.

3 Project status assessment

3.1 Assessment of Project Progress and Status

3.1.1 Long Term goal or impact

According to the Inception report (dated February 2016), the long term goal of this project is to build and strengthen a partnership and a platform that stakeholders from different sectors can work [on] together, and [to] provide technologies and models for better conservation of the area's ecosystem services and greener development. More specifically this relates to the establishment and management of National Parks and with improved management of watershed river basins throughout China.

Expected project impact:

The cross-sectorial management structure of terrestrial and water ecosystems Ya'an Giant Panda National Park will be recognized at national level, which may lead to changes in the water management and national park structure in China as a whole. When established, Ya'an Giant Panda National Park may be recognized in IUCN's world list over conserved areas, and thus be the first national park in China with this status. Experiences and adapted framework for cross-sectorial and integrated water management implemented in Baoxing River Basin, may be implemented in other river basins in China or even other Asian countries.

Project impact indicators:

- The degree of incorporation of the national and local government-led reconstruction project and the local biodiversity conservation.
- Contribution to the establishment of local ecological industries and the transformation of local economic structure.
- Summary and promotion of the project experiences as well as the actual effects achieved after the project.

Review team comments:

Direct impact arises at the local level, but more efforts should be made to increase the impact of the "Giant Panda National Park Pilot Program" and the "Water management framework of the Ya'an-Baoxing river basin" at cross-provincial level. In addition, the project has important contributions to make to the "Overall Plan for Establishment of National Park System" led by national government. Thus, we suggest that the Expert Panel plays a more active role:

(i) at national level to leverage significant results for decision making/ policy recommendation;

(ii) at local level to endorse as technological undertaker for Ya'an City PMO to expedite

approval process of the activities proposed by Baoxing county, CIB-CAS and SCAES, and provide support for integration into sectoral planning by local departments.

3.1.2 Outcome

The management of watershed and terrestrial ecosystems in coming Ya'an Giant Panda National Park will be improved by cross-sectorial cooperation. The management will be based on international standards and considers both the sustainable use of nature resources and conservation of nature, and the recognition of different sector interests will be enhanced in the province of Sichuan.

Project outcome Indicators:

- A larger area of natural habitats for giant panda in the province will be conserved.
- The water resources in Baoxing River Basin will be managed according to international standards adapted to China, in a more systematic and integrated way.
- There will be regular cross-sectorial meetings at provincial level.

Review team comment: *The project outcomes are specific to the project and limited to the Ya'an-Baoxing watershed (albeit with a reference to cross-sectorial meetings at the provincial level). However, as hinted at in the Inception report, and as indicated during the discussions with the project team, the project has a large potential for application at the national level. This is true for both the establishment and management of national parks as well as for water management of river basins, both in accordance with international standards. CICETE and IWHR, with support from the expert team, should specifically focus on bringing the acquired expertise to the national arena.*

3.1.3 Status and assessment - Project level activities

Project management

The project has a very complicated management structure; CICETE is overall in charge and is hosting the national project management Office. CICETE is also the contact point of NEA on project management issues. IWHR is subcontracted by CICETE to give technical backstopping to the two sub-projects, as well as for more general project management like compiling the Annual and quarterly reports. The project has both a national level project management office and a local (Ya'an) level project management office.

The project has elements of a local development project, it is clearly not “only” a technical cooperation project like most other Norwegian-Chinese cooperation on environmental issues. Such a complicated management structure also requires considerable resources for project management. Out of the NOK 24.236.000 total allocation, the following is used for project management types of activities:

IWHR Contract	NOK 1,500,000
Support to daily operations of NPMO and YAPMO	NOK 1,470,000
CICETE overhead	NOK 1,500,000
NEA project management	NOK 1,554,300
Total	NOK 6,014,300

NOK 6,014,300 is close to 25 pst of the total allocation to the project, and this figure does not include time used by the SCAES and CIB-CAS on project administration. On the other side, the strong local involvement in the project through the YAPMO is positive, and at the local

level the formation of the YAPMO is also seen as instrumental for different sector sharing knowledge and finding common solutions.

Expert Group

The Expert Group is organized and chaired by IWHR and consists of key researchers and national level experts. The Expert Group has 12 members; a full list is included in Annex IV. The Review team did not meet any of the members in the Expert Team, and we have not seen any specific reporting on their activity. However, many of the project participants referred to the Expert Group as important in bringing the results of the work as well as the specific knowledge products produced into the national processes. The Expert Group has two members from State Forestry Administration; their close interaction with the project is seen as important since this institution is given the responsibility for developing the Giant Panda National Park Pilot.

Workshops

The project has a separate budget for workshops. The workshops are arranged by the NPMO and YAPMO, but with technical input from CAB-CAS and SCAES. NEA takes part in some of the workshops providing lectures on Norwegian experiences and best international practices as well as some more in-depth training on specific issues.

Study tour(s)

One study tour to Norway was conducted in September 2017. The study tour included 9 participants and one interpreter. The participants came from CICETE (2), IWHR (2), CIB-CAS (2), SCAES (2), and Sichuan Provincial Department of Commerce (1). The team met with some of the participants during the review, and the feedback we got was that the study tour was very well organized and with relevant field visits included. Two field trips were undertaken in parallel; one on national park and ecological restoration; one on river basin management. This was seen as useful by the Chinese experts because they were able to go into more depth on relevant issues. It was obvious from the team's interactions with various stakeholders that another study tour was high on the wish list – and that also lower level staff (and local officials) should be included.

The study tour was shorter than originally planned for because of Chinese regulations on foreign travel, this resulting in some of the original programme planned by NEA had to be left out. However, as the Team understands the regulation on foreign travel, this is applicable to higher level officials, not to research staff. The study tour could therefore have been planned with one part specially designed for higher level officials, but with some extra days added for the research staff to allow them to dig in deeper in specific fields relevant for the cooperation under the two sub-projects.

The review team requested back-to-office reports from the study tour to be shared. It is seen as important that the participants give feedback to NEA on the content of the study tour as well as the way it was organized.

The Review Team was informed that two study tours to other pilot national parks were also conducted, but we did not have time to go into detail on these.

Review team's assessment:

- The complicated project management structure results in a close to 25 pst of the project budget being used towards project management.*
- The expert group is seen as important for bringing knowledge gained from the project as well as the specific knowledge products produced into the national processes. However, the*

specific activities of the Expert Group are rather unclear and should be reported on more in detail.

- The workshops are well organized and the input from NEA experts have been useful and well received.

- The study tour to Norway was well received; the content was relevant for the Chinese participants and the study tour was well organized. When planning study tours, the partners should consider if a two-tiers study tour should be organized; one part specially designed for higher level officials, but with some extra days added for the research staff to allow them to dig in deeper in specific fields. Study tour participants must be requested to write back-to-office reports to be shared with NEA.

3.1.4 Status and assessment sub-project “Management framework and capacity building for Ya’an Giant Panda National Park”

In the assessment of the National Park component, the Objectives listed in the Inception Report relevant for this component is included. The Objectives 2-3-4 actually covers both components, so only issues relevant to this sub-project is dealt with. Sub-objective 1 and 2 covers only the NP sub-project. To not confuse the readers of this report, we have left out the cross-references.

Objective 2: Draft the outer borders of a national park and prepare a preliminary national park governance with an integrated framework for water management in Ya’an and Baoxing area, including both nature conservation and sustainable use of nature.

Indicators

-A preliminary, unified map of the national park is outlined and acknowledged by different sectors and governmental levels.

-Decisions made relates to the preliminary, common framework and governance.

-The preliminary framework will replace the earlier local laws and regulations.

Review team assessment:

The State Forestry Administration (SFA) has been given the responsibility for the Giant Panda National Park pilot. The planned NP will cover areas in three provinces; Ya’an being a part of the area designated in Sichuan province.. The SFA has stated that work done by the project in Ya’an Municipality – Baoxing County has been important input to their work.

Giant Panda National Park boundary and zoning has been developed with input from the project. A four-tier zoning has been approved: 1) core conservation; 2) eco-restoration; 3) leisure& education and 4) traditional utilization. The zoning map was not launched at the time of the review.

