REPORT NO.: RES40699

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

LANDSCAPE APPROACH TO WILDLIFE CONSERVATION IN NORTHEAST CHINA

APPROVED ON FEBRUARY 23, 2016

TO

PEOPLE’S REPUBLIC OF CHINA

ENVIRONMENT, NATURAL RESOURCES & THE BLUE ECONOMY

EAST ASIA AND PACIFIC

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### I. BASIC DATA

#### Product Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>P122383</td>
<td>Investment Project Financing</td>
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<table>
<thead>
<tr>
<th>Original EA Category</th>
<th>Current EA Category</th>
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<tbody>
<tr>
<td>Partial Assessment (B)</td>
<td>Partial Assessment (B)</td>
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<table>
<thead>
<tr>
<th>Approval Date</th>
<th>Current Closing Date</th>
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<tr>
<td>23-Feb-2016</td>
<td>31-Mar-2020</td>
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#### Organizations

<table>
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<tr>
<th>Borrower</th>
<th>Responsible Agency</th>
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<tbody>
<tr>
<td>People's Republic of China</td>
<td>National Administration of Forest and Grassland</td>
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#### Project Development Objective (PDO)

**Original PDO**

To help create the ecological conditions for recovery of threatened biodiversity in priority ecological landscapes in the far northeast territory of the Recipient (Heilongjiang and Jilin), using the Amur Tiger as a flagship species.

#### Summary Status of Financing

<table>
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<tr>
<th>Ln/Cr/Tf</th>
<th>Approval</th>
<th>Signing</th>
<th>Effectiveness</th>
<th>Closing</th>
<th>Net Commitment</th>
<th>Disbursed</th>
<th>Undisbursed</th>
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</table>

#### Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No
Background: The Landscape Approach to Wildlife Conservation in Northeast China Project (the Project) is supported by a US$3 million GEF grant. The Project was approved on February 23, 2016 and became effective on May 23, 2016. The current grant closing date is March 31, 2020.

The Project Development Objective (PDO) is to help create the ecological conditions for recovery of threatened biodiversity in priority ecological landscapes in the far northeast territory of the Recipient (Heilongjiang and Jilin provinces), using the Amur Tiger as a flagship species.

The Project supports: (a) integrating wildlife conservation considerations into economic development planning and sectoral policies and planning frameworks in targeted landscapes; (b) enhancing the effectiveness of protected area/network management; (c) increasing wildlife carrying capacity through restoration, expansion and connectivity of critical habitats, including the expansion of biodiversity-friendly landscapes adjacent to protected areas; (d) promoting more effective patrolling and monitoring in both protected areas and the greater landscape to reduce wildlife mortality; and (e) reducing human/wildlife conflict by increasing benefits to and buy-in from local communities for wildlife conservation.

The Project includes four components: 1: Institutional Coordination to Mainstream Wildlife Conservation Across Sectors; 2: Conservation of Priority Ecosystems and Increased Effectiveness of Habitat Protection in the Changbaishan Landscape; 3: Reducing Human Wildlife Conflict in Priority Forest Landscapes; and 4: Project Management and Monitoring and Evaluation.

Implementation status: The progress towards achievement of the Project Development Objective and the overall implementation progress is currently rated as moderately satisfactory (MS) due to delays that are explained below.

The PDO remains relevant and the two PDO level indicators are on track or exceed the target for year four: (a) the area brought under enhanced biodiversity protection in existing and new nature reserves has reached 3,498 square km versus the end target of 3,697 square km; and (b) the area outside of nature reserves managed in a biodiversity friendly manner has reached 11,631 square km (versus the end of project target of 2,252 square km). Some PDO and intermediate outcome targets have been exceeded due to synergies of counterpart funding and the establishment of the National Park for Amur Tiger and Amur Leopard in the project area.

