

## Grant Agreement Signature Page

Country: People's Republic of China

|                                       |   |
|---------------------------------------|---|
| <b>UNDAF Outcome(s)/Indicator(s):</b> | UNDAF Outcomes: More efficient management of natural resources and development of environment-friendly behaviour in order to ensure environmental sustainability (with special focus on energy, biodiversity and water resources) |
| <b>CP Outcome(s)/Indicator(s):</b>    | CP Outcomes: Conservation and sustainable use of biodiversity is more effective   |
| <b>CP Output(s)/Indicator(s):</b>     | CP Outputs: Strengthened coordination mechanism set up among national and international partners for effective management of biodiversity   |
| <b>Cooperating Agency:</b>            | World Wide Fund for Nature – Beijing Office   |
| <b>Partner 1:</b>                     | TRAFFIC International   |
| <b>Partner 2:</b>                     | IUCN, the International Union for Conservation of Nature and Natural Resources  |
| <b>Partner 3:</b>                     | The Ecology Committee of the Natural Resources of Chinese Meteria Medica  |
| <b>Partner 4:</b>                     | Sichuan Forestry Department   |
| <b>Partner 5:</b>                     | Shaanxi Forestry Department   |
| <b>Partner 6:</b>                     | Gansu Forestry Department   |
| <b>Partner 7:</b>                     | Sichuan Administrative Bureau of Traditional Chinese Medicine   |

### Grant Information:

Title: Sustainable Management of Traditional Medicinal Plants in High-biodiversity Landscapes of Upper Yangtze Ecoregion

Code:

Duration: October 2007 – February 2010

### Budget Information

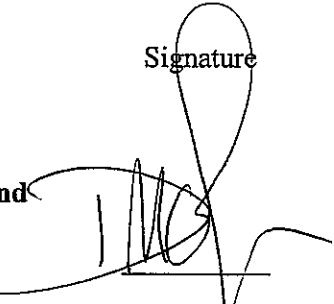
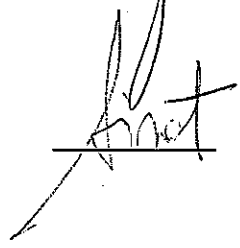
TOTAL Budget: USD 3,513,814

ECBP Supported Budget: USD 1,756,854

Other allocated resources:

- Cooperating Agency: USD 1,541,760
- Partner 1: USD 86,000
- Partner 2: USD 51,000
- Partner 3: USD 15,000
- Partner 4: USD 16,700
- Partner 5: USD 16,700
- Partner 6: USD 16,700
- Partner 7: USD 13,100

*Terms of the Grant Agreement, including the Project Description, Results and Resource Framework and the Annual Work Plans, and the Grant Agreement Annexes, including Guidelines for applicants responding to the Call for Proposals under EU-China Biodiversity Programme, the General Terms and Conditions for Implementation of UNDP Grant Agreements under ECBP Programme, MoU and Draft Terms of Reference for Key Project Personnel etc. agreed by:*

| Agreed by:   | Signature   | Date              | Name and Title   |
|--|---|-------------------|--|
| <b>World Wide Fund<br/>for Nature<br/>Beijing Office</b> |  | <u>29/10/2007</u> | <b>Dermot O'Gorman</b><br>Country Representative<br>WWF - Beijing Office |
| <b>UNDP China:</b>                                       |  | <u>31/10/07</u>   | <b>Subinay Nandy</b><br>Country Director<br>UNDP China                   |

# **EU China Biodiversity Programme (ECBP)**

**United Nations Development Programme**

**Responsible Party: World Wide Fund for Nature – Beijing Office**

**Funding Agency: European Commission**

## **Grant Agreement**

**Sustainable Management of Traditional Medicinal Plants in High-biodiversity  
Landscapes of Upper Yangtze Ecoregion**

### **Brief Description:**

This project aims to develop a model for conservation and sustainable harvesting of medicinal plants in mountain landscapes of the upper Yangtze River basin. An estimated 75% of commercially harvested Chinese medicinal plant species are found in this area and many are endangered due to over-harvesting. Through a partnership project between Provincial Forestry Departments, Traditional Chinese Medicine (TCM) authorities, WWF, TRAFFIC, and IUCN, the project will address the degradation of the habitats in which medicinal plants occur, reduce the overexploitation of high value medicinal plant species in these habitats, and promote improved livelihoods for local people.

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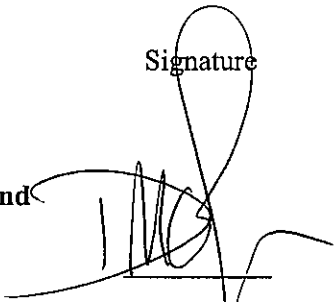
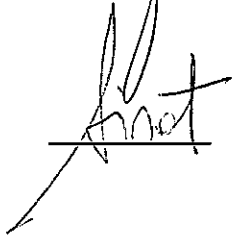
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Biodiversity Programme

Annex II – General Terms and Conditions

Annex III – Memorandum of Understanding (MoU)

Annex IV – Draft Terms of Reference and CVs for Key Staff

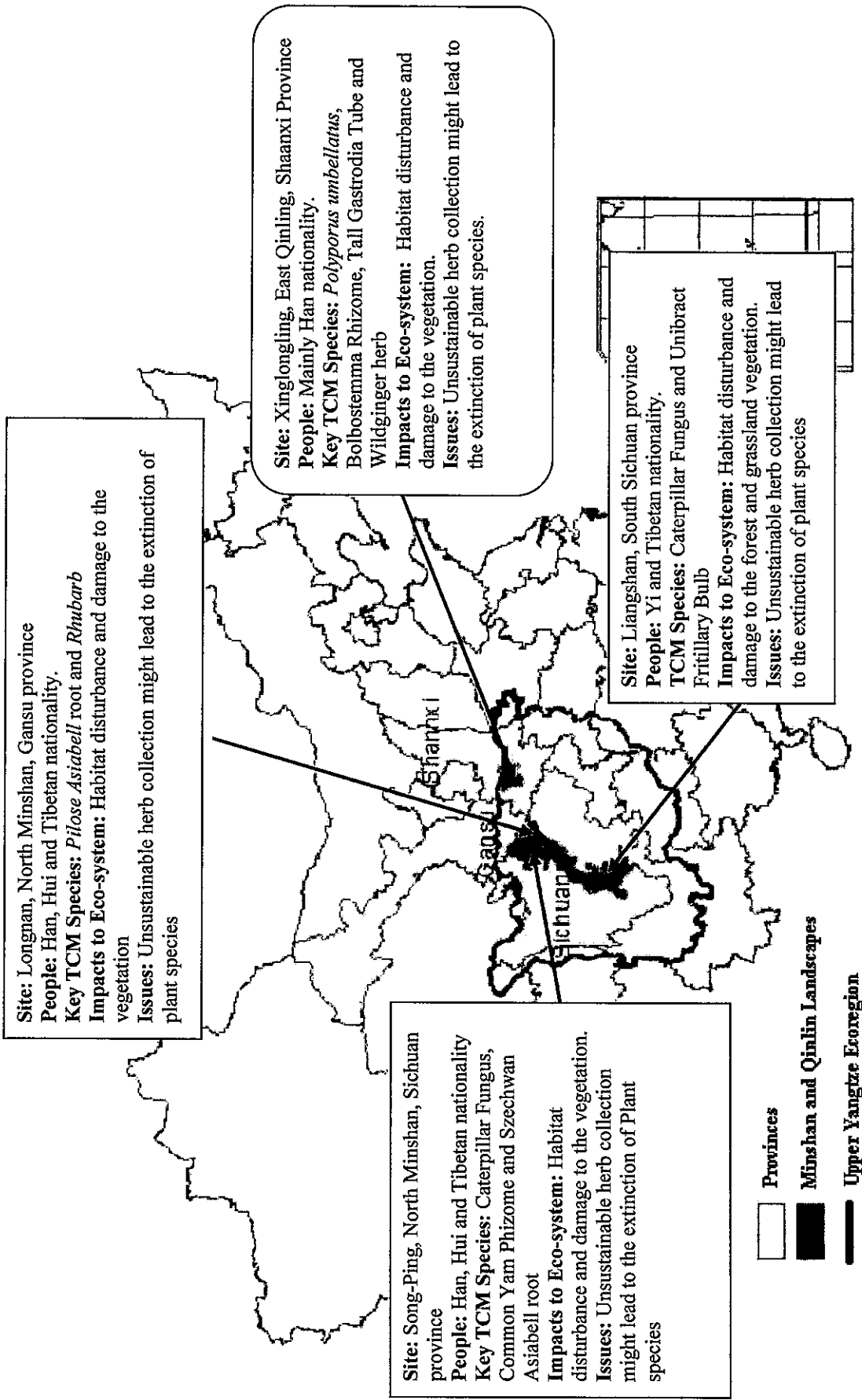
## **Section I - Elaboration of the Narrative**

### **Part 1 Situational Analysis**

#### **1.1 Location of Project**

Temperate mountain ecosystems in Sichuan, Shaanxi and Gansu Provinces, Upper Yangtze Ecoregion.

**Figure 1: Proposed Priority Landscapes and Demonstration Sites in Sichuan, Shaanxi and Gansu Provinces (scale: 1:30 000 000)**





## 1.2 Situational Analysis

The mountain landscapes in the upper Yangtze River basin are internationally recognised for their biodiversity values and at a national level, have also been identified as some of the highest priority area for biodiversity conservation in China. These landscapes are major watersheds, have one of the worlds most species rich temperate forests, and are home to many threatened plant and animal species. WWF has designated these forests of the Upper Yangtze, spanning much of Shaanxi, Gansu, and Sichuan Provinces, as a priority Global 200 Ecoregion. The Upper Yangtze ecoregion is one of a total of 238 ecosystems around the world, “the Global 200” (142 terrestrial, 53 freshwater and 43 marine ecoregions), prioritized on the basis of their species richness, species endemism, unique species (such as the Giant panda), being globally rare habitats or having unusual ecological or evolutionary features. An estimated 75% of commercially harvested Chinese medicinal plant species are found in the mountains of the Upper Yangtze ecoregion, many endangered due to over-harvesting.

On a global scale, China is the largest exporter of medicinal plants, which are exported mainly through Hong Kong to Japan, Korea, Singapore, the European Union and the United States. In 2002, the total global sales of Chinese Traditional Medicines (TCM) were US\$23.2 billion<sup>1</sup>, a major portion of an international market valued at more than \$50 billion annually<sup>2</sup>. Since 1994, global sales for TCM have increased by 8% a year and may grow even faster with the growing link to formal, industrialized production and export of TCM preparations.

China’s phenomenal economic growth is widely recognised. The benefits of that growth have not been distributed evenly either between urban and rural areas or between regions, however. Large segments of the rural population in western regions remain very poor. For those without land or livestock, harvesting of wild plants and mushrooms is a common option, particularly for people in ecosystems where opportunities for farming are limited. For small-scale producers, medicinal plant harvest has several advantages compared to perishable crops or bulky farm or forest products. Many medicinal plants can be dried and have a long shelf life compared to perishable crops. Several medicinal plants and fungi in the Upper Yangtze ecoregion, such as *Fritillaria* bulbs (chuanbeimu) and *Cordyceps sinensis* (dōngchóng xiàcǎo) also have a high value per unit volume. These characteristics make medicinal plants particularly attractive as a source of income to households in remote mountainous areas with limited transport, where income generation opportunities are generally quite limited.