Objective 3: Establish the required basal knowledge in biodiversity and ecosystem functions

Indicators

Managers of the preliminary National Park are well informed of the results from investigations and analysis in the project area and have enough basal information and knowledge about challenges that needs to be addressed.

Review team assessment:

-Knowledge products like video, posters as well as scientific reports have been produced.

Capacity building seminars have been conducted, some of them with participation from NEA experts. The Team met officials and others at national, provincial, municipal and county level and the general view was that the information shared by different types of knowledge products/seminars had been useful. Participants in workshops with input from the NEA

experts said that their input had been both interesting and relevant.

-Study tour to Norway arranged and field visits paid to other national parks, such as Sangjiangyuan and Jiuzhaigou. The feedback from participants on the study tour to Norway is very positive; especially relevant and interesting was the field excursion to the former military training area at Dovre where the landscape now is being restored (= ecological restoration).

Objective 4: Prepare and publish a draft management plan, which outlines the management of the coming National Park based on the proposed new governance, covering both terrestrial and watershed ecosystems.

Indicators

- Different sectors are referred in, and familiar with, the new preliminary management plan.
- The management office area familiar with the use of the preliminary plan. *(Review team comment: difficult to understand what is meant here)*

Review team assessment:

As the Ya'an NP now has become the Giant Panda NP pilot under the SFA, the project can only provide input into the process. To our knowledge this is being done. The challenging issue will be what sort of human activity will be allowed in each of the three zones where some type of human activity will be included (eco-restoration zone, traditional use zone and recreation/environment education zone). Especially challenging will be issues related to livelihoods of local communities using resources from the proposed NP, but also the interests of owners and employees of industries in the area. Input from the NEA experts with experience from solving conflicts related to human activity versus protection of biodiversity is seen as useful.

Sub-objective 1: Strengthen institutional capacity for local administration in national park construction, management and biodiversity conservation in Ya'an.

Indicator:

A higher percent of the managers are satisfied with their skills regarding management than before the project started. A baseline investigation will be required when this sub-objective is to be ended.

Review team's assessment:

- Training Needs Analysis (TNA) has been carried out.*
- *based on the type of indicator (A higher percentage...), a survey has to be conducted against the original baseline, preferably by a third party*

Sub-objective 2: Investigations and suggestions for sustainable use of natural resources in vulnerable areas.

Indicators

- There are several cross-sectorial meetings regarding the use of natural resources in the upcoming Ya'an National Park.
- The development of eco-tourism and use of natural resources are referred in the preliminary management plan of Ya'an Giant Panda National Park.

Review team's assessment:

- *The project has brought together participants from many sectors and government institutions for discussions, trainings, workshops, study tours etc. In the opinion of the Review team, the project has been instrumental in better cross-sectoral cooperation.*
- *The new NP will have traditional use zone and recreation/environment education zone. To*

our understanding, the exact regulation of use in these zones are not finalized ,if so, input from the project is still possible.

- In Baoxing East River there is one Tibetan village inside the NP (Qiaoqi Village), in what is proposed to be recreation/environment education zone. The villagers are involved in ecotourism we were told, and this will be allowed also after the establishment of the NP. There was hardly any tourists when the team visited, but the potential is obvious. The villagers were collecting mushrooms from the forest, this will not be allowed in the future according to the zoning proposal.

- Eco-tourism was mentioned by almost everyone as the future income-generating activity that would benefit the area and its population. However, few seemed to have a clear understanding of what eco-tourism is – and what type of tourists should be targeted. Independent tourists or tour groups? International tourists or domestic tourists? Since eco-tourism is a new concept to China, international experiences can be very useful. This is not NEAs main area of competence, but if they do not have in-house competence on this, outside expertise can be sought if the budget allows for this.

Overall assessment: *In conclusion, the National Park sub-project is well on track to date: efficient implementation at activity level as well as support to local institutions.*

3.1.5 Status and assessment of sub-project “Water Management framework for the Ya’an - Baoxing River Basin”

The water quality and ecological status of the Ya’an – Baoxing river basin is threatened by increasing pressures from human activity along the river as well as from natural hazards like earthquakes. Particularly important pressures on the river basin include (1) Hydropower development, (2) marble mining, (3) marble processing, (4) sand and gravel mining near the streambed, and (5) input of non-treated sewage. The Inception report also lists farming pollution, but the review team has seen little support for this. There is an urgent need for a comprehensive management plan to control and cope with the impacts on the Baoxing River Basin. The management plan needs to focus on (1) overall planning of the basin, (2) supporting laws and regulations, (3) emergency management mechanisms, (4) personnel management ability, (5) multi-sectoral collaboration, (6) technical support, and (7) public participation. As the Baoxing river basin is the core area of the planned Giant Panda National Park, the river basin management plan has to be embedded in an overarching management plan for the coming national park.

The Inception report lists five sub-objectives. However, to make the structure of the project more transparent, SCAES re-structured these five to three outcomes. Here we have attempted to regroup the original five into three outcomes.

Outcome 1: Implementation plan of ecological restoration and protection for Baoxing river basin.

Indicator

Implementation plan of ecological restoration and protection developed and reported. There have been regular meetings with stakeholders and relevant authorities to secure a necessary anchoring of the measures needed.

Review team’s assessment:

-Posters and a film were produced. The pilot project is referred in media / website

- Adaptation and application of EU's WFD (among the first in China)
- Several studies have been completed and reported, including a program of measurements and a management plan for the Baoxing river basin, involving relevant parts of EU's Water Framework Directive (WFD).
- A report drafting restoration measures for Baoxing River Basin, addressing responsible institution and suggestions for implementation plan. Detailed planning as well as cost efficiency and benefit analysis of restoration measures in prioritized river reaches of Baoxing.
- Workshops and trainings were organized.
- Publicity and engagement in water management.
- NEA has contributed with site visits and written input to reports.

Outcome 2: Information platform for management of Baoxing river basin

Indicator:

- A systematic cooperation is established between relevant water authorities.
- Improved cross-sectoral water management.
- A higher percent of the managers are satisfied with their skills regarding water management than before the project started. A baseline investigation finalized.

Review team's assessment:

A GIS-based water information system for Ya'an – Baoxing river basin, adapted from the literature, was established. Meetings with all relevant sector authorities were held to gain experience and to obtain information. Experience was exchanged on water management planning in other river basins.

Outcome 3: Management mode and corresponding implementation program of Baoxing river basin

Indicator:

An environmental assessment system for Baoxing river system is integrated in a drafted management plan of Ya'an Giant Panda National Park

Review team's assessment:

Comprehensive environment management framework of Baoxing River Basin was drafted. A report was finalized that incorporates the principles of EU Water Frame Directive (WFD) into a system adapted to China.

Review team's assessment of the total achievements:

The complicated project structure, which eventually was abandoned by the project team, made the overall assessment and an evaluation of the project's progress very difficult. The review team obtained 10 reports from the SCEAS, that were translated into English, with another three reports not yet being translated. Nearly all reports were written in 2017. According the Dr. Tian Xiaogang, the "real work" did not start before December 2016, due to delayed payments from CICETE, while most of 2016 was used for baseline studies. In 2017, SCAES successfully increased its efforts to make quick progress to make up for the lost time in 2016.

The relevance of the expertise and experience of the Norwegian technical expert (NEA) has been a major issue of the review process. SCAES received significant support from NEA both

during field training (characterizing water bodies), input in their work with adaptation and application of EU WFD and in written comments and suggestions to draft reports. The study tour to Norway has made a lasting impact and has been a major source of inspiration. Besides from the NEA, significant support was received from UK experts on the WFD and from experts from Israel on watershed management.

The Baoxing county authorities were very positive with respect to the support received from the SCAES in connection with training and discussions.

3.2 Specific issues raised in the ToR

The ToR raised some specific questions that are partly answered in other parts of the report. For easy reference, the questions- and the Review Teams main findings/ the opinions of the partners – are listed below. The questions have also been shared with the project managers of the two sub-projects and where relevant their feedback is included:

Q1: How is alignment of project with China's national policies, in particular with national programs/plans on national parks and watershed management?