Technical training for 1,436 forestry staff has been carried out, while about 125,560 people participated in public awareness events. The Spatial Monitoring and Reporting Tool has been applied to collect and consolidate data, and patrolling techniques have been improved. Anti-poaching and snare removal activities have resulted in a 97% decrease in the incidence of snares, far exceeding the original target of 24%. Overall management effectiveness of the five nature reserves is 14% above the average target as demonstrated by the Management Effectiveness Tracking Tool assessment. The North East China Advisory Tiger Landscape Conservation Committee has been providing technical advice to the Project through annual meetings. Project activities continued to facilitate cross boundary collaboration with counterparts from Russia, India, Australia etc.. Conservation plans, policy recommendations, and regulations are being finalized and workshops and study tours have been carried out to strengthen cross provincial and international collaboration. In both Jilin and Heilongjiang province, the frequency of cameras catching wildlife has increased substantially, signaling significant improvement of the ecological conditions in the wildlife habitats and recovery of biodiversity in the project area.

The total disbursed amount as of end of February 2020 was about US$2.66 million (89% of the total grant amount).
Proposed extension of closing date and Rationale: The Project implementation period was originally three years. Due to a slow start-up and the time it took to establish the designated account (10 months), the Project experienced delays during the first 18 months of implementation. However, since the mid-term review in November 2017 implementation gradually picked up speed and has since made substantial progress. A nine months extension from June 30, 2019 to March 31, 2020 was approved in 2018 to make up for the initial delays and enable completion of the remaining activities to achieve the PDO.

In late 2018 to mid-2019 Project progress was affected due the effect of a lengthy institutional reform process, impeding effectiveness of the provincial and local Project Management Offices. During this time staffing, accountability and institutional arrangements were not clear, resulting in delayed decision making that impeded timely implementation and disbursement. Despite these challenges, through concerted efforts made by the National, Provincial and Local PMOs with the support of the Bank team the Project has made good progress and has caught up significantly. The capacity of the new staff and new PMO have also been improved through training and learning from more experienced staff and PMOs.

All of the above factors have contributed to the accumulative delay, which already made the implementation schedule ambitious. This has been exacerbated by the outbreak of COVID-19 in January 2020, making it difficult to complete the remaining activities as planned by March 31, 2020. This includes, the finalization of a field survey, infrared camera monitoring, alternative livelihood support, community awareness building, and study tours. Moreover, the combined World Bank Implementation Support and ICR mission could not be carried out as originally planned and the preparation of the Government’s Project Completion Report had to be postponed.

With a disbursed amount of US$2.66 million, the remaining balance is about US$340,000. Most staff of the PMOs and PFBs are currently still working from home due to COVID-19, resulting in delays in submitting withdrawal applications and processing reimbursements.

To enable an orderly closing of the Project, the Government has proposed to extend the closing date by nine months from March 31, 2020 to December 31, 2020. The Bank team supports the proposal to allow the Project to complete the remaining activities that will contribute to the achievement of the PDO/GEO and to fully disburse the remaining grant. The Bank received the formal restructuring request from Ministry of Finance, dated xxx for the closing date extension without requesting changes to the project design or indicators.

The National PMO has prepared an action plan found satisfactory by the Bank. The Results Framework will reflect the newly proposed closing date for the end target value of all results indicators. Given the current COVID-19 trajectory in China, the PMOs anticipate to be able to resume working in the office before the end of March 2020 and are committed to accelerating Project implementation. To cater for the current uncertainty the PMOs have included buffer time in their work plan to help mitigate the potential risks of delay, while still being able to finalize all activities within the proposed extension period. This will be the second extension of the closing date and the accumulative extension is 18 months.

The Project is in compliance with legal covenants as well as Bank fiduciary and safeguard policies. There are no outstanding audits or audit qualifications. The performance of the recipient and project participants remains satisfactory, and Safeguard performance is also rated as satisfactory.
## II. DETAILED CHANGES

### LOAN CLOSING DATE(S)

<table>
<thead>
<tr>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Original Closing</th>
<th>Revised Closing(s)</th>
<th>Proposed Closing</th>
<th>Proposed Deadline for Withdrawal Applications</th>
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