Collection of wild medicinal plants thus provides a significant income source for many Chinese households as well as being important for people’s primary health care. In the Qinling Mountains of Shaanxi Province, medicinal plant collectors can earn an average of 80 RMB per day during the harvesting season, compared with annual yearly household incomes of 500-600 RMB. In the Wanglang area (Pingwu county, Sichuan), collectors can earn 2000 RMB per year from sales of caterpillar fungus (*Cordyceps sinensis*). Often, though, harvesting of high value, rare species occurs illegally within protected areas, and over-exploitation is a major concern.

Unsustainable TCM collection is very common in landscapes of the Upper Yangtze, undermining the integrity of forest and montane ecosystems, and threatening the survival of many species. Commercial medicinal plant harvest in the region has increased in recent years due to the

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<sup>1</sup> Phillip Securities Research. 2003. Stock Update -- Eu Yan Sang International Ltd. Pp.1-3. Friday, 17th Jan 2003.

<sup>2</sup> NBJ. 2003 in: Cunningham, A B, P Shanley and S Laird. in press. Health, habitats and medicinal plants. Ch.12 in C Colfer (ed) *Biodiversity, forests and human health*. Earthscan, London.

promulgation of two policies: the 1998 logging ban and the “Grain for Green” programme, introduced in 2000, which discourages farming on steep slopes. While other human activities with major impacts on biodiversity are on the decline as a result of this legislation, medicinal plant gathering in the region is on the rise, with households compensating for loss of income from farming and timber logging. The rapid increase in tourism to the network of panda conservation areas has also increased the local sales of medicinal plants. Over-harvesting not only threatens many medicinal plant species, but the collectors can also have serious secondary impacts: harvesters camp within the reserves, hunt, and gather fuel-wood to dry commercial quantities of medicinal plants, leading to disturbance of and threats to the habitat of many endangered wildlife species, including the Giant panda and the takin.

In theory, medicinal plant cultivation offers an economic opportunity for rural smallholder farmers and an answer to declining wild stocks, and other threats to biodiversity posed by wild medicinal plant collection. In practice, there are many pitfalls before economically viable, legal production of medicines can be achieved on a large enough scale to meet commercial demand. Small-scale producers commonly face high risks, lack of a guaranteed market, high transaction costs and lack of trust between different actors along the value-chain. Medicinal plant cultivation has been more successful in China, where a much higher proportion of medicinal plants (10-25%<sup>3</sup>) are cultivated. By comparison, less than 1% of medicinal plants are sourced from cultivation globally, as most are wild harvested<sup>4</sup>.

In some cases, cultivation can even worsen the situation by contributing to habitat destruction. In South-west China, for example, cultivation of commercially traded medicinal plants such as *Amomum villosum* (*sharen*) prevents lowland rainforest regeneration, just as cultivation of *Ammomum tsao-ko* (*caoguo*) while creating a sustainable supply, is also impacting high conservation priority, montane forest conservation areas. In both cases, this has impacted on forest within (theoretically) protected areas. The area of *Amomum villosum* cultivation in Xishuangbanna Yunnan, South-west China is now 58 km<sup>2</sup> in extent, much of it within conservation areas<sup>5</sup>. Similarly, *Ammomum tsao-ko* cultivation has impacted forest in Fengshuiling Nature Reserve, Yunnan and the cross-border area in northern Vietnam, as cultivation underneath canopy trees occurs after clearing of the under-storey, with *Ammomum* plants creating intense shade that suppresses forest regeneration.

In spite of the economic and political rationales for cultivation, consumer preferences for wild harvested material are widespread. In addition, cultivation is not always feasible and can take a lengthy amount of time and expenditure to catalyze. For families without land, and with few livelihood options, wild harvesting therefore acts as a safety net. Large and medium scale plantations, on the other hand, generally favour elites, excluding small farmers and those without access to farmland. What is likely in the future to support small-scale producers are public-private partnerships similar to those implemented in India for *Neopicrorhiza kurroa* (huhuaglian) cultivation to minimize the constraints farmers face.<sup>6</sup>

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<sup>3</sup> 100-250 species of medicinal plants are cultivated in China, and 1000 species are often cited as commonly traded.

<sup>4</sup> Schippmann, U, D J Leaman and A B Cunningham. 2003. Impact of cultivation and gathering of medicinal plants on biodiversity: global trends and issues. Case study no. 7. in: *Biodiversity and the Ecosystem Approach in Agriculture, Forestry and Fisheries*. Proceedings : Satellite event on the occasion of the Ninth Regular Session of the Commission on Genetic Resources for Food and Agriculture, Rome 12-13 October 2002. FAO, Rome. ISBN 92-5-104917-3. [http://www.fao.org/DOCREP/005/Y4586E/y4586e08.htm#P1\\_0](http://www.fao.org/DOCREP/005/Y4586E/y4586e08.htm#P1_0).

<sup>5</sup> Liu, H., Lei G, Zheng Z, Feng Z. 2006. The impact of *Amomum villosum* cultivation on seasonal rainforest in Xishuangbanna, Southwest China. *Biodiversity and Conservation* 15:2971-2985

<sup>6</sup> Van de Kop, P., A Ghayur and B De Steenhuijsen Pijters. 2006. Developing a sustainable medicinal-plant chain in India: Linking people, markets and values. Ch 16 in: *R. Ruben, M. Slingerland and H. Nijhoff (eds.), Agro-food chains and networks for development*, 191-202. Springer, The Hague.

WWF has been working for several years in the landscapes where this project will be implemented. All partners in this joint project recognise the need to embrace both conservation and sustainable development strategies for a more effective biodiversity conservation. WWF, IUCN and TRAFFIC all have a well-established record of cooperation with local stakeholders across different administrative boundaries in order to reach conservation goals. A recent example in the project area is WWF's facilitation of the Sichuan and Gansu provincial governments' agreement to coordinate to protect the Minshan landscape. Nation-wide projects currently implemented by TRAFFIC and the Ecology Committee of the Natural Resources of the Chinese Materia Medica (ECNRCMM) will also help us learn about the general trend of wild medicinal plants trade as well as the general profiles of and current status of the protection of wild medicinal plants. The proposed project will be able to draw on the knowledge and experiences of all partner organisations to explore innovative strategies and approaches to effective conservation in the project area that are tailored to local context.

Provincial partners, who are crucial to implementation of this project, will contribute matching funds. National, provincial and local participants in this project will also benefit through funding and training that increases their capacity for future work on conservation, resource management and the sustainable harvest of medicinal plants. In addition, WWF's approach to collaboration in China means that 60-70% of all project funding is transferred to its partners for project implementation. This means that within this partnership, the provincial Forest Departments, the ECNRCMM, and the Sichuan Administrative Bureau of Traditional Chinese Medicine will get the similar amount of benefit from this project as well.

Over the past few years, the role of medicinal plants in the biodiversity conservation and local economic development has become more and more evident. Through joint monitoring and patrolling in the region, data have been collected and analysed to show that the overexploitation of certain wild medicinal plants has had an impact upon the ecosystem, particularly the panda habitats. Results of local community surveys also indicate the growing significance of medicinal plants as a source of household income. The need to address these emerging issues is increasingly evident.

## **Part 2 Strategy**

### **2.1 Outcome of the project**

The **outcome** of this project is that the degradation of medicinal plant populations and key habitats is mitigated and that local medicinal plant harvester's livelihoods improved in key landscapes of the Upper Yangtze ecoregion. In order to achieve this outcome, the project will produce the following outputs:

### **2.2 Outputs and main activities**

The six outputs of this project are:

## **OUTPUT 1: Policy and regulatory framework – analyses, recommendations and improvements.**

A supportive policy and regulatory framework is the foundation for all efforts to ensure the sustainable production, marketing and conservation of medicinal plants. A comprehensive regulatory framework should provide government authorities at all levels with the tools required to implement and enforce it. The framework should also provide appropriate incentives to producers and marketers to encourage sustainable management of medicinal plants and discourage illegal production and trade.

Output 1 will analyse the current policy and regulatory framework with respect to medicinal plants, identify gaps and areas which require strengthening, and provide policymakers with viable options and increased capacity for improving this framework.

The first step in promoting a supportive policy and regulatory environment is to compile, document and understand the policies, laws and regulations already in force that are relevant to the sustainable production and marketing of medicinal plants. The project will identify the national and provincial plans, strategies and other policy documents that address TCM and medicinal plants. At the same time, the legal instruments – laws as well as regulations and other secondary instruments – will be identified and compiled to create a comprehensive inventory of all policy and legal instruments at the national and provincial level.

The next step is to analyze the policy documents and legal instruments assembled in the inventory and construct a matrix which will show which issues are already adequately addressed in policy and law and which are not, the degree to which existing law implements current policy, and the relationship of institutional mandates to the policy and regulatory framework. On the basis of the results of the inventory, analysis and stakeholder input, the project will formulate specific recommendations for revisions to policies and legal instruments and will support national and provincial authorities in ways they deem most appropriate. Key stakeholders include the Ecology Committee of the Natural Resources of Chinese Meteria Medica, provincial Bureaus of Traditional Chinese Medicine and provincial forestry bureaus.

Implementing a comprehensive policy and regulatory framework requires both individual and institutional capacity and the information that both individuals and institutions require to respond appropriately. On the basis of an information needs self-assessment, the project will develop a communications strategy designed to respond to the expressed requirements of the institutions and individuals responsible for managing medicinal plants and their trade. The project will then work with key stakeholders to select the highest priority issues and then develop the curricula and materials for training workshops to respond to those priorities.

IUCN will lead this Output, and will work together with TRAFFIC and relevant national and provincial government agencies responsible for management and trade of medicinal plants. Output 1 focuses on national and provincial policy and regulatory frameworks, which in turn will support the county level work that is undertaken in Output 2.

## **OUTPUT 2: Effective management and monitoring mechanisms for the sustainable production and conservation of selected wild medicinal plants established in pilot project areas.**

The aims of Output 2 are to promote sustainable TCM use and conservation by establishing effective TCM management and monitoring mechanisms in the pilot sites. Currently

unsustainable TCM collection is very common in the project areas, which undermines the integrity of forest ecosystems and threatens the survival of many species. The specific steps to be taken in this Output include:

First, pilot communities where key TCMs are widely available will be selected based on a feasibility study and discussions with the local forestry and nature reserve authorities. Conservation committees will be established and community based TCM collection will be promoted.

Second, in the 4 pilot sites selected, community TCM conservation committees will be supported to build capacity on baseline studies and analysis regarding key TCMs. Relevant survey and analysis will be conducted, based on which a Guideline for Key TCM Sustainable Collection and Monitoring will be developed. The project will refer to the Guideline to assist relevant nature reserves and communities to establish or modify management plans and alternative livelihood development plans, and give support in implementing these plans.

Third, at the policy level, discussions will be held between the project team and relevant county government agencies to adjust relevant policies and regulations regarding TCM collection and marketing to ensure the implementation of the above plan.

Fourth, sustainable harvesting standards will be determined for key TCMs and agreements will be signed with the project households to implement these standards.

Fifth, approaches to certification of TCM related products will be explored.

WWF will lead this Output together with local forestry bureaus and nature reserves. Members of the community conservation committees and villagers will be the executing agents. County governments will provide policy support; TCM marketing experts, as well as experts from the Ecology Committee of the Natural Resources of Chinese Materia Medica and the provincial TCM Bureau will provide technical and marketing support.