A: The link to the national process on pilot national parks is explained in chapter 1.3 as well as in annex VI. Also, the sub-project on Baoxing River and studies conducted under this project is also highly relevant input for the national process on national parks. In addition, the Baoxing River sub-project also supports the implementation of the Action Plan of Water Pollution Control at national level as well as the corresponding implementation plan at provincial level.

Q2: Is project on track with relation to outputs and outcomes? What are biggest challenges to overcome in fulfilling project's purposes, if any? Has project produced inputs and basis for suggestions on how to meet challenges efficiently and pragmatically?

A: The project had a much delayed start-up and we were informed that CIB-CAS and SCAES first received the first transfer of funds in December 2016. In order to catch up, the two institutions are able to use more staff, but over the shorter period, and by doing so expect to complete the assigned tasks within the end of 2018.

Being asked about the main challenges, CIB-CAS highlighted cross-departmental coordination and acceptance of project outputs by provincial/ national governments. The solutions have been to organize technical meetings with participants from across department. Cross-sectorial management mechanism has been established and are in use. Prof. Luo Peng (coordinator of the sub-project) has been appointed as a member of the preparatory committee of Giant Panda National park that was established in august 2017.

SCAES listed the following challenges: (i) Challenges in relation to basic data collection by local departments in Baoxing. This has been met by trainings organized for the county chief of Baoxing and officials from local departments e.g. environment, hydrology, forest, agriculture, and land use. (ii) Data collection from hydropower stations in Baoxing river basin owned by national government. Solution: more targeted field surveys and acquiring useful data from corresponding departments at provincial level.

Q3: Has project, targeted at ecologically fragile area, considered ecological concerns in implementation? How is cross-sectoral cooperation going?

A: The answers provided by the two implementing partners presents a good input to these questions:

CIB-CAS: Two eco-restoration demonstration sites have been set up to eliminate human disturbance and enhance habitat quality by increasing connectivity of patches and reduce landscape fragmentation. Demonstration sites will provide references to the genesis of Eco Restoration Guideline as a standard for Practice of Eco Restoration in Giant Panda Habitat that involves cross-sectorial cooperation.

SCAES: Baoxing river basin management committee addresses cross-sectoral cooperation (departments of environmental protection, water services, land management, agriculture, regional planning and forestry). This committee will lead integrated management of Baoxing River and the post-quake ecological recovery.

Q4: What is the potential for links with the on-going bilateral CRAES project on mainstreaming biodiversity and ecosystem services (NEA is the partner in both projects)?

A: In the development phase of the two projects, NEA used partly the same internal resources, but the two projects are run as two separate projects (with separate people involved) in the implementation phase. On the China side; the project coordinator for the mainstreaming Biodiversity-project (Fenchun) is also a member of the Expert Group for this project. The Mainstreaming Biodiversity-project have already 5 pilots they work on. Based on the outcome of this project – and the general TEEB process in China - future studies to put monetary value on the biodiversity and ecosystem services in Baoxing can be interesting because of the major changes the establishment of the national park will mean for the county.

Q5: How has project contributed to Chinese authorities' technical know-how and policy formulation on conserving natural habitat for giant panda and integrated watershed management?

A: This question is partly overlapping with Q1. Chinese authorities from the national to the provincial, municipal and county level have been involved in the project and know-how and policy input from the project were used in the ongoing national park process. One example is the research on zoning and boundaries done as well as technical meetings to discuss cross sectoral management challenges. Also based on the project, integrated management of river basins with good ecological condition will be set up in Sichuan province. This includes management mechanisms, corresponding regulations, monitoring requirements and information management platforms. This will be significant for implementation of the action plan of water pollution control as well as the river management mechanism.

Q6: Were all relevant stakeholders adequately involved in and informed on project progress? Were they consulted and listened to during project implementation?

A: Asked this question, the two Chinese implementing partners gave positive answers. However, the Review Team would like to point out that the process developing the Result Framework has not been very good as it resulted in all stakeholders accepting an “un-practical” framework. As for NEA, the challenge has been the lack of possibility to be properly involved in the technical work at an early stage. Technical reports have been shared with NEA only in the final draft stage (see also Q7).

Q7: Was Norwegian expertise, shared through project activities, relevant and useful for project implementation and China's work in target areas?

A: The Chinese implementing partners – and other stakeholders the Team met, all gave a positive answer on this question. The input from the Norwegian technical experts in workshops and training sessions were deemed as useful and relevant for the Chinese participants. The study tour was seen as very well organized and with relevant field visits included. That the field trips were run in parallel so Chinese experts were able to go into more depth was also seen as useful. It was obvious from the team's interactions with various stakeholders that another study tour was high on the wish list – and that also lower level staff

(and local officials) should be included.

One issue that is challenging in this as in similar projects is how the Norwegian experts can provide input into specific studies and research reports. We were told that all reports were written in Chinese, and that they were translated by an outside professional translator when finalized for the benefit of the Norwegian partners. If the Norwegian experts are to provide useful input into a report, reports will have to be developed in English for then to be translated into Chinese when complete. The partners should assess if this can be a useful approach on studies where input from Norwegian expertise is relevant. However, this approach requires that NEA has resources to contribute when needed. This recommendation is also linked to the recommendation of some NEA experts staying longer in China.

Q8: How were relevant cross-cutting issues handled in project: gender, human rights and anti-corruption? How is project sustainability secured?

A: These issues are discussed in detail under paragraph 4.2.

Q9: Was project management (including financial management) on both Chinese and Norwegian sides carried out professionally and efficiently? Is reporting according to agreed outline?

A: As discussed under paragraph 3.1.3, resources for project management takes a large proportion of the project funds. The structure is extremely complicated with many layers and many institutions involved. If the project is continued after the end of this project period, a simpler management mechanism should be sought.

The Review team has been informed that CICETE is being reorganized because the institution will be in charge of managing the Chinese South-south cooperation. This implies that the management of the project under review will be moved to a new section. In this process it is important that the handover process is smooth – and that institutional knowledge and memory is shared with the new team. Given the changes within CICETE, the technical support from IWHR will obviously be very useful.

As for the reporting, since the actual project implementation started in 2016, the first Annual Report was the 2016 Report. This report was shared with MOFCOM and the Embassy before the Annual Consultations. The report does not follow the format of the Result Framework in the Agreement/Inception report as explained earlier.

4 Project efficiency, impact and sustainability

4.1 Project efficiency; outcome and impact

Efficiency is a measure of productivity, meaning comparing inputs against outputs; a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results/outputs

Outcome is the planned effect of the project. Impact is a measure of all positive and negative consequences/effects/results of the Project, whether planned for and expected, foreseen or not foreseen, direct or indirect.

As explained in chapter 3.1.3, nearly 25 pst of the cost of the project is used for project management. On top of this, the planning phase of the project has been very costly; the grant

allocated for the pre phase producing the project document as well as a baseline report was NOK 2.495.000. Compared to other Norwegian-Chinese projects, the efficiency of this project is rather low.

The two-sub-projects are implemented by research institutions. As we understand it, CIB-CAS and SCAES are able to put more staff on the projects in order to catch up, this has been done in this project because of the late start and late transfer of funds. . The research staff is also doing project management making the time used for technical work and administrative work flexible. The Review Team has not been able to go into any detail of the project management in these two institutions, but our impression is that dedicated staff deliver outputs efficiently.

The hourly rate used by NEA agreed on by NORAD on an annual basis and is the same as when NEA delivers services to other international projects or directly to NORAD. However, the Review Team will advise NEA to plan for longer stays in China with possibly fewer staff travelling at the same time. Most visits to China by NEA have been of one week or less, this resulting in the cost of travel (hours invoiced and flight ticket) being high compared to the actual hours spent working with their partners in China.

With regards to the outcome and impact of the project, the assessment from the Review team is more positive. The implementation of both sub-projects coincides with important national processes in China and the project has been able to deliver important and useful input to these. The Norwegian partners have the adequate knowledge and experience to share technical knowledge, and the technical input provided has been relevant for the Chinese partners.

Review Team's assessment

-The efficiency of the project as a whole is deemed medium to low because of the complicated management structure and the percentage of funds used for project management. Efficiency within the two sub-projects is deemed high, but the Team has not been able to go into details on project management in the sub-projects.

-The implementation of the project coincides with important national processes in China and the project has been able to deliver important and useful input to these.

-The Norwegian partners have the adequate knowledge and experience to share technical knowledge, and the technical input provided has been relevant for the Chinese partners.

However, the Review Team will advise NEA experts stay longer in the country when visiting China.

4.2 Cross-cutting elements and Sustainability issues

Sustainability is a measure of whether the positive effects (or assumed measurable effects) of the Project is likely to continue after the external support is concluded, meaning: will the project lead to long-term benefits.

Cross-cutting elements and risks: All Norwegian supported projects should be assessed if they might have any risks with regard to (i) Environment and climate; (ii) gender; (iii) human rights and (iv) anti-corruption. These four elements should also be included as cross-cutting issues where relevant.

What is seen as relevant risks and cross-cutting elements have been included under this chapter; this being Gender; Human Rights and Anti-Corruption. Environment and climate is

also one of the standard cross-cutting – and risk – elements to be assessed in Norwegian supported projects. Since the “*Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya’an Area, China*” is an environmental project in itself, it is not seen as relevant to do a separate assessment of this issue.

4.2.1 Can long term sustainability of project investment be achieved?

One of the main aspects relating to Ya’an-Baoxing project that its relevance increased significantly, due to the plans for the establishment of a Giant Panda National Park in parts of Sichuan, Gansu and Shaanxi. This new National Park is one of three to be established National Parks under the State Forest Administration (SFA). The Giant Panda Park in Ya’an-Baoxing, the topic of the current project, is in the core area of the new Giant Panda National Park and experiences obtained in the Norwegian supported project will be of major importance for setting parks at the national level. As such, the Ya’an-Baoxing project is well embedded in the new National Park plans of the Chinese government. The expertise gained at the CIB-CAS concerning the establishment of the Ya’an-Baoxing is of central importance for similar future projects throughout China.

The Ya’an-Baoxing project also provided SCAES with important new expertise in adaptation and application of the Water Framework Directive (WFD) in China. In Europe, the WFD has proven to be a powerful tool to better manage and improve water quality and ecology. SCAES is among the first in China with such expertise and, through its close ties with the Sichuan EPB, well-positioned to help applying the WFD approach to other watersheds in Sichuan and eventually to other provinces in China.

The Giant Panda National Park is planned to be fully operational by 2020. The Chinese-Norwegian cooperation under this project will end in 2018. Knowledge sharing on Norwegian and international experiences and international best practices will most likely also be relevant after 2018. This also includes river basin management since Baoxing River basin is in the core part of the new national park. Assessment of a possible continuation of the present cooperation is not with the ToR of the Review Team.

4.2.2 Gender issues

Both China and Norway have strict non-discriminatory policies on gender. It is important that men and women are given equal access to participate in project activities like being part of research teams doing specific studies as well as being selected as participants for participation in training, workshops and study tours under the project. In the project under Review, female researchers were active participants in the project, and in Ya’an LPMO they were also strongly represented. Anyhow, the 12 member expert group under IWHR has only two women; Professor Li Yongping and Professor Liu Guihuan. Also, on the study tour to Norway there was only one women out of 10 participants.

CICETE has given feedback to the Team on this issue and states “Gender is always given special attention to in the implementation of all activities. For example, in the technical supporting group of the forestry [subproject](#), six of eleven members are women, and two of the six are the major executives. In the investigation of sustainable use of natural resources, 336 residents were interviewed and over 60 % of them were female. In the study tour to Sangjiangyuan National Park, 13 of total 30 persons were female. In the capacity training workshop in December 2016, there were 36 female natural resources managers attending the workshop, representing about 40% of the total trainees”.

Another issue the Team wants to raise is if gender has any significance with respect to the use of natural resources by the local communities in/around the planned NP uses resources (e.g. medical plants, mushrooms..)? Are men and women equally impacted? We were also informed that many adults go to Ya'an and Chengdu for work, and that elderly with a lower education stay.

Review Team's assessment

Men and women must be given equal opportunities within the project. The project should report gender segregated data where relevant for example participation in research groups, workshops and study tours. With regard to the research done on social and community related issues, gender expertise should be involved in developing the questionnaires and analysing the data.

4.2.3 Human Rights

The proposed Giant Panda National Park will span three provinces of Gansu, Shaanxi and Sichuan, and will cover 27,134 square kilometres, protecting giant pandas as well as another 8,000 endangered animals and plants. When the national park is complete, the pandas - presently isolated on six mountains in three provinces - will be able to roam freely helping the endangered animals mingle and enrich their gene pool. On the other hand, creation of the NP will also involve forced relocation of people, while others might not be allowed to continue with their present income-generating activities. The close-down of industries like marble mining and marble processing will be an issue in Baoxing. Farming, collection of mushrooms and wild plants will either not be allowed – or only allowed in specific zones. The zoning of the NP – and the regulation for what sort of human activity will be allowed within each zone, will be important. What is also important is what alternatives people will be offered and the compensation for people who are forced to relocate or who are not allowed to continue with their income-generating activities.

As said earlier in the report, Tibetan people live in the East Baoxing river basin; they are involved in ecotourism, but also keep animals, do some small scale farming and collect wild plants and mushrooms from the forest and use the area for religious purposes. The livelihood of these people can be both positively and negatively impacted by the establishment of the national park. Both sub-projects are doing in-depth social and community studies, the ethnic background of the population living in a specific area might be useful to take into account. It is also important (but not necessarily the role of the project) that available information is shared with local people and that they are consulted – not only “studied”.

Review team comments: *Issues related to resettlement and human rights are sensitive, and if the process is not handled well also the Norwegian partner NEA (and the embassy) can be held accountable. NEA's role is to share international experiences and international best practices, When designing studies, the ethnic background of the population living in a specific area might be useful to take into account.*

4.2.4 Anti-corruption

No large procurements are financed under this project, the funds pay for deliverables in the form of staff-hours, travel, minor consumables for research and competence building activities. NEA is co-signing disbursement requests from CICETE to the embassy; and CICETE is co-signing disbursement requests from NEA.

As stated in the agreement, MOFCOM is responsible for audits being carried out on the Norwegian funding to CICETE. An independent auditor - Jonten Certified Public Accountants, LLP - is doing the audits. The Audit report for the years 2015 and 2016 (combined in one report) have been shared with RNE Beijing as per agreement. The audit gives a clean audit opinion on the income and expenditure of funds.

The auditors do not audit the funds transferred from CICETE to subcontractors (IWHR; CIB-CAS; SCAES), these transfers can only be found as “subcontracts” in the audit report. Since the contracts for the two sub-projects are substantial, information on how SCAES and CIB-CAS projects are followed up or audited is relevant and should be a part of the reporting from CICETE to RNE Beijing.

Funds for the Norwegian side are transferred from RNE Beijing to NEA based on actual costs (work hours and travel related costs) invoiced. Norwegian public institutions (like NEA) are audited by Auditor General so the Embassy will normally not request a project audit.

The Review Team’s assessment

The corruption risk is seen as low in this project. There are no physical investments. The payments to the subcontracted institutions are linked to deliverables, but information on how project finances are followed up or audited in CIB-CAS and SCAES

5 Conclusions and recommendations

5.1 Conclusion

The project *Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya’an Area, China* had a long and complicated design and start-up process, but is now well on track. The two sub-projects (i) *Management framework and capacity building for Ya’an Giant Panda National Park* and (ii) *Water Management framework for the Ya’an - Baoxing River Basin* are both implemented by competent institutions who has the flexibility to use more staff and resources on the projects in order to catch up. This project coincide with the process towards establishing national parks in China, making the experiences gained in Ya’an/Baoxing very useful as input to the national process. The sub-project on Baoxing River provides relevant input to the national park process, but also supports the implementation of the Action Plan of Water Pollution Control at national level. The project has brought together participants from many sectors and government institutions for discussions, trainings, workshops, study tours etc. In the opinion of the Review Team, the project has been instrumental in supporting cross-sectoral cooperation. All project partners see the technical input from NEA experts relevant in the Chinese context.

The project management structure is very complicated and close to 25 pst of the project budget is used for project management. The design (Result Framework) of the project has been challenging to operationalize, but project partners have worked around it and will achieve the main intended outputs.