**OUTPUT 3: Network of learning and exchange established across landscapes, nationally and internationally, that promotes best practices and replicates medicinal plant pilot programs.**

The aim of Output 3 is to enlarge the potential influence of the project by sharing successful experience and learning from the pilot sites in three provinces. Exchange visits with other provinces and regions are one means by which this aim will be accomplished, as are workshops and establishing linkages between producer associations and buyer groups. Participants will be key stakeholders from partner agencies, local governments and community members. This Output will be led by WWF and TRAFFIC.

Lessons learned from this project can be contributed to other relevant projects and international initiatives, such as ISSC-MAP (International Standard for Sustainable Wild Collection of Medicinal and Aromatic Plants). International consultants will contribute by helping to develop Chinese standards for sustainable harvest of certain wild medicinal plant species.

In order to publicize the project more widely to an international audience, a workshop will be organized by IUCN at the upcoming CBD COP 9 in 2008. The workshop will draw lessons from the project on medicinal plant conservation and poverty reduction, and the project will also benefit from feedback by a specialist audience.

Another means of expanding the project's scope of influence is by building up direct market linkages between producers and buyers. In order to accomplish this, local producer associations will be established and access to markets will be facilitated by the global networks of TRAFFIC and WWF.

A final aspect of this learning and exchange network is to build capacity for management, monitoring and trade assessments of medicinal plants through a series of training courses. Participants will be local harvesters, forest staff, and students of TCM universities.

This Output will be led by WWF and TRAFFIC.

**OUTPUT 4: Awareness raised among key stakeholders of the benefits of sustainable use of wild MPs.**

TCM use involves many stakeholders, and apart from collectors, government agencies, consumers, communities and enterprises also play a significant role in TCM consumption. The aim of Output 4 is to increase awareness of the environmental, social and economic benefits of the project so that key stakeholders will better understand the rationale for sustainable TCM use and will adopt these practices over the long term. For this purpose, TCM Use and Marketing Management Committees will be set up at 4 key pilot sites to deal with TCM processing and sales. These Committees are different from the community level conservation committees in that they are working at a higher level to deal with large-scale manufacturing and trade issues.

Baseline surveys will be led by these Committees to collect information on stakeholder TCM use and conservation awareness. Based on the information from these surveys, a tailored awareness building action plan will be put in place. Meanwhile, sustainable use and consumption of certified TCM products will be promoted. The Committees will be responsible for raising awareness of the different stakeholders about sustainable TCM use through distribution of educational materials, trainings and field visits to the pilot sites. Lastly, external experts will be invited to evaluate the awareness building program by referring to the baseline survey.

In this process, it is vital that government agencies play a coordinating role among different stakeholders, for instance in establishing the above-mentioned Committees. WWF and the forestry sector will be responsible for assisting other stakeholders to understand the sustainable use and TCM conservation values by providing updated information on TCM collection and its impact on biodiversity. Other partners will contribute in terms of education, mobilization and advocacy.

**OUTPUT 5: Promote sustainable production and conservation of medicinal plants through certification and other marketing strategies.**

Output 5 will establish the foundation for sustainable production and marketing of medicinal plants in the project areas through certification systems, supply chain monitoring and establishing agreements with national and international buyers to purchase certified TCM products. Working from the bottom to the top of the supply chain in this way is essential to ensure stable economic returns to TCM collectors and producers, who will thereby have concrete incentives to conserve the resource.

Currently, WWF and other corporate partners have rich expertise in forestry and green/organic food certification, and have been able to scale up this experience from pilot sites to a wider scope

in China. WWF will build upon this previous experience to explore feasible approaches for TCM product certification. Despite differences in products and stakeholders, TCM and forestry/green food certification have many common features, particularly in terms of the development of guidelines, standards and certification procedures. In carrying out this work, WWF and partners (communities, enterprises and associations, and the Ecology Committee of the Natural Resources of Chinese Materia Medica) will take the following steps:

- first, they will compile and introduce TCM certification guidelines based on local conditions;
- second, they will conduct awareness building activities for stakeholders so that they are aware of certification procedures, values and potential economic benefits;
- third, they will help set up relevant certification bodies and demonstrate the whole process of certification;
- fourth, they will cooperate with TCM producers to select at least three TCM related products for certification; and
- lastly, they will establish linkages with international and national buyers who are interested in purchasing certified TCM products.

#### **OUTPUT 6: Income generation and conservation of TCM plants and their ecosystems.**

Output 6 builds upon the foundation of the previous five Outputs, with the goal of improving livelihoods through community participation in sustainable income generating strategies. The rationale behind this effort is that conservation goals will remain unmet in the project areas unless local livelihoods can be secured. Currently, per capita net income of farmers in this region is far below the national average of 2475 CNY (\$300). Previously, logging was a major source of income, but it has been prohibited since 1998. Income generation for local people is limited in these mountain landscapes. The collection of wild medicinal plants in China therefore provides a significant income source for many households, as well as being important for people's primary health care. However, household income from medicinal plants faces a bleak future due to unsustainable harvests, fluctuating prices and uncertain market access through many middlemen. The dual pressures of low incomes and significant market demand also act as a perverse incentive for local residents to over-harvest medicinal plants.

The project will address livelihoods issues through coordination with existing rural development projects in the Upper Yangtze ecoregion, and specifically by developing alternative income sources such as eco-tourism, home stays, guiding, honey and poultry production. This will help diversify household income, and combined with household level cultivation and agro-forestry production of medicinal plants, will help to reduce pressure on wild populations. Moreover, the project will facilitate more direct links to more stable markets and to enterprises providing better prices for high quality, locally value-added medicinal plants and other forest products.

### **2.3 The partnerships**

Through existing landscape projects in Sichuan, Gansu and Shaanxi, WWF has gained experience and developed relationships that will strengthen this project, lending support to a new approach for the region. WWF's approach emphasizes ecosystem-level conservation and medicinal plants, thus covering landscapes outside and within core conservation zones and focusing on the well being of people within the landscapes. WWF, IUCN and TRAFFIC, through a partnership with provincial Forestry Departments and the Sichuan Administrative Bureau of Traditional Chinese Medicine (SABTCM) plan to address the degradation of temperate ecosystems and improve

livelihoods in the pilot study sites. This will be supported through coordination with the ECNRCMM.

The project partners have considerable experience of managing multi-stakeholder projects across different parts of China. Particularly relevant to this project is WWF's cooperation with provincial Forestry Departments and initiation of cross-administrative-boundary cooperation in the region, including successful joint monitoring and patrolling. The fact that these efforts have been facilitated by WWF is evidence of its effective coordination capacity. Through a partnership with the provincial Forestry Departments, the ECNRCMM, and SABTCM, the beneficiaries of this project will be medicinal plant harvesters and users, health practitioners, local and selected national and international TCM enterprises. Each of the partners has something unique and important to contribute to the project. As noted above, WWF has many years of experience working on conservation issues in the target areas, especially on rare and endangered species conservation. TRAFFIC has a long track record on wildlife trade issues in China, the Asia region and also internationally, including on medicinal plants. IUCN has ample experience in Asia in terms of providing policy and regulatory analysis, recommendations and capacity building on conservation issues. The three Forestry Departments in Sichuan, Gansu and Shaanxi provinces are responsible for species conservation work, and for providing recommendations to provincial governments on natural resource management. The SABTCM has a wealth of expertise on medicinal plants, including the development of harvesting guidelines and manufacturing standards. The ECNRCMM will assist with national level policy work and will take the leading role in developing locally appropriate standards for sustainable harvest of wild Medicinal Plants and in coordinating relevant traditional Chinese medicine institutions and manufacturers in support of the project.

Each partner has committed to contributing matching funds to the project. WWF will contribute the bulk of the matching funds (\$1.5 million), mostly to be used for field demonstrations, trainings and surveys. TRAFFIC will contribute \$86,000 in matching funds, mainly focusing on China and regional trade issues. IUCN will contribute \$51,000 for international and national personnel working on policy and regulatory issues. The three Forestry Departments will contribute \$50,100 total, mostly for supporting coordination, communications and logistical arrangements for the project. The SABTCM will provide \$13,100, mainly for developing technical guidelines for harvesting and assessment of medicinal plants. The ECNRCMM will contribute \$15,000 to provide coordination among different stakeholders for policy work and national and regional level exchanges.

## **Part 3 Management Arrangements**

### **3.1. National Execution Rules**

The grant agreement will be executed under the overall framework of the ECBP Project Document and standard UNDP National Execution (NEX) modalities. UNDP will oversee and monitor functions of the project. The World Wide Fund for Nature – Beijing Office (WWF - China) will serve as the Cooperating Agency and be directly responsible for use of funds to UNDP. WWF - China will ensure implementation of all activities in line with the Grant Agreement and Annual Work Plans (AWPs). The AWP's describe the specific results to be achieved and form central part of the grant agreement between UNDP and the Cooperating Agency on the use of



resources. The Cooperating Agency will provide quarterly reporting, Funding Authorisation and Certificate of Expenditures (FACE) as the management tool for release of advance requests and use of funds.

### **3.2 Responsibilities of the applicant and its partners**

#### ***Cooperating Agency:***

Full legal name: **World Wide Fund for Nature – Beijing Office**

Acronym: **WWF - China**

Legal status: Non profit organisation

Tax registration number: 110105X26001773

Official address: Room 1609, Wen Hua Gong, Beijing Laodong Renmin Wenhugong,  
Beijing 100006

Postal address: Room 1609, Wen Hua Gong, Beijing Laodong Renmin Wenhugong,  
Beijing 100006

#### ***Partner I***

Full legal name: **TRAFFIC International**

Nationality: United Kingdom

Legal status: UK Registered Charity (No. 1076722) Private company,  
limited by guarantee (No. Company No. 03785518)

Official address: 219a Huntingdon Road, Cambridge, CB3 0DL United  
Kingdom

#### ***Partner II***

Full legal name: **IUCN, the International Union for Conservation of  
Nature and Natural Resources**

Nationality: Switzerland

Legal status: Intergovernmental organization, Headquarters in Switzerland,  
Liaison Office in China

Official address: China Liaison Office  
2-2-131 Tayuan Diplomatic Compound  
No. 1, Xin Dong Lu  
Beijing 100600 CHINA

#### ***Partner III***

Full legal name: **The Ecology Committee of the Natural Resources of Chinese Meteria  
Medica**

Nationality: People's Republic of China

Legal status: Non-profit Organization

Official address: No. 16, Nanxiaojie, Dongzhimennei Avenue, Beijing, P.R.China

#### ***Partner IV***

Full legal name: **Sichuan Forestry Department**  
Nationality: Chinese  
Legal status: Government agency  
Office address: No.15 Renmin Beilu Yiduan, Chengdu, Sichuan, P.R. China

#### ***Partner V***

Full legal name: **Shaanxi Forestry Department**  
Nationality: Chinese  
Legal status: Government agency  
Official address: No. 233 Xiguan Zhengjie, Xi'an, Shaanxi, P.R. China

#### ***Partner VI***

Full legal name: **Gansu Forestry Department**  
Nationality: Chinese  
Legal status: Government agency  
Office address: No.164, Xi'an Road, Lanzhou, Gansu, P.R. China

#### ***Partner VII***

Full legal name: **Sichuan Administrative Bureau of Traditional Chinese  
Medicine**  
Nationality: Chinese  
Legal status: Government agency  
Official address: No. 51, Section 4 of Renmin Nanlu Road, Chengdu, Sichuan,  
P.R. China

The WWF Beijing Office has a sound track record and experienced staff and accounting capacity for managing large, multi-partner projects. Price Waterhouse audits the WWF Beijing Office accounts. ECBP Grant support through UNDP would be through an agreed method of payment administered by the WWF Beijing Office.