5.2 Recommendations

The Review Teams’ comments or recommendations are given under each chapter. The

review team has also summarised the main recommendations on project level below. Some recommendations are specific for this project and can be followed up during the last year of the project. Other recommendations are given based on our assessment of this project, but will only be relevant in the design and implementation of future projects.

General recommendations

- The role of the expert panel is important, but their specific input to the project is not clear. The future reporting from the project must be more detailed on their contribution.
- Relevant NEA experts should stay for longer than one week when visiting China to increase efficiency and be able to contribute more in depth.
- Study tours to Norway for Chinese partners can have a more flexible design accommodating both senior civil servants on a short visit as well as a longer stay for relevant technical personnel.
- The establishment of the Giant Panda National Park will require the removal of people living in what will be designated the core zone of the national park. Restrictions on economic and other activities of residents in the other zones of the national park will also be implemented. Issues related to resettlement and human rights are sensitive, and if the establishment of the national park is not handled well by Chinese authorities, local conflicts may arise. The project partners must keep the Norwegian embassy updated on how these sensitive issues are dealt with in the Ya'an/Baoxing area.

Project planning

In order to secure ownership to a Result Framework, the institutions/people closest to the project must be involved. The Result framework to be attached to the project document and agreement does not need to be a detailed a work-plan.

Project management

-The review team suggests that the role of the Baoxing County Government is made explicitly clear. Baoxing County has established a local PMO to oversee all projects in the county; the Baoxing PMO should have a representative in the YAPMO.

Project administration

- Realistic budget planning on the Chinese side is important. Requests should cover anticipated spending for the next 6-month period (including funds in account). Both parties should also adjust their spending prognoses at least twice annually.
- CICETE must report interest as a part of the annual reporting to the embassy, and if relevant request the use of this interest towards specific purposes.
- The format of the future Annual Reports (2017 report and 2018 report) should be structured around the two sub-projects with a separate section for project level reporting. Challenges and risks – as well as how these have been dealt with – must also be included.

Annexes

- Annex I Terms of Reference
- Annex II List of people consulted
- Annex III List of Documents reviewed by the Team
- Annex IV Expert group members
- Annex V News clip from China Daily
- Annex VI Timeline – National park establishment in China
- Annex VII Comments on the Draft Report



Team members and some project participants visiting Shenmulei Forest Park. Shenmulei Forest Park will be integrated into the future Giant Panda National Park.

Annex I

Terms of Reference

TERMS OF REFERENCE FOR MIDTERM REVIEW OF THE PROJECT

Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an Area, China

PTA Programme/project CHN-2152 14/0002

1 BACKGROUND FOR THE REVIEW

According to the agreement (Article X) for the project *Demonstration of Post-earthquake Ecological Restoration and Capacity Building in Ya'an Area, China*, the Parties may agree to carry out reviews, inspections and/or evaluations of the Project. Based on the agreement and follow-up discussions between the Parties, the mid-term review will take place in 2017.

2 DESCRIPTION OF THE PROJECT TO BE REVIEWED

The project to be reviewed is a special cooperation project between China and Norway to support the post-disaster recovery in Ya'an City of Sichuan Province in Southwest China, which was hit by a 7.0-magnitude earthquake on April 20, 2013.

Below are the project long-term goal, purpose and expected outcome as described in the signed project agreement and final project document (inception report).

Goal

The development goal of the project is to enhance knowledge, awareness, management innovation and capacity regarding the biodiversity protection, watershed restoration and sustainable social and economic development for West China important ecological function zone.

Purpose

The Purpose of the Project is to establish a platform for dialogue, exchange of information and capacity building on processes related to the establishment of a national park and integrated environmental management related to Baoxing watershed area.

Expected Outputs & Outcomes

1. Outputs (as contained in the signed agreement)

- Formulation of comprehensive coordination mechanism of forestry and environmental systems partners;

- Draft the outer borders of a national park and prepare a preliminary national park governance with an integrated framework for water management in Ya'an and Baoxing area, including both nature conservation and sustainable use of nature;

- Establish the required basal knowledge in biodiversity and ecosystem functions;

- Prepare and publish a draft management plan, which outlines the management of the coming National Park based on the proposed new governance, covering both terrestrial and limnic ecosystems.

2. Outcomes (as contained in the inception report)

The management of watershed and terrestrial ecosystems in coming Ya'an Giant Panda National Park will be improved by cross-sectorial cooperation. The management will be based on international standards and consider both the sustainable use of nature resources and conservation of nature, and the recognition of different sector interests will be enhanced in the province of Sichuan.

Indicators:

1. A larger area of natural habitats for giant panda in the province will be conserved.
2. The water resources in Baoxing River Basin will be managed by international standards adapted to China, in a more systematic and integrated way.
3. There will be regular cross-sectorial meetings at provincial level.

Other Basic Info

According to the signed project agreement, the Norwegian grant for this project is NOK 24,236,000, and the Chinese side provides an in-kind contribution of around NOK 6,469,600. The project agreement was signed on 05 December 2014. The agreed time-frame for the project was 2014-2017, with an extension into 2018 planned to be approved at the Project Annual Consultation in 2017.

China's Ministry of Commerce (MOFCOM) has the overall responsibility for the Project and MOFCOM's Department of International Trade and Economic Affairs (DITEA) is the coordinating agency of the Project, according to the project agreement. MOFCOM's China International Center for Economic & Technical Exchange (CICETE) and the Norwegian Environment Agency (NEA) are the main Project implementing partners. It was the first time for CICETE and NEA to enter into the Institutional Cooperation Contract (ICC) with each other. The ICC was signed in November 2015.

3 PURPOSE OF THE REVIEW

The purpose of the review is to focus upon progress to date and the effectiveness and efficiency of the project, i.e. the extent to which the purpose and outputs are being achieved, and if the progress has been made in accordance with the agreed work plan and budget. Expected outcome and impact should be assessed to the degree possible.

4 SCOPE OF WORK

The review will include interviews with relevant partners and institutions in Norway and Beijing, as well as a field visit to the project site, the Ya'an City. These interviews combined with assessment of relevant written materials will form the basis for the review.

A detailed itinerary for the fieldwork in China is the responsibility of CICETE, but with inputs from the Embassy and Norad.

- Institutions to be interviewed in Norway: Norwegian Environment Agency and Ministry of Climate and Environment.

- Institutions to be interviewed in Beijing: Norwegian Embassy in Beijing, MOFCOM, CICETE and other institutions that are related to the content of the project under review.
- The review team will visit Ya'an City in Sichuan Province, the target area of the project.

The following questions will be indicative for the work of the review team:

- How well is the project aligned with China's national policies in this area, in particular with the national programs/plans on national parks and watershed management?
- Is the project on the track of delivering its designed outputs and outcomes? What are the biggest challenges for the target area to overcome in fulfilling the project's purposes, if there are any? Has the project been able to produce inputs and basis for suggestions on how to meet these challenges in a most efficient and pragmatic way?
- Since this project is targeted at an ecologically fragile area, has the project been sustaining ecological concerns in implementation? How is the cross-sectoral cooperation going in this endeavour?
- Can the potential links be explored between this project and another on-going bilateral project on mainstreaming biodiversity and ecosystem services (NEA is the partner for both projects on the Norwegian side, while Chinese Research Academy of Environmental Science is the implementing institution for the project on mainstreaming biodiversity and ecosystem services)?
- How has the project been contributing to Chinese authorities' technical know-how and policy formulation on conserving the natural habitat for the giant panda and on working towards integrated watershed management?
- Have all the relevant stakeholders been adequately involved in and informed on the project progress? Have they been consulted and listened to in the project implementation?
- Has the Norwegian expertise being shared through the project activities been found relevant and useful for the project implementation and China's work in the target areas?
- How are relevant cross-cutting issues handled in the project: gender, human rights and anti-corruption? How is project sustainability secured?
- Has project management (including financial management) on both the Chinese and the Norwegian sides been carried out in a professional and efficient manner? Is the reporting following the agreed outline?

5 APPROACH, TIMING AND PLANNED RESULTS OF THE PROJECT REVIEW

The review will take place in 2017 with field work in China planned for 12-24 October 2017.

The Review Team should present their main findings and recommendations to CICETE and the Norwegian Embassy before leaving Beijing.

The review report shall be in English language and not exceed 15 pages (excluding annexes). The dates for the draft report and the final report should be agreed with the Embassy and CICETE.

The Report should include:

- 0 Executive summary
- 1 Introduction
- 2. Project Description and comments on project design

3 Project status assessment
4 Project efficiency, impact and sustainability
5 Conclusions and recommendations
Relevant Annexes

6 REVIEW TEAM COMPOSITION

Ms Helle Biseth, Senior Advisor of Norad (Team leader)
Dr Jan Mulder, Professor of Norwegian University of Life Sciences & Visiting Professor of Tsinghua University
Mr. Zhao Yang, FECO of MEP, Chinese consultant (Interviews in China and input to the Review Report)

An interpreter will be provided for the team, with the relevant costs to be covered by the Norwegian Embassy.

Annex II

List of people consulted (China)

Name	Position	Institution	Remark
Mr Jan Wilhelm Grythe	Counsellor (Development)	Royal Norwegian Embassy, Beijing	
Ms Ingvild Andreassen Sæverud	Counsellor (Environment)	Royal Norwegian Embassy, Beijing	
Ms Yinglang Liu	Programme officer	Royal Norwegian Embassy, Beijing	
Ms Chen Hongying	Division Head	MOFCOM	
Ms Li Luning	Manager	MOFCOM	
Mr Zhang Ning	Division Chief	CICETE	
Mr Wang Shuai	Project Assistant	CICETE	
Ma Wei	Ph.D	Academy of Forestry Inventory and Planning, SFA	Male
Cheng Dongsheng	Ph.D, Senior Engineer	Department of Water Environment, IWHR	Male
<i>Oct.18 Ya'an city- meeting with YAPMO</i>			
Liu Lunbin	Deputy director General	Ya'an Municipal Bureau of Forestry	male
Li Conghao	Deputy director General	Ya'an Municipal Bureau of Forestry	Male
Yi Haiyan	Deputy director General	Ya'an Municipal Bureau of Environmental Protection	female
Wang Xiaofang	Deputy director General	Ya'an Municipal Bureau of Commerce and Grain	female
Li Wei	Division Chief	Ya'an Municipal Bureau of Commerce and Grain	male
<i>Oct.18 Baoxing county- meeting with Baoxing County Government(Baoxing PMO)</i>			
Shi Jianzhang	Communist Party Secretary	Communist Party Commission, Baoxing County	Male
Tang Ke	Mayor	Baoxing County	Male
Zhou Chuan	Deputy Mayor	Baoxing County	Male
Yao Weidong	Deputy Mayor	Baoxing County	Male
Li Bo	Deputy Mayor	Baoxing County	Male
Li Yi	Director	Environmental Protection Bureau, Baoxing County	Male
Cheng Xingyu	Director	General Office of Baoxing Government	Male
Yang Jianxue	Director,	Forestry Bureau, Baoxing Gounty	Male
<i>Oct.20 Chengdu-meeting with G.P national park sub-project implementing partners</i>			
Name	Position	Institution	Gender
Luo Peng	Professor	CIB-CAS	Male

Gu Xiaodong	Vice station master	Sichuan Wild Animal Protection Station, Forestry Department of Sichuan Province (SCWAPS)	Male
Li Ye	Manager	Kanghua company	Female
Mo Li	Doctor	CIB-CAS	Female
Mou Chengxiang	CIB-CAS	CIB-CAS	Female
Yang Hao	Post-doctor	CIB-CAS	Male
Li Ting	Doctor	CIB-CAS	Female
Luo Chuan	Doctor	CIB-CAS)	Male
Zuo Dandan	Doctor	CIB-CAS	Female
Deng Weijie	Professor	Sichuan Agricultural University (SCAU)	Male
Wang Jun	Lecturer	China West Normal University (CWNU)	Male
Chen Shi	Division chief	Sichuan provincial department of commerce	Male
<i>Oct.20 Chengdu-meeting with Baoxing Watershed Management sub-project partners</i>			
Tian Xiaogang	Chief expert in eco-planning/ Senior engineer	SCAES	Male
Lai Jiansheng	Department leader/research fellow	Sichuan Fisheries Research Institute	Male
Liu Yuanyue	Senior engineer	SCAES	Female
Di Baofeng	associate professor	Sichuan University	Male
Xue Chengyang	Master degree candidate	Nankai University	Female
She Hongying	Senior engineer	SCAES	Female

List of people consulted (Norway)

Name	Position	Institution	Remark
Lindseth Gard	Senior Adviser MEP-MCE MoU contact point	Norwegian Ministry of Climate and Environment	By phone
Inger Helene Sira	Senior Adviser (Project coordinator until mid September 2017)	NEA; Global Biodiversity Section	
Olav Nord- Varhaug	Head of National Park Section	NEA; National Park Section	
Hege Langeland	Senior Adviser	NEA; National Park Section	
Jo Halvard Halleraker	Senior Adviser	NEA; Section for Water Measures and Energy	
Dag Rosland	Senior Adviser	NEA; Section for Water Management	

Annex III

List of main documents reviewed by The Team

- Project Proposal
- Decision Document from the Norwegian Embassy
- Agreement between MFA and MOFCOM
- Contract between CICETE and NEA
- Inception Report (.....)
- Annual Report for 2016
- First quarter report 2017; Second quarter report 2017
- Audit for 2015-2016
- Internal mandates and Back-to-office reports from NEA
- Examples of some research documents produced by sub-projects
- Posters, power points, the video produced by the project

Annex IV

Expert group members

Role	Name	Affiliation	Organization
Leader	Zhou Huaidong	Professor	China Institute of Water Resources and Hydropower Research
Vice-leader	Tang Xiaoping	Professor /Vice director	Academy of Forestry Investigation and Planning, State Forestry Bureau of the People's Republic of China
Vice-leader	Huang Guohe	Professor	Beijing Normal University
Member	Zhang Fengchun	Professor	Chinese research Academy of Environmental Sciences
Member	Li Yongping	Professor	Beijing Normal University
Member	Dong Yanfei	Professor	International Economic and Technical Cooperation and Exchange Center, Ministry of Water Resources, P.R.C.
Member	Wang Zhicheng	Professor	Academy of Forestry Investigation and Planning, State Forestry Bureau of the People's Republic of China
Member	Gong Minghao	Professor	Chinese Academy of Forestry
Member	Li Diqiang	Professor	Chinese Academy of Forestry
Member	Liu Jiashou	Professor	Institute of Hydrobiology, Chinese Academy of Science
Member	Liu Guihuan	Professor	Chinese Academy for Environmental Planning, Ministry of Environmental Protection, P.R.C.
Member	Long Kaiyuan	Professor	Chinese Academy of Science and Technology for Development

Annex V

News-clip from China Daily

prosperity, analysts said. Hailing the congress as "a milestone event in the history of the CPC and China", Singa- that the guidelines and policies made by the congress "will further promote China's development in the coming

From
China Daily
October 24th 2017



Sanjiangyuan National Park will protect the source areas of three major rivers, the Yangtze, Yellow and Lancang, and wildlife including Tibetan antelopes. Area: 123,000 square kilometers, mainly on the Qinghai-Tibet Plateau



Qilian Mountain National Park will protect the Qilian Mountain ecological system and wildlife including snow leopards. Area: 50,200 sq km, including areas in Gansu and Qinghai provinces



Giant Panda National Park will primarily protect giant pandas in their native habitat. Area: 27,100 sq km, including parts of Sichuan, Gansu and Shaanxi provinces



Siberian Tigers and Leopards National Park will primarily protect Siberian tigers and leopards. Area: 14,600 sq km including parts of Jilin and Heilongjiang provinces

Red-hot housing market

By WU YIYAO in Shanghai housing and urban-planning

the report has embodied many key ideas, China will play a bigger role and contribute more of its wisdom and solutions to international organizations. the 19th Central Committee of the Communist Party of China and candidates for members of the Central Commission for Discipline Inspection have been voted off after preliminary alternate members of the new CPC Central Committee and candidates for members of the new CCDI were approved at the third and fourth meetings of the presidium of the 19th CPC presided over by Xi Jinping, general secretary of the CPC Committee, a decision made to submit the drafts to the delegations to the congress for consideration.