The proposed project will work with various partners in three provinces for field demonstration as well as in Beijing for national policy advocacy. Establishing a Project Management Office (PMO) is considered crucial for coordination of a relatively complex, multi-partner project like this type. The PMO will be responsible for day-to-day project management, coordination and/or implementation of all activities.

In order to ensure the quality of activities on the ground as well as better coordinate the multi-partners, there will be three working units in the PMO:

- Chengdu Unit staffed by a Project Leader, a field officer, and a part-time project Administrator. It will be responsible for the day-to-day management of the Project, field

implementation in Sichuan and Gansu provinces. Housed within and supported by WWF Chengdu Field Office, the Chengdu Unit will also be responsible for financial arrangement and project visibility.

- Xi'an Unit overlooking field activities in Shaanxi Province, staffed by a Deputy Project Leader, and a field officer. Housed within and supported by WWF Xi'an Field Office, the Xi'an Unit will also provide support in financial arrangement and project visibility from the field perspective.
- Beijing Unit staffed with a Trade Officer, a Finance Officer, and a part-time Donor/partner Relationship Officer. It will be responsible for coordinating with COSU and Partners, carrying out policy work at national level, and engaging in international trade issues on MPs. The Donor/Partnership Relationship Officer will serve as the focal point between COSU and WWF, including communication and reporting, and be responsible for liaison with the two field units, and the key project partners in Beijing, including the State Environmental Protection Administration (SEPA), the State Administration of Traditional Chinese Medicine (SATCM), the Ecology Committee of the Natural Resources of Chinese Meteria Medica (ECNRCMM), TRAFFIC, and IUCN.

The PMO will be assisted and supported by WWF, TRAFFIC, and IUCN through the provision of technical expertise and logistical support. Besides, the Sichuan, Shaanxi and Gansu Forestry Departments will each appoint a project coordinator to work closely with the PMO. They will also benefit from the technical assistance, research and training to improve their capacity for management and monitoring of non-timber forest products (NTFPs) in general.

A Steering Committee will be set up, consisting of heads from applicant and each partners, namely:

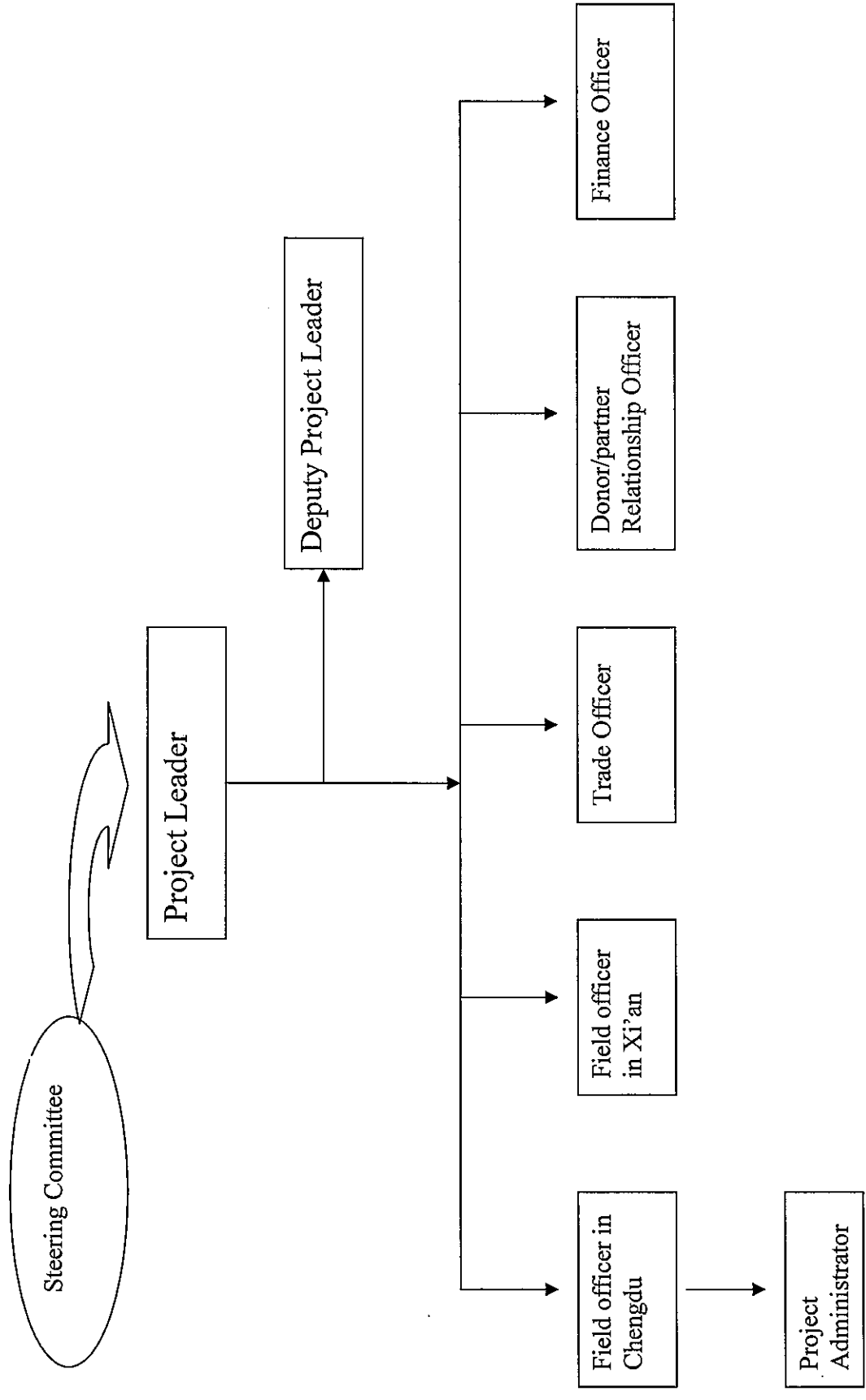
- WWF Beijing Office
- TRAFFIC China Beijing Office
- IUCN China Program,
- Ecological Committee of the Natural Resources of Chinese Materia Medica;
- Sichuan Forestry Department
- Shaanxi Forestry Department
- Gansu Forestry Department, and
- Sichuan Administrative Bureau of Traditional Chinese Medicine

The Steering Committee's responsibilities will be to approve the annual workplan and budget, review the progress of the project, suggest improvements and approve major changes throughout the implementation of the project. SC members will meet annually, and can call for meetings upon emerging or urgent issues.

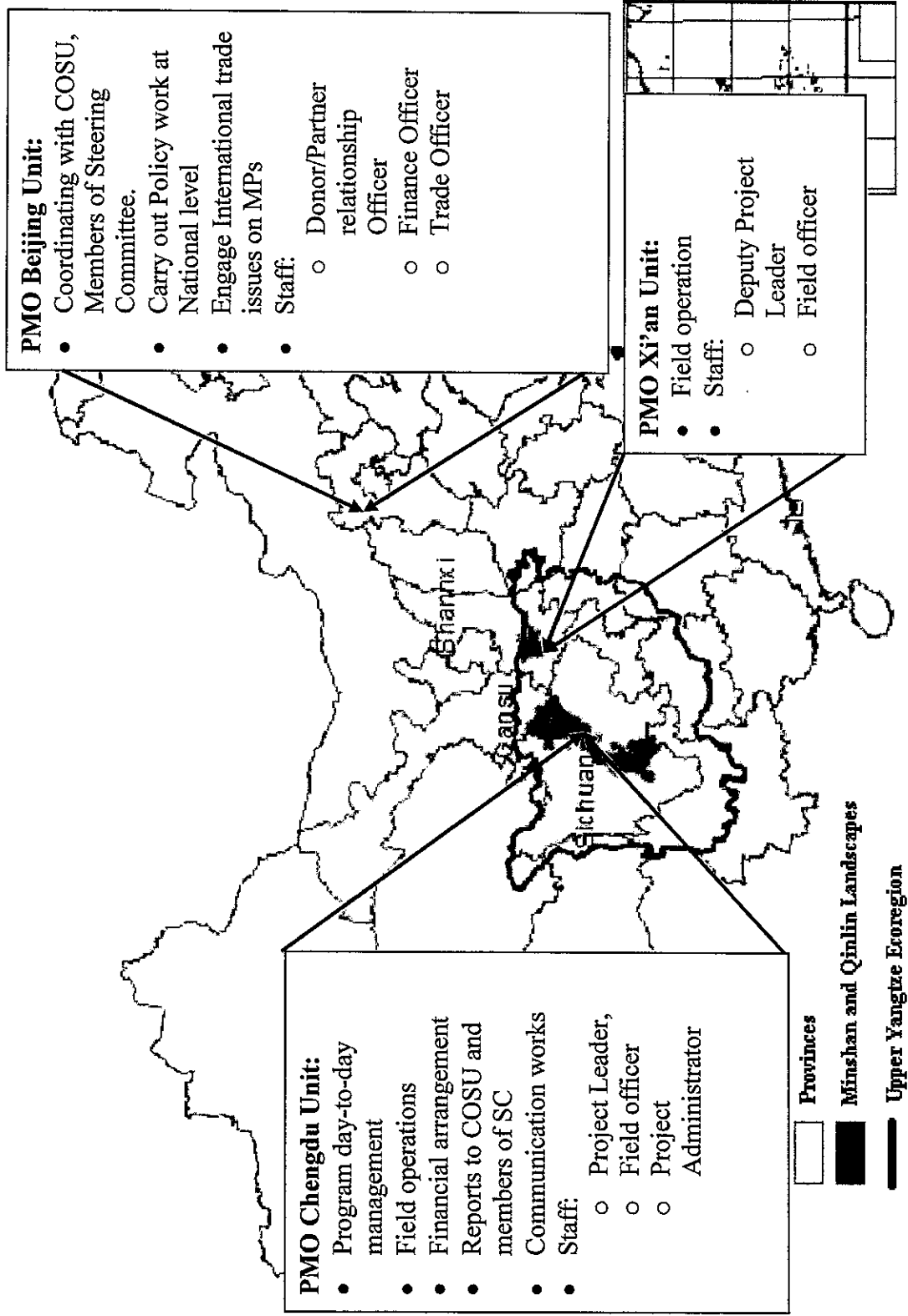
An MOU among partners will govern different aspects of the partnership, including intellectual property rights and use of logos on the project's products.

Below please see the PMO management structure as well as a more detailed list for Project Staff and Consultants.