2% of land to be used to protect wildlife, parks

By ZHENG JINRAN
zhengjinran@chinadaily.com.cn

China is pushing forward the establishment of four national parks that would cover about 2 percent of the nation's territory to protect precious natural resources, including wildlife such as giant pandas, Siberian tigers and Tibetan antelopes, a senior official said on Monday. Xi Jinping, general secretary of the Communist Party of China, has personally reviewed plans for the four pilot national parks and required preservation of the integrity and original condition of the local ecological system, said Yang Weimin, deputy head of the Office of the Central Leading Group on Finance and Economic Affairs. "The aim is to give about 215,000 square kilometers of land back to nature, to give roughly 2 percent of China's territory to giant pandas, Siberian tigers and Tibetan antelopes, and to give our future generations a larger area of pristine land," he said at a news conference on the sidelines of the 19th CPC National Congress. "That's something unprecedented in the history of the Chinese nation." Yang said that in the past, many departments were involved in the management of natural resources. There have been various types of protection zones but many lack effective management. An overall plan for the development of China's national parks released in September by the central leadership stipulates that there will be a new department to manage the natural assets, to conduct the strictest protection measures, such as allowing construction and exploitation of resources. "It'll regulate the management and performance protection for the reserves," said Su Yixiang, a researcher at the Institute of Geography and State Council. According to the plan, the ministry will formally

Market cools down as brakes applied

Changes in home prices on average in September. New home prices in second cities were lower than the 17.2 percent increase recorded for the period of 2016

Past month

Annex VI

Timeline – National Park establishment in China

-November 12, 2013, the Eighth Plenary Session of the Eighteenth Central Committee of CPC adopted “Decision of on Deepening the Reform of Some Major Issues”. For the first time establishment of national park system was proposed.

http://www.gov.cn/jrzq/2013-11/15/content_2528179.htm

-2014, Sichuan government issued “Planning Framework for Accelerating Eco Civilization Construction in Forestry Sector ” (2014—2020) which put forward setting Eco Conservation Reline and exploring the idea of establishing China giant panda national park.

-2014, NDRC proposed national park system to be piloted in nine provinces.

-January 2015, National Development and Reform Commission (NDRC) and 13 ministries jointly issued “Establishment of National Park System Pilot Program“, calling for a unified, standardize and efficient system to achieve development objectives integrating conservation with public welfare priorities.

<http://www.quanjinglian.com:8080/quanjinglian/Member.action?lookBlog&blogid=120316>

-In May 2015, the General Office of the State Council promulgated the “Opinions on Accelerating the Construction of Ecological Civilization”. The Opinions put forward establishment of the national park system, implementation of classified and unified management, conservation of integrity & originality of natural ecology and natural cultural heritage, and especially stated for the first time that purpose of the National Park is to protect the ecological and natural cultural heritage.

<http://www.scio.gov.cn/xwfbh/xwfbh/yg/2/Document/1436286/1436286.htm>

-August 2015, State Forestry Administration (SFA) held a work conference on the protection of Asian elephants in Kunming, which proposed the establishment of national parks to protect the four flagship species, including giant pandas, Asian elephants, the Northeast Tiger Leopard and the Tibetan antelope. The national park system pilot area is not in the nine national park pilot provinces led by NDRC, however Ya'an municipal government and Ya'an City Forestry Bureau was greatly inspired and motivated, and began to actively make preparations at local level

-January 2016, President Xi Jinping when addressing twelfth meeting of Leading Group of Central Finance, reiterated the need to focus on the construction of national parks for conservation of completeness and originality of natural ecological systems and leaving legacy for upcoming generations to inherit. Xi stressed integrating protected areas into national park system for better protection of rare and endangered animals.

<http://politics.people.com.cn/n1/2016/0126/c1024-28086881.html>

-April 8, 2016, The Central Finance and Leading Group held a meeting on which a decision was made to push forward construction of giant panda national park pilot involving three provinces: Sichuan, Shaanxi and Gansu. Sichuan Provincial Government take the lead while other provinces collaborate.

-July 30, 2016, three provinces jointly reported the pilot program.

-December 5, 2016, the General Office of the State Council considered and adopted the "Giant Panda National Park Pilot Program".

- Jan. 31, State Council issued "Giant Panda National Park Pilot Program". The Program has dictated Sichuan, Shaanxi, Gansu provinces jointly set up giant panda national park, drawing the boundaries to include major habitats and eco corridors, areas of high population density of giant panda within three provinces, amounting to over 80 protected areas (PA) and accounting for 27134 square kilometers in total, out of which 20177 square kilometers inside Sichuan (74% of total), mainly pertinent to seven Sichuan cities: Mianyang, Guangyuan, Chengdu, Deyang, Aba, Ya'an and Meishan

<http://www.sc.gov.cn/10462/12771/2017/8/9/10430252.shtml>

-August 2017, Leading Group for Accelerating Sichuan Giant Panda National Park System Pilot officially issued "Giant Panda National Park System Pilot Implementation Plan (2017-2020)" and put forward objectives to achieve preliminary accomplishments within the year and by the end of 2020 formal establishment of the giant panda National Park.

<http://www.sc.gov.cn/10462/12771/2017/8/17/10430953.shtml>

-September 2017, the General Office of the CPC Central Committee and the State Council jointly issued the "Overall Plan for Establishment of National Park System". The "Overall Plan" scientifically defines national park and points out that it is centrally approved, and administered with clear boundary in territory, and mainly serve the purpose of protecting nationally representative large-scale natural ecological systems and of integrating scientific conservation of natural resources with rational use of specific land and marine areas.

http://paper.people.com.cn/rmrb/html/2017-09/27/nw.D110000renmrb_20170927_1-01.htm

10 Pilot National Parks in China		
1. Sanjiangyuan National Park	Location: Northwest China's Qinghai province	Sanjiangyuan is the first and biggest of 10 pilot national parks in the country. Sanjiangyuan, or "Source of Three Rivers", is where the Yellow, Yangtze, and Lancang rivers originate. The whole area provides 49 percent of the water discharge of the Yellow River, 25 percent of the water discharge of the Yangtze, and 15 percent of the water discharge of the Lancang. It is known as China's "water tower".
	Total area: 123,100 square kilometers	
2. Giant Panda National Park	Location: Sichuan, Gansu and Shaanxi provinces	The habitats of giant pandas in China are scattered. The trial national park of the animal will help connect loosely distributed reserves. The move will also promote genes flow of giant pandas between their different natural environments.
	Total area: 27,000 square kilometers	
3. National Park for Siberian Tiger and Siberian Leopard	Location: Northeast China's Jilin and Heilongjiang provinces	Wild Siberian tigers are one of the endangered wild animals, with only 500 estimated to be living in the world. Siberian leopards are one of the most endangered large cat subspecies, with only about 50 wild ones left -- most of them living at the border of China and Russia. IN 1998 and 1999, only 12 to 16 wild Siberian tigers and seven to 12 wild Siberian leopards lived in Northeast China, the number rising to
	Total area: 14,600 square kilometers	