Figure 2: PMO Management Structure



**Program Management Office Location Map**



**Project Staff and Consultants**

| <b>Position</b>                    | <b>Full-time or part-time (include total No. of months)</b> | <b>Monthly salary rate</b> | <b>Location of duty station</b> | <b>Institutional affiliation (or open recruitment)</b> | <b>Name of person (if identified)</b> | <b>Salary source (ECBP, applicant, partner or other)</b> |
|------------------------------------|---|----------------------------|---------------------------------|--|---------------------------------------|--|
| <b>PMO Staff</b>                   |   |                            |                                 |  |                                       |  |
| Project Leader                     | Full-time   | \$3125                     | Chendu                          | WWF  | Ling Lin                              | ECBP (15 months) & WWF (14 months)                       |
| Deputy Project Leader              | Full-time   | \$2500                     | Xi'an                           | WWF  | Liu Xiaohai                           | ECBP (15 months) & WWF (14 months)                       |
| Donor/Partner Relationship Officer | 15 months   | \$1875                     | Beijing                         | Open recruitment                                       | To be identified (TBI)                | ECBP   |
| Project Trade Officer              | 22 months   | \$1875                     | Beijing                         | TRAFFIC  | Liu Xueyan                            | ECBP   |
| Project Field Officer for Sichuan  | Full-time   | \$1625                     | Chengdu                         | Open recruitment                                       | TBI                                   | ECBP   |
| Project Field Officer for Shaanxi  | Full-time   | \$1625                     | Xi'an                           | Open recruitment                                       | TBI                                   | ECBP   |
| Project Finance Officer            | Full time   | \$1875                     | Beijing                         | Open recruitment                                       | TBI                                   | ECBP   |
| Project Administrator              | 15 months   | \$1375                     | Chengdu                         | Open recruitment                                       | TBI                                   | ECBP   |

| <b>National Consultants</b>                 | <b>Working days</b> | <b>Daily rates</b> | <b>Location of duty station</b> | <b>Institutional affiliation (or open recruitment)</b> | <b>Name of person (if identified)</b> | <b>Salary source (ECBP, applicant, partner or other)</b> |
|---|---------------------|--------------------|---------------------------------|--|---------------------------------------|--|
| Medicinal Plant Consultant                  | 256 days            | \$200              | Project sites                   | Chengdu Institute of Biology                           | Luo Pen                               | ECBP   |
| Trade Policy Analysis Consultant            | 88 days             | \$200              | Beijing                         | TRAFFIC  | Xu Hongfa                             | ECBP   |
| TCM Trade Consultant                        | 140 days            | \$200              | Project sites                   | open recruitment                                       | TBI                                   | ECBP   |
| TCM Standard                                | 136 days            | \$200              | Project sites                   | open recruitment                                       | TBI                                   | ECBP   |
| TCM Trade Consultant                        | 120 days            | \$200              | Project sites                   | open recruitment                                       | TBI                                   | ECBP   |
| Biodiversity Consultant (work with Charles) | 120 days            | \$200              | Project sites                   | open recruitment                                       | TBI                                   | ECBP   |
| Conduct Survey                              | 220 days            | \$200              | Project sites                   | open recruitment                                       | TBI                                   | ECBP   |
| Certification                               | 280 days            | \$200              | Project sites                   | open recruitment                                       | TBI                                   | ECBP   |
| Rural Development Consultant                | 213 days            | \$200              | Project sites                   | Shuguang Community development training center         | Han Wei                               | ECBP   |
| Environmental Law Consultant                | 30 days             | \$200              | Beijing                         | Open recruitment                                       | TBI                                   | ECBP   |
| Policy Analysis Consultant                  | 130 days            | \$200              | Beijing                         | Open recruitment                                       | TBI                                   | ECBP   |
| Policy Analysis Consultant                  | 60 days             | \$200              | Beijing                         | IUCN   | Wei Juan                              | ECBP   |

| <b>International Consultants</b>  | <b>Working days</b> | <b>Daily rates</b> | <b>Location of duty station</b> | <b>Institutional affiliation (or open recruitment)</b> | <b>Name of person (if identified)</b> | <b>Salary source (ECBP, applicant, partner or other)</b> |
|---|---------------------|--------------------|---------------------------------|--|---------------------------------------|--|
| Medicinal Plants Consultant   | 90 days             | \$500              | Project sites                   | Ethnoecology Services                                  | Tony Cunningham                       | ECBP   |
| Baseline Survey Consultant on Medicinal Plant Populations & Sustainable Harvest | 60 days             | \$500              | Project sites                   | New York Botanical Garden                              | Charles Peters                        | ECBP   |
| Market Survey Consultant  | 62 days             | \$500              | Project sites                   | University of Witwatersrand, South Africa              | Vivienne Williams                     | ECBP   |
| TCM Trade Law/Policy Consultant   | 45 days             | \$500              | Beijing                         | TRAFFIC  | Craig Kirkpatrick                     | ECBP   |
| TCM Trade Consultant  | 120 days            | \$500              | Project sites                   | Open recruitment                                       | TBI                                   | ECBP   |
| TCM Standard Consultant   | 68 days             | \$500              | Project sites                   | Open recruitment                                       | TBI                                   | ECBP   |
| TCM Trade and Policies consultant   | 20 days             | \$500              | Project sites                   | Consultant   | Danna Leaman                          | ECBP   |
| Certification Consultant  | 140 days            | \$500              | Project sites                   | Open recruitment                                       | TBI                                   | ECBP   |
| Environmental Law Consultant  | 10 days             | \$500              | Beijing                         | IUCN   | Patricia Moore                        | ECBP   |
| Capacity Building Consultant  | 10 days             | \$500              | Beijing                         | IUCN   | Inam Khan                             | ECBP   |
| Policy Consultant   | 20 days             | \$500              | Beijing                         | IUCN   | Seth Cook                             | ECBP   |



## **Part 4 Monitoring and Evaluation**

**Monitoring and Evaluation (M&E)** of the project will be undertaken in line with grant agreement and monitoring and evaluation plan and rules set in the “General Terms and Conditions Governing Implementation of UNDP Grant Agreement under ECBP (Annex II of the Grant Agreement).

Monitoring and evaluation (M&E) of progress in attaining the aims and outputs of the project will be tracked in two main ways – internal M&E and external audit. The external audit will be organised annually by UNDP-COSU. For the internal monitoring and evaluation, The PMO will set up and operate an internal reporting and monitoring mechanism to ensure that all Activities and Indicators will be assessed, followed and evaluated on the basis of:

- Annual and Quarterly Operational Work plans (AWPs and QWPs);
- Quarterly and Bi-Annual Reports;

The first work plan will provide a description of the activities for the first work plan period and a subsequent detailed budget. Subsequent work plans will be reporting and planning documents of a financial and substantive nature. They will describe past performance and provide a planning for the activities of the next reporting period. They will also provide financial data on commitments entered into and disbursements made, and on commitments and disbursements required to implement the activities planned.

## **Part 5 Legal Context**

The present Grant Agreement shall be the instrument referred to as such in the Article 1 of the Standard Basic Assistance Agreement between the People’s Republic of China and the United Nations Development Programme signed on June 29, 1979.

The detailed rules and regulations governing the Grant Agreement are defined in the Annex II General Terms and Conditions.

## Section II – Results and Resources Framework

| <b>Outcome:</b><br><i>Degradation of medicinal plant populations and key habitats mitigated and local medicinal plant harvester's livelihoods improved in key landscapes of the Upper Yangtze ecoregion through development of a strategic model based</i>  |   |                                   |  |
|---|---|-----------------------------------|--|
| <b>Indicate outcome indicators, including baseline and target indicators</b>  |   |                                   |  |
| <p>1) Policies and regulatory frameworks relevant to wild medicinal plant production and conservation reviewed, enhanced and supported.</p> <p>2) TCM collection best practice and guidelines are integrated in local development agenda as a result of pilot study programmes and outcome of awareness through learning networks and capacity building.</p> <p>3) Increased income levels for the community in pilot areas through diversification of household income.</p> <p>4) Model developed in three pilot sites within the Upper Yangtze ecoregion and adopted by other areas within China.</p> <p>5) Illegal or unsustainable activities regarding harvesting/ collection of wild Medicinal Plants reduced.</p> <p>6) Capacity for medicinal plant resource assessment, management, monitoring and certification developed through learning networks and training courses.</p> |   |                                   |  |
| <b>Intended Outputs</b>   | <b>Indicative Activities</b>  | <b>Responsible Parties</b>        | <b>Inputs</b>  |
| <p><b>OUTPUT 1: Policy and regulatory framework - analyses, recommendations and improvements</b></p> <p><b>Output Indicators:</b></p> <p>1.1 Number of national, provincial and county authorities who receive the analyses of policies and regulatory frameworks relevant to management, marketing and conservation of medicinal plants.</p> <p>1.2 Number of initiatives taken for institutional strengthening and capacity building relevant to the management, marketing and conservation of medicinal plants.</p>  | <p><b>Activity 1.1: Analyze policy and regulatory frameworks and support their revision</b></p> <p>1.1.1: Prepare an inventory of policies and regulatory frameworks that govern the management, marketing and conservation of medicinal plants and identify the information requirements of target audiences.</p> <p>1.1.2: Review and analyze policies and regulatory frameworks that govern the management, marketing and conservation of medicinal plants and gauge activities of policy makers through an opinion survey</p> <p>1.1.3: Support revision and amendment of policies and regulatory frameworks on the basis of the results of review and analysis relevant to the management, marketing and conservation medicinal plants</p> | <p>IUCN, TRAFFIC, FDs, SABTCM</p> | <p>Total: 228,350</p> <p>ECBP: 189,350</p> <p>IUCN: 39,000</p> |
|   | <p><b>Activity 1.2: Promote institutional strengthening and capacity building</b></p> <p>1.2.1: Design a communications strategy, develop the necessary materials and deliver it to the appropriate target audiences.</p> <p>1.2.2: Hold workshops for institutional strengthening and capacity building using the materials developed above</p> <p>1.2.3: Review and synthesise peer-reviewed research studies on the effects of local extinction of wild medicinal plant populations for biodiversity conservation at the landscape and ecosystem levels so that the implications of "cascade effects" can be integrated into policy dialogues</p>  | <p>IUCN, TRAFFIC, FDs, SABTCM</p> |  |

| Intended Outputs   | Indicative Activities  | Responsible Parties  | Inputs   |
|--|--|--|--|
| <p><b>OUTPUT 2: Effective management and monitoring mechanisms for the sustainable production and conservation of selected wild medicinal plants established in pilot project areas.</b></p> <p><b>Output Indicators:</b></p> <p>2.1. Local community based management and monitoring committee functional.</p> <p>2.2. Baseline surveys completed, sustainable harvest levels determined, operational and monitoring guidelines for sustainable collection of selected wild MPs set up and implemented in pilot sites.</p> <p>2.3. At the county level, regulations for selected wild Medicinal Plants collection and trade issued.</p> <p>2.4. Wild Medicinal Plants management agreement on best practices signed and followed by stakeholders.</p> | <p><b>Activity 2.1: Establish community based Medicinal plants management and monitoring system</b></p> <p>2.1.1: Identify and select pilot areas and focal medicinal plant species on the basis of stakeholder consultations and field-level feasibility assessments.</p> <p>2.1.2: Develop practical management and monitoring techniques appropriate to focal medicinal plant species through field-based training and learning exchange between local harvesters and a small team of national and international experts</p> <p>2.1.3: Establish community based management and monitoring committee(s)</p> <p><b>Activity 2.2: Implement sustainable collection plan of selected MPs in pilot sites</b></p> <p>2.2.1: Build capacity through training on techniques for conducting baseline surveys and setting up resource management and monitoring systems in four pilot study sites</p> <p>2.2.2 Conduct baseline survey on the conservation status (including trends in population status and distribution) of medicinal plant species in four pilot study sites.</p> <p>2.2.3 Analyse outcomes of the baseline studies and integrate the results into management plans, certification systems and awareness workshops (see 2.3.2).</p> <p><b>Activity 2.3: Review, revise MPs collections and trade related regulations at county level and test it in pilot sites</b></p> <p>2.3.1: County level regulatory frameworks relevant to the harvest, management and trade of medicinal plants are reviewed, and enhanced; and approaches pilot tested</p> <p>2.3.2: Workshops to raise awareness about the need for sustainable production and conservation of Medicinal Plants</p> <p><b>Activity 2.4: Agree on best practices of MPs management among stakeholders</b></p> <p>2.4.1: Develop and agree on testing of locally appropriate standards (principles, criteria and indicators) for sustainable harvest of wild Medicinal Plants</p> <p>2.4.2: Training on use of the standards</p> <p>2.4.3: Develop, create incentives and review management agreements in pilot study sites</p> <p>2.4.4: Establish trade monitoring systems for medicinal plants to establish baseline data on the diversity, volumes and values of medicinal species in trade from the Upper Yangtze ecoregion, and gathers trade data on focal species being monitored in field sites (size/age estimates, volume traded &amp; where possible, geographic source areas)</p> <p>2.4.5: Conduct monitoring of key species in permanent plots within pilot study sites (established during Indicative Activity 2.2) as part of the adaptive management process</p> <p>2.4.6: Independent review of the standards, management and monitoring plan</p> | <p>WWF, IUCN, TRAFFIC, SABTCM, FDs</p> <p>WWF, TRAFFIC, IUCN, FDs, SABTCM</p> <p>TRAFFIC, WWF, FDs, IUCN, SABTCM</p> <p>ECNRCMM, TRAFFIC, WWF, SABTCM, FDs</p> | <p>Total: 579,900</p> <p>ECBP: 220,300</p> <p>WWF: 305,000</p> <p>TRAFFIC: 23,000</p> <p>IUCN: 10,000</p> <p>ECNRCMM: 7,000</p> <p>3 Forestry departments: 4,000/each</p> <p>SABTCM: 2,600</p> |

| Intended Outputs   | Indicative Activities  | Responsible Parties   | Inputs   |
|--|--|---|--|
| <p><b>OUTPUT 3: Network of learning and exchange established across landscapes, nationally and internationally, that promotes best practices and replicates medicinal plant pilot programs.</b></p> <p><b>Output Indicators:</b></p> <p>3.1 Exchange visits between sites within and between landscapes, provinces and regions.</p> <p>3.2 Links between relevant producer associations and buyer groups created.</p> <p>3.3 Lessons learned from China feed into the process of developing international guidelines and standards for the conservation and sustainable use of medicinal plants.</p> <p>3.4 Build capacity for management, monitoring, and trade assessments through three one week-long training courses which draw on national and international expertise</p> | <p>Activity 3.1: Organize and support exchange visits</p> <p>3.1.1: Organize and support exchange visits</p> <p>Activity 3.2: Establish links between producer associations and buyer groups</p> <p>3.2.1: Establish links between producer associations and buyer groups;</p> <p>Activity 3.3: Develop international guidelines and standards for the conservation and sustainable use of MPs</p> <p>3.3.1: Disseminate lessons learnt from China case studies to further develop international guidelines and standards for the conservation and sustainable use of medicinal plants</p> <p>3.3.2: Integrate the results from a China case study into the process of refining international standards and guidelines for wild medicinal plant harvest.</p> <p>3.3.3: Hold a workshop at the CBD COP9 to showcase the project, raise awareness of medicinal plant conservation issues and share experiences of successful sustainable harvesting enterprises and how such schemes can contribute to poverty alleviation</p> <p>Activity 3.4: Build capacity for forest staff and local university students on management, monitoring and trade assessment of MPs</p> <p>3.4.1: Field based training for harvesters, conservation and forestry staff as well as local university students on applied methods for assessment of medicinal plant populations and yields for sustainable harvest.</p> | <p>WWF, IUCN, TRAFFIC</p> <p>TRAFFIC, WWF, SABTCM</p> <p>WWF, TRAFFIC, IUCN</p> <p>TRAFFIC, WWF, IUCN, SABTCM</p> | <p>Total: 152,860</p> <p>ECBP: 115,700</p> <p>WWF: 7,560</p> <p>TRAFFIC: 24,000</p> <p>IUCN: 2,000</p> <p>3 Forestry Departments: 1,200/each</p>   |
| <p><b>OUTPUT 4: Awareness raised among key stakeholders of the benefits of sustainable use of wild MPs</b></p> <p><b>Output Indicators:</b></p> <p>4.1 Communications materials (publications, video, VCD, DVD, advertisements, etc.) for different target groups produced and distributed.</p> <p>4.2 Public campaign to promote links between health, habitat, and sustainable use of medicinal plants completed.</p>  | <p>Activity 4.1: Develop and deliver communication materials to relevant audiences</p> <p>4.1.1: Publish brochures, and posters and produce VCDs, DVDs and videos.</p> <p>4.1.2: Promote recognition and use of sustainably sourced products</p> <p>Activity 4.2: Implement awareness campaign with partners for promoting of sustainable use MPs</p> <p>4.2.1: Study visits to Pilot Sites for government officials.</p> <p>4.2.2: Awareness campaigns via the media (radio, television, newspapers, internet).</p> <p>4.2.3: Implement awareness activities through local organizations, NGOs, and government partners.</p>  | <p>WWF, TRAFFIC, IUCN</p> <p>WWF, TRAFFIC, IUCN, SABTCM</p>   | <p>Total: 149,300</p> <p>ECBP: 82,100</p> <p>WWF: 22,200</p> <p>TRAFFIC: 30,000</p> <p>3 Forestry departments: 4,000/each</p> <p>SABTCM: 3,000</p> |

| Intended Outputs  | Indicative Activities   | Responsible Parties  | Inputs  |
|---|---|--|---|
| <p>OUTPUT 5: Promote sustainable production and conservation of medicinal plants through certification and other marketing strategies.</p> <p><u>Output Indicators:</u></p> <p>5.1. Clear step-by-step certification guidelines appropriate to local conditions are developed, produced and distributed.</p> <p>5.2. Demonstrate a system for monitoring the supply chain of sustainably managed wild Chinese medicinal plants.</p> <p>5.3. Minimum of three products are in the process of being certified</p> <p>5.4. Minimum one agreement with at least one international and one national buyer for a minimum of one certified product</p> | <p>Activity 5.1: Develop and adapt certification guidelines for use of MPs</p> <p>5.1.1: Develop guidelines for certification of sustainable production of Medicinal Plants.</p> <p>5.1.2: Raise awareness with stakeholders (harvesters, traders, private enterprise) about the benefits of relevant certification systems which provide an incentive for sustainable production and conservation of Medicinal Plants</p> <p>Activity 5.2: Demonstrate the supply chain of sustainable managed wild MPs for selected species</p> <p>5.2.1: Establish monitoring and chain of custody systems that successfully distinguish sustainably harvested wild Medicinal Plants from cultivated or illegally harvested products.</p> <p>5.2.2: Set up a facility demonstrating local value adding and reduced wastage through proper processing and grading of sustainably harvested medicinal plants</p> <p>5.2.3: Build capacity for supply chain management of medicinal plants.</p> <p>Activity 5.3: Promote certification process for three MP products</p> <p>5.3.1: Identify pilot sites for development of certification-ready products from selected Medicinal Plant species.</p> <p>5.3.2: Implement programme for collection of Medicinal Plants in selected pilot areas for certification-ready products and complete a scoping visit by an expert team</p> <p>Activity 5.4: Establish trade alliance and sign agreements for supply of MP products to national and international enterprises</p> <p>5.4.1: Establish trade alliances and sign agreements for supply of sustainably harvested products with national and international enterprises.</p> | <p>TRAFFIC,<br/>ECNRCMM, WWF</p> <p>TRAFFIC, WWF,<br/>SABTCM</p> <p>SABTCM, WWF,<br/>TRAFFIC</p> <p>TRAFFIC, WWF,<br/>SABTCM</p> | <p>Total: 599,500</p> <p>ECBP: 330,450</p> <p>WWF: 244,050</p> <p>TRAFFIC: 9,000</p> <p>ECNRCMM: 8,000</p> <p>3 Forestry departments:<br/>2,000/each</p> <p>SABTCM: 2,000</p> |

| Intended Outputs   | Indicative Activities  | Responsible Parties  | Inputs   |
|--|--|--|--|
| <p><b>OUTPUT 6: Income generation and conservation of TCM plants and their ecosystems.</b></p> <p><u>Output Indicators:</u></p> <p>6.1 Portion of income from sustainable sources has increased, without collateral damage to medicinal plants populations, habitats, or ecosystems.</p> <p>6.2. Proportion of medicinal plant harvesters with access to stable markets and prices has increased.</p> <p>6.3. Alternative livelihood options and diversified household income for local communities reliant on medicinal plant harvest increased.</p> <p>6.4 Adoption rates of sustainable income generating activities increased.</p> | <p><u>Activity 6.1: Support value-added MP management projects to communities for increasing income to householders</u></p> <p>6.1.1: Develop and establish indicators of value of Medicinal Plants at a household level based on field-tested interview surveys, selection of appropriate indicators and completed baseline and repeat surveys.</p> <p>6.1.2: Develop approaches that add value to current Medicinal Plants products through local, value-added processing (grading, improved packing) and reduced wastage (better drying and storage).</p> <p><u>Activity 6.2: Support communities to access stable markets with higher prices</u></p> <p>6.2.1: Establish links between collectors / farmers and the market (facilitate formation of producer associations which cooperate to get economies of scale (supply, transport, and tracking Chain of Custody for sustainably harvested products).</p> <p>6.2.2: Review and develop relevant alliances between medicinal plant businesses and producer communities</p> <p>6.2.3: Establish test areas for household level cultivation and agro-forestry production of Medicinal Plants.</p> <p><u>Activity 6.3: Support alternative livelihood projects to communities</u></p> <p>6.3.1: Through coordination with existing rural development projects in the Upper Yangtze ecoregion, help develop alternative income sources (ecotourism, home stays, guiding, honey and poultry production) to diversify household income in communities where Medicinal Plants have limited economic value.</p> <p><u>Activity 6.4: Survey and analysis of adoption rates or sustainable income generating activities</u></p> <p>6.4.1: Survey and analysis of adoption rates or sustainable income generating activities (e.g. bee keeping, wild vegetable and medicinal plant cultivation, home stay hotels, poultry production)</p> | <p>WWF, TRAFFIC</p> <p>WWF, TRAFFIC</p> <p>WWF</p> <p>WWF</p> <p>All parties</p> | <p>Total: 1,129,300</p> <p>ECBP: 301,100</p> <p>WWF: 826,200</p> <p>3 Forestry departments: 500/each</p> <p>SABTCM: 500</p> <p>Total: 559,670</p> <p>ECBP: 402,920</p> <p>WWF: 136,750</p> <p>3 Forestry Department: 5,000/each</p> <p>SABTCM: 5,000</p> |
| <p><b>OUTPUT 7: Project Management Support</b></p> <p><u>Output Indicator:</u></p> <p>7.1: The Project Management Officer (PMO) is set up and in operation.</p>  | <p>7.1.1: Project Staff Salary</p> <p>7.1.2: Travel for project staff (pilot sites, trainings and workshops etc.)</p> <p>7.1.3: Office Cost</p> <p>7.1.4: Inception Ceremony</p>   | <p>All parties</p>   | <p>Total: 559,670</p> <p>ECBP: 402,920</p> <p>WWF: 136,750</p> <p>3 Forestry Department: 5,000/each</p> <p>SABTCM: 5,000</p>   |
| <p>Overheads (maximum 7% of ECBP granted direct cost)</p> <p>Total</p>   |  |  | <p>114934</p> <p>3513814</p>   |