		27 and 42, respectively, by 2014 after conservation efforts.
4. Shennongjia National Park	Location: Central China's Hubei province	Shennongjia is situated in the west of the province, not far from the entrance to the Three Gorges. It's part of a number of mountain ranges that close to the Sichuan Basin on its eastern side. All the mountains are karstic, a kind of lime that turns into a gigantic sponge-like form with cavities that range from the size of your finger to those of caves.
	Total area: 1,170 square kilometers	
5. Qianjiangyuan National Park	Location: East China's Zhejiang province	Qianjiangyuan, or the source of Qiantang River, has a wide range of primary forest. It is the habitats of endangered Elliot's pheasants and tufted deer, both native to China. The tufted deer is a small species of deer characterized by a prominent tuft of black hair on its forehead and fang-like canines for the males. The national park also has a variety of seed plants.
	Total area: 252 square kilometers	
6. Mount Nanshan National Park	Location: Central China's Hunan province	This area is like a nature museum with a very complete ecological system. There are forests, lakes, and rich biological resources. It's also a stopover site for tens of thousands of migratory birds.
	Total area: 619 square kilometers	
7. Mount Wuyi National Park	Location: Southeast China's Fujian province	The Wuyi Mountains is one of the most spectacularly beautiful areas in China. The area is well known for its abundance of deep canyons, mid-subtropical forests and rare, native animals.
	Total area: 983 square kilometers	
8. Great Wall National Park	Location: North China's Beijing	This is the smallest national park and the only historic relic kind of the 10 pilot parks. The national park combines parts of the World Geopark at Yanqing district, the Badaling and Ming Dynasty Tombs scenic area, the Badaling forest park and the Badaling Great Wall world cultural heritage.
	Total area: 60 square kilometers	
9. Pudacuo National Park	Location: Southwest China's Yunnan province	Pudacuo, or Potatso, National Park is located in the province's Shangri-La county. The region of this park contains more than 20 percent of China's plant species, about one-third of its mammal and bird species and almost 100 endangered species, though it comprises only 0.7 percent of the country's land area. It is notably home to vulnerable Black-necked cranes, many rare and beautiful orchids, and Himalayan Yew, a coniferous
	Total area: 1,313 square kilometers	

		tree whose extracts are a source of the anticancer drug, paclitaxel.
10. Mount Qilian National Park	Location: Northwest China's Gansu and Qinghai provinces	The altitude of Qilian Mountains ranges from 4,000 to 6,000 meters. Mountain snow forms a long and wide glacier landscape. The four seasons at the mountains are never very clear. In July and August, the mountains are still covered with snow. The area is prominent habitats of snow leopards, white-lipped deer and other endangered wild animals and plants. It's also an important passage for some wild migratory animals.
	Total area: 50,000 square kilometers	

Annex VII

Comments on the Draft Report

Royal Norwegian Embassy

The Embassy have looked at the draft report. We did not find any factual errors. Just one comment regarding 1.4.2 on page 4. You write that the embassy receives an annual allocation off approx. NOK 45-60 mill. in technical cooperation funds. We have the last three years (2015, 2016, 2017) received NOK 45. mill. We expect a similar allocation next year. Suggest you only say approx. NOK 45 mill.

Norwegian Environment Agency (NEA)

In general, our view is that the report gives a good description of the project, its strengths and weakness. As an overall comment NEA would like to refer to chapter 1.4 in the report stating that "The Norwegian technical input in the project under review is less than in most other projects under the MEP/MCE MoU where the Norwegian technical input has been around 50 pst of the total budget." It is important to notice that a prerequisite for NEA to participate in this project was that our contribution should be limited. This due to limited capacity in the Norwegian Environment Agency at the time the contract was signed. Since then the project has developed and the project period is extended from 3 to 4 years without any changes in the total budget. As for the years 2016 and 2017 NEAs contributions to the project will also be limited in the final year of project implementation. Some of the recommendations will therefore only to a limited extent be possible to implement in the ongoing project, but will be of relevance for future cooperation.

Comments from CICETE (on behalf of the Chinese side) and NEA on the recommendations:

Team: The role of the expert panel is important, but their specific input to the project is not clear. The future reporting from the project must be more detailed on their contribution.

-CICETE: Yes, the expert panel is very important. But in the current project framework, no special fund to support the experts' input to the project. Ideally, special fund should be distributed to support their related activities. Currently, the expert team is established by IWHR, and most of their contributions are involved in IWHR's.

Team: Relevant NEA experts should stay for longer than one week when visiting China to increase efficiency and be able to contribute more in depth.

-CICETE: We have informed this recommendation to NEA.

-NEA: We agree that it would have been desirable for the NEA experts to stay for longer than one week when visiting China to be able to contribute more in dept. We agree with the comments made by CICETE and will recommend that special priorities should be given to informal meetings among relevant experts, dialogue based training/capacity building on technical level and field training with focus on challenges/dilemmas. This should be taken into account preparing for activities in 2018. The 2018 NEA budget includes only one travel to China for each of the two sub projects, in addition to participation in the concluding seminar. Although NEA has reallocated money from administration and travels to advices under the two sub projects both in 2016, 2017 and are planning to do so also in 2018 there is still limited finances. Therefore meetings on Skype or related platforms should be considered

even more important tools supporting close cooperation between NEA and CICETE both in the overall dialogue and implementing the two sub projects in 2018.

Team: Study tours to Norway for Chinese partners can have a more flexible design accommodating both senior civil servants on a short visit as well as a longer stay for relevant technical personnel.

-CICETE: Firstly we must follow up the Chinese regulations on foreign travel. The study tour might be arranged efficiently. At the same time, the project also plans to conduct expert/student exchange for a short period. For the NEA experts, if they stay longer more one week, we could have more field trip, internal workshops and seminars with relative research groups and local government of our subproject to improve the study procedures and corresponding outputs.

-NEA: The project includes only one study tour to Norway financed partly over the NEA budget. This activity took place in 2017. We are grateful that the participants found the programme both useful and interesting as NEA made an effort to present a programme of high relevance for the project implementation. When preparing the programme we paid special attention making the programme relevant for technical personnel working on the sub projects on Water Management and National parks and at the same time give more general information to senior civil servants. But if we had received information about the regulations on foreign travels earlier we would of course have had better opportunities to make an even more differentiated programme for the study tour. So this recommendation and information about the Chinese regulations on foreign travels is important information making the planning of future study tours more efficient.

Team: The establishment of the Giant Panda National Park will require the removal of people living in what will be designated the core zone of the national park. Restrictions on economic and other activities of residents in the other zones of the national park will also be implemented. Issues related to resettlement and human rights are sensitive, and if the establishment of the national park is not handled well by Chinese authorities, local conflicts may arise. The project partners must keep the Norwegian embassy updated on how these sensitive issues are dealt with in the Ya'an/Baoxing area.

-CICETE: In accordance with the central government policy, forced resettlement is forbidden and wishes of local communities must be fully respected. In the latest version of the Over All Planning of the Giant Panda National Park, eco-industries, such as environment-friendly resources utilization in communities, environmental education and eco-tourism, are put forward clearly to be promoted to guide the transition of local livelihood including the relocation of residents in the core zone. Scientific guidance will be conducted in designing, planning and managing economic and other activities of residents in other zones of the national park. Our project focuses on providing local governments with relevant scientific guidance as much as possible to promote the development of green industries of the national park in the perspective of mitigating/eliminating local conflicts between conservation and economic development. The deliberation of local human rights will be expressed in our planned activities such as study tour and capacity training for local villagers. Our forestry subproject keeps in touch with national/provincial authorities closely, insuring that the project follows up the construction of Giant Panda National Park and keeps the Norwegian embassy updated on how these sensitive issues are dealt with in the Ya'an/Baoxing area. Also all the national parks in China has been delineated into the ecological red line based on the corresponding technical guidelines published by environmental protection department as well

as the revised environmental law at national level. It is allowed that people in ecological red line area can continue to live where their homes are, without compulsory removing.

-NEA: NEA would also like to underline the importance keeping both NEA and the Norwegian Embassy updated on how sensitive issues like potential removal of people living in what will be designated the core zone of the national park

Team: The review team suggests that the role of the Baoxing County Government is made explicitly clear. Baoxing County has established a local PMO to oversee all projects in the county; the Baoxing PMO should have a representative in the YAPMO.

-CICETE: Yes, Baoxing government need to have a representative in the YAPMO. The NPMO has discussed with YAPMO, and YAPMO will have a formal/official reply to CICETE, MOFCOM/DITEA, and Norwegian Embassy

Team: Realistic budget planning on the Chinese side is important. Requests should cover anticipated spending for the next 6-month period (including funds in account). Both parties should also adjust their spending prognoses at least twice annually.

-CICETE: The Chinese side agrees with this point.

Team: CICETE must report interest as a part of the annual reporting to the embassy, and if relevant request the use of this interest towards specific purposes.

-CICETE: CICETE will report the interest in the auditing report.

Team: The format of the future Annual Reports (2017 report and 2018 report) should be structured around the two sub-projects with a separate section for project level reporting. Challenges and risks – as well as how these have been dealt with – must also be included.

-CICETE: NPMO will outline the 2017 report and the 2018 report in advance, and discuss with NEA for their confirmations.