**Section III – Common Work Plan and Budget**

1. Annual Work Plan Year 2007

Project Title: Sustainable Management of Traditional Medicinal Plants in High-biodiversity Landscapes of Upper Yangtze Ecoregion

| Expected Outputs   | Planned Activities   | PLANNED BUDGET |                           |                                |                        |                 |              |                |                 |                 |               |                |  | Total (USD) |  |  |        |
|--|--|----------------|---------------------------|--------------------------------|------------------------|-----------------|--------------|----------------|-----------------|-----------------|---------------|----------------|--|-------------|--|--|--------|
|  |  | 2007           |                           | Source & Amount of Funds (USD) |                        |                 |              |                |                 |                 |               |                |  |             |  |  |        |
|  |  | Q4             | RESPONSIBLE PARTIES       | EGBP                           | Executing Agent (WVWF) | Partner TRAFFIC | Partner IUCN | Partner EGNRCM | Partner Sichuan | Partner Shaanxi | Partner Gansu | Partner SABICM |  |             |  |  |        |
| Indicator 1.1: Number of national, provincial and county authorities who receive the analyses of policies and regulatory frameworks relevant to management, marketing and conservation of medicinal plants | Activity 1.1: Analyze policy and regulatory frameworks and support their revision<br><br>1.1.1: Prepare an inventory of policies and regulatory frameworks that govern the management, marketing and conservation of medicinal plants and identify the information requirements of target audiences. |                |                           |                                |                        |                 |              |                |                 |                 |               |                |  |             | 71200 intl Consultants (in environmental law and policy) \$500/day x 10 days   | 5,000  |        |
|  |  | X              | IUCN, TRAFFIC, FDs, STCMB | 10,000                         |                        |                 |              |                |                 |                 |               |                |  |             |  | 71300 National Consultants (in policy analysis and environmental law) \$200/day x 50 days                      | 10,000 |
|  |  |                |                           | 7,950                          |                        |                 |              |                |                 |                 |               |                |  |             |  | 71600 Travel (1 intl x \$800/trip + DSA \$150/day x 5 days, 6 domestic x \$400/trip + DSA \$100/day x 40 days) | 7,950  |
|  |  |                |                           | 22,950                         |                        |                 |              |                |                 |                 |               |                |  |             |  |  | 22,950 |
| <b>Sub-total for 1.1</b>   |  |                |                           |                                |                        |                 |              |                |                 |                 |               |                |  |             |  |  |        |
| <b>OUTPUT 2: Effective management and monitoring mechanisms for the sustainable production and conservation of selected wild medicinal plants established in pilot project areas.</b>                      |  |                |                           |                                |                        |                 |              |                |                 |                 |               |                |  |             |  |  |        |
| Indicator 2.1: Local community based management and monitoring system  | Activity 2.1: Establish community based Medicinal plants management and monitoring system<br>2.1.1: Identify and select pilot areas and focal medicinal plant species on the basis of stakeholder consultations and field-level feasibility assessments.   |                |                           |                                |                        |                 |              |                |                 |                 |               |                |  |             |  |  |        |
|  |  | X              |                           | 800                            | 1,200                  |                 |              |                |                 |                 |               |                |  |             | 71300 National Consultants (in medicinal plants) \$200/day x 10 days           | 2,000  |        |
|  |  |                |                           | 500                            | 700                    |                 |              |                |                 |                 |               |                |  |             |  | 71600 Travel (1 domestic x \$400/trip + DSA \$100/day x 8 days)  | 1,200  |
| <b>Sub-total of 2.1</b>  |  |                |                           | 1,300                          | 1,900                  |                 |              |                |                 |                 |               |                |  |             |  |  | 3,200  |
| Indicator 2.4: Wild Medicinal Plants management agreement on best practices signed and followed.   | Activity 2.4: Agree on best practices of MPs management among stakeholders<br>2.4.1: Develop and agree on testing of locally appropriate standards (principles, criteria and indicators) for sustainable harvest of wild Medicinal Plants  |                |                           |                                |                        |                 |              |                |                 |                 |               |                |  |             |  |  |        |
|  |  | X              |                           | 6,400                          |                        |                 | 200          | 200            |                 |                 |               |                |  |             | 71300 National Consultants (Harvesting and trade experts) (\$200/day x 36days) | 7,200  |        |
|  |  |                |                           | 3,600                          |                        |                 |              |                |                 |                 |               |                |  |             |  | 71600 Travel (4 domestic x \$400 + DSA \$100/day x 20 days)  | 3,600  |
| <b>Sub-total of 2.4</b>  |  |                |                           | 10,000                         | 2,500                  |                 |              | 200            | 200             |                 |               |                |  |             | 74500 Miscellaneous Expenses   | 3,000  |        |
| <b>Sub-total of output 2</b>   |  |                |                           | 11,300                         | 4,400                  |                 |              | 200            | 200             |                 |               |                |  |             |  |  | 17,000 |





2. Annual Work Plan Year 2008

Project Title: Sustainable Management of Traditional Medicinal Plants in High-biodiversity Landscapes of Upper Yangtze Ecoregion

| Expected Outputs   | Planned Activities  | PLANNED BUDGET |    |                                |    |                           |        |                        |                 |              |                | Total (USD) |                    |  |                 |                 |                           |  |                              |        |
|--|---|----------------|----|--------------------------------|----|---------------------------|--------|------------------------|-----------------|--------------|----------------|-------------|--------------------|--|-----------------|-----------------|---------------------------|--|------------------------------|--------|
|  |   | 2008           |    | Source & Amount of Funds (USD) |    |                           |        |                        |                 |              |                |             | Budget Description |  |                 |                 |                           |  |                              |        |
|  |   | Q1             | Q2 | Q3                             | Q4 | RESPONSIBLE PARTIES       | EGBP   | Executing Agent (WAVE) | Partner TRAFFIC | Partner IUCN | Partner EGNRCM |             |                    | Partner Provincial Forestry Department | Partner Sichuan | Partner Shaanxi | Partner Gansu             | Partner SABTCM   |                              |        |
| <b>OUTPUT 1: Policy and regulatory framework - analyses, recommendations and improvements</b>  |   |                |    |                                |    |                           |        |                        |                 |              |                |             |                    |  |                 |                 |                           |  |                              |        |
| Indicator 1.1: Number of national, provincial and county authorities who receive the analyses of policies and regulatory frameworks relevant to management, marketing and conservation of medicinal plants | Activity 1.1: Analyze policy and regulatory frameworks and support their revision<br>1.1.1: Prepare an inventory of policies and regulatory frameworks that govern the management, marketing and conservation of medicinal plants and identify the information requirements of target audiences.<br>1.1.2: Review and analyze policies and regulatory frameworks that govern the management, marketing and conservation of medicinal plants and gauge activities of policy makers through an opinion survey<br>1.1.3: Support revision and amendment of policies and regulatory frameworks on the basis of the results of review and analysis relevant to the management, marketing and conservation medicinal plants | X              | X  | X                              | X  | IUCN, TRAFFIC, FDs, STCMB | 28,000 |                        |                 | 4,000        |                |             |                    |  |                 |                 |                           | 71200 int'l Consultants (in environmental law and policy)                    | 15,000                       |        |
|  |   |                |    |                                |    |                           |        |                        |                 |              |                |             |                    |  |                 |                 |                           | 71300 National Consultants (in policy analysis and environmental law)        | 32,000                       |        |
|  |   |                |    |                                |    |                           |        | 10,550                 |                 |              |                |             |                    |  |                 |                 |                           |  | 71600 Travel                 | 10,550 |
|  |   |                |    |                                |    |                           |        | 6,000                  |                 |              |                |             |                    |  |                 |                 |                           |  | 74500 Miscellaneous Expenses | 6,000  |
| Indicator 1.2: Number of initiatives taken for institutional strengthening and capacity building relevant to the management, marketing and conservation of medicinal plants                                | Activity 1.2: Promote institutional strengthening and capacity building<br>1.2.1: Design a communications strategy, develop the necessary materials and deliver it to the appropriate target audiences.<br>1.2.2: Hold workshops for institutional strengthening and capacity building using the materials developed above<br>1.2.3: Review and synthesise peer-reviewed research studies on the effects of local extinction of wild medicinal plant populations for biodiversity conservation at the landscape and ecosystem levels so that the implications of "cascade effects" can be integrated into policy dialogues  |                |    |                                |    | IUCN, TRAFFIC, FDs, STCMB | 1,000  |                        |                 |              |                |             |                    |  |                 |                 |                           | 74200 Audio Visual & Print Prod. Costs                                       | 1,000                        |        |
|  |   |                |    |                                |    |                           |        | 45,550                 |                 | -            | 19,000         |             |                    |  |                 |                 |                           | 71200 int'l Consultants (in environmental law, policy and capacity-building) | 64,550                       |        |
|  |   |                |    |                                |    |                           |        | 3,000                  |                 |              | 5,000          |             |                    |  |                 |                 |                           | 71300 National Consultants (in policy analysis and environmental law)        | 8,000                        |        |
|  |   |                |    |                                |    |                           |        | 12,000                 |                 |              |                |             |                    |  |                 |                 |                           |  | 71600 Travel                 | 12,000 |
| <b>Sub-total for 1.2</b>   |   |                |    |                                |    |                           | 12,300 |                        |                 |              |                |             |                    |  |                 |                 | 72100 Contractual Service | 12,300   |                              |        |
| <b>Sub-total for 1.1</b>   |   |                |    |                                |    |                           | 4,000  |                        |                 |              |                |             |                    |  |                 |                 |                           | 74500 Miscellaneous Expenses   | 4,000                        |        |
| <b>Sub-total for 1.2</b>   |   |                |    |                                |    |                           | 2,600  |                        |                 |              |                |             |                    |  |                 |                 |                           |  | 74500 Miscellaneous Expenses | 2,600  |
| <b>Subtotal for output 1</b>   |   |                |    |                                |    |                           | 33,900 |                        |                 |              | 5,000          |             |                    |  |                 |                 |                           |  | 38,900                       |        |
| <b>Subtotal for output 1</b>   |   |                |    |                                |    |                           | 79,450 |                        |                 |              | 24,000         |             |                    |  |                 |                 |                           |  | 103,450                      |        |





| Expected Outputs  | Planned Activities   | 2008                |    |    |    |        |                       |                 |              |                |                                      | PLANNED BUDGET |       |                 |  |        |  |  |  |  |  | Total (USD) |
|---|--|---------------------|----|----|----|--------|-----------------------|-----------------|--------------|----------------|--------------------------------------|----------------|-------|-----------------|--|--------|--|--|--|--|--|-------------|
|   |  | RESPONSIBLE PARTIES |    |    |    | BOBP   | Executing Agent (WWF) | Partner TRAFFIC | Partner IUCN | Partner EGNRCM | Partner Provincial Forest Department |                |       | Partner SABBTCM | Budget Description                                   |        |  |  |  |  |  |             |
|   |  | Q1                  | Q2 | Q3 | Q4 |        |                       |                 |              |                | Sichuan                              | Shaanxi        | Gansu |                 |  |        |  |  |  |  |  |             |
| Indicator 3.4: Build capacity for management, monitoring, and trade assessments through three one week-long training courses which draw on national and international expertise | Activity 3.4: Build capacity for forest staff and local university students on management, monitoring and trade assessment of MPs<br>3.4.1: Field based training for harvesters, conservation and forestry staff as well as local university students on applied methods for assessment of medicinal plant populations and yields for sustainable harvest.   |                     | X  | X  |    | 5,000  |                       |                 |              |                |                                      |                |       |                 | 71200 intl Consultants (Survey experts)              | 5,000  |  |  |  |  |  |             |
|   |  |                     |    | X  |    | 4,000  | 4,000                 |                 |              |                |                                      |                |       |                 | 71300 National Consultants (Survey experts)          | 8,000  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 6,050  |                       |                 |              |                |                                      |                |       |                 | 71600 Travel   | 6,050  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 6,000  |                       |                 |              |                |                                      |                |       |                 | 72100 Contractual Service                            | 6,000  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 1,000  |                       |                 |              |                |                                      |                |       |                 | 74500 Miscellaneous                                  | 1,000  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 22,050 | 4,000                 |                 |              |                |                                      |                |       |                 |  | 26,050 |  |  |  |  |  |             |
|   |  |                     |    |    |    | 58,050 | 16,000                | 1,000           |              |                |                                      | 600            | 600   |                 |  | 80,810 |  |  |  |  |  |             |
| <b>Sub-total of output 3</b>  |  |                     |    |    |    |        |                       |                 |              |                |                                      |                |       |                 |  |        |  |  |  |  |  |             |
| <b>OUTPUT 4: Awareness raised among key stakeholders of the benefits of sustainable use of wild MPs</b>   |  |                     |    |    |    |        |                       |                 |              |                |                                      |                |       |                 |  |        |  |  |  |  |  |             |
| Indicator 4.2: Public campaign to promote links between health, habitat, and sustainable use of medicinal plants completed.   | Activity 4.2: Implement awareness campaign with partners for promoting of sustainable use MPs<br>4.2.2: Awareness campaigns via the media (radio, television, newspapers, internet).<br>4.2.3: Implement awareness activities through local organizations, NGOs, and government partners.  |                     | X  | X  |    | 3,000  |                       |                 |              |                |                                      |                |       |                 | 71300 National consultant (in medicinal plants)      | 14,000 |  |  |  |  |  |             |
|   |  |                     |    | X  |    | 2,700  | 4,000                 |                 |              |                |                                      | 500            | 500   |                 | 71600 Travel (for workshops and awareness campaigns) | 8,200  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 14,240 |                       |                 |              |                |                                      |                |       |                 |  | 14,240 |  |  |  |  |  |             |
|   |  |                     |    |    |    | 1,800  |                       |                 |              |                |                                      |                |       |                 | 74500 Miscellaneous                                  | 1,800  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 19,940 | 5,800                 | 7,000           |              |                |                                      | 1,500          | 1,500 |                 |  | 38,240 |  |  |  |  |  |             |
|   |  |                     |    |    |    | 19,940 | 5,800                 | 7,000           |              |                |                                      | 1,500          | 1,500 |                 |  | 38,240 |  |  |  |  |  |             |
| <b>Sub-total of output 4</b>  |  |                     |    |    |    |        |                       |                 |              |                |                                      |                |       |                 |  |        |  |  |  |  |  |             |
| <b>OUTPUT 5: Promote sustainable production and conservation of medicinal plants through certification and other marketing strategies</b>                                       |  |                     |    |    |    |        |                       |                 |              |                |                                      |                |       |                 |  |        |  |  |  |  |  |             |
| Indicator 5.1: Clear step-by-step certification guidelines appropriate to local conditions are developed, produced and distributed.   | Activity 5.1: Develop and adapt certification guidelines for use of MPs<br>5.1.1: Develop guidelines for certification of sustainable production of Medicinal Plants.<br>5.1.2: Raise awareness with stakeholders (harvesters, traders, private enterprise) about the benefits of relevant certification systems which provide an incentive for sustainable production and conservation of Medicinal plants. |                     | X  | X  |    | 3,000  |                       | 6,000           |              |                |                                      |                |       |                 | 71200 intl consultant (in Certification)             | 9,000  |  |  |  |  |  |             |
|   |  |                     |    | X  |    | 3,025  | 2,375                 |                 |              |                | 2,600                                |                |       |                 | 71300 National Consultants (in Certification)        | 8,000  |  |  |  |  |  |             |
|   |  |                     |    | X  |    | 2,000  | 5,250                 |                 |              |                |                                      |                |       |                 | 71600 Travel   | 7,250  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 8,300  | 5,000                 |                 |              |                |                                      |                |       |                 | 72100 Contractual Service for workshops              | 13,300 |  |  |  |  |  |             |
|   |  |                     |    |    |    | 2,300  |                       |                 |              |                |                                      |                |       |                 | 74500 Miscellaneous (translation)                    | 2,300  |  |  |  |  |  |             |
|   |  |                     |    |    |    | 16,325 | 14,925                | 6,000           |              |                | 2,600                                |                |       |                 |  | 39,850 |  |  |  |  |  |             |
| <b>Sub-total of output 5</b>  |  |                     |    |    |    |        |                       |                 |              |                |                                      |                |       |                 |  |        |  |  |  |  |  |             |

| PLANNED BUDGET   |   |      |    |    |         |                     |                                |                       |                  |               |                 |                                       |             |         |       |  |  |  |  |         |
|--|---|------|----|----|---------|---------------------|--------------------------------|-----------------------|------------------|---------------|-----------------|---------------------------------------|-------------|---------|-------|--|--|--|--|---------|
| Expected Outputs   | Planned Activities  | 2008 |    |    |         | RESPONSIBLE PARTIES | Source & Amount of Funds (USD) |                       |                  |               |                 |                                       | Total (USD) |         |       |  |  |  |  |         |
|  |   | Q1   | Q2 | Q3 | Q4      |                     | EGBBP                          | Executing Agent (WWF) | Partner: TRAFFIC | Partner: IUCN | Partner: EGNROM | Partner: Provincial Forest Department |             |         |       |  |  |  |  |         |
|  |   |      |    |    |         |                     |                                |                       |                  |               |                 | Sichuan                               |             | Shaanxi | Gansu |  |  |  |  |         |
| Budget Description   |   |      |    |    |         |                     |                                |                       |                  |               |                 |                                       |             |         |       |  |  |  |  |         |
| Indicator 5.2: Demonstrate a system for monitoring the supply chain of sustainably managed wild Chinese medicinal plants.          | Activity 5.2: Demonstrate the supply chain of sustainable managed wild MPs for selected species<br>5.2.1: Establish monitoring and chain of custody systems that successfully distinguish sustainably harvested wild Medicinal Plants from cultivated or illegally harvested products.<br>5.2.2: Set up a facility demonstrating local value adding and reduced wastage through proper processing and grading of sustainably harvested medicinal plants<br>5.2.3: Build capacity for supply chain management of medicinal plants. |      |    |    |         |                     | 10,000                         | 12,500                |                  |               |                 |                                       |             |         |       |  |  | 71200 int'l consultant (Certification experts)     | 22,500   |         |
|  |   |      |    |    |         |                     | 4,000                          | 8,100                 |                  | 1,400         | 500             | 500                                   | 500         | 1,000   |       |  |  | 71300 national consultants (Certification experts) | 16,000   |         |
|  |   |      | X  | X  | X       |                     | 12,250                         | 9,000                 |                  |               | 500             | 500                                   |             |         |       |  |  | 71600 Travel                                       | 22,750   |         |
|  |   |      |    |    |         |                     | 18,600                         | 4,500                 |                  |               |                 |                                       |             |         |       |  |  |  | 71600 Travel (vehicle rental)                          | 23,100  |
|  |   |      |    |    |         |                     | 5,800                          | 24,700                |                  |               |                 |                                       |             |         |       |  |  |  | 72100 contractual service for workshops                | 30,500  |
|  |   |      |    |    |         |                     | 2,000                          | 8,000                 |                  |               |                 |                                       |             |         |       |  |  |  | 74500 Miscellaneous Expenses (Translation/publication) | 10,000  |
|  |   |      |    |    |         |                     | 52,650                         | 66,800                |                  |               | 1,400           | 1,000                                 | 1,000       | 1,000   | 1,000 |  |  |  |  | 124,950 |
| Indicator 5.3: Minimum of three products are in the process of being certified   | Activity 5.3: Promote certification process for three MP products<br>5.3.1: Identify pilot sites for development of certification-ready products from selected Medicinal Plant species.   |      |    |    |         |                     |                                |                       |                  |               |                 |                                       |             |         |       |  |  | 71200 int'l consultant (in certification)          | 10,000   |         |
|  |   | X    |    |    |         |                     | 3,000                          | 3,000                 |                  |               |                 |                                       |             |         |       |  |  | 71300 National Consultants (in certification)      | 6,000  |         |
|  |   |      |    |    |         |                     | 5,300                          | 2,350                 |                  |               |                 |                                       |             |         |       |  |  | 71600 Travel                                       | 7,650  |         |
|  |   |      |    |    |         |                     | 13,300                         | 12,000                |                  |               |                 |                                       |             |         |       |  |  |  | 72100 Contractual service for workshops                | 25,300  |
|  |   |      |    |    |         |                     | 31,600                         | 17,350                |                  |               |                 |                                       |             |         |       |  |  |  |  | 48,950  |
| Indicator 5.4: Minimum one agreement with at least one international and one national buyer for a minimum of one certified product | Activity 5.4: Establish trade alliance and sign agreements for supply of MP products to national and international enterprises<br>5.4.1: Establish trade alliances and sign agreements for supply of sustainably harvested products with national and international enterprises.  |      |    |    |         |                     |                                |                       |                  |               |                 |                                       |             |         |       |  |  | 71200 int'l consultant (TCM Trade experts)         | 25,000   |         |
|  |   | X    |    |    |         |                     | 18,000                         |                       |                  |               |                 |                                       |             |         |       |  |  | 71300 National Consultants (TCM Trade experts)     | 18,000   |         |
|  |   |      | X  | X  | X       |                     | 18,000                         | 11,250                |                  |               |                 |                                       |             |         |       |  |  |  | 71600 Travel   | 29,250  |
|  |   |      |    |    |         |                     | 7,000                          | 5,000                 |                  |               |                 |                                       |             |         |       |  |  |  | 72100 Contractual Service for workshops                | 12,000  |
|  |   |      |    |    |         |                     | 8,000                          | 6,000                 |                  |               |                 |                                       |             |         |       |  |  |  | 74500 Miscellaneous Expenses                           | 14,000  |
| <b>Sub total of output 5</b>   |   |      |    |    | 176,575 | 121,325             |                                | 6,000                 | 4,000            | 1,000         | 1,000           | 1,000                                 | 1,000       |         |       |  |  | 311,900  |  |         |

| Expected Outputs   | Planned Activities   | PLANNED BUDGET                 |                       |                 |              |                |           |                                      |     |                 |                 |               |                | Total (USD) |    |    |  |   |   |                |
|--|--|--------------------------------|-----------------------|-----------------|--------------|----------------|-----------|--------------------------------------|-----|-----------------|-----------------|---------------|----------------|-------------|----|----|--|---|---|----------------|
|  |  | Source & Amount of Funds (USD) |                       |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   |   |                |
|  |  | EODP                           | Executing Agent (WWF) | Partner TRAFFIC | Partner TUGN | Partner ECNRGM | Partner M | Partner Provincial Forest Department |     | Partner Sichuan | Partner Shaanxi | Partner Gansu | Partner SABTGM |             |    |    |  |   |   |                |
|  |  |                                |                       |                 |              |                |           | Q1                                   | Q2  |                 |                 |               |                |             | Q3 | Q4 |  |   |   |                |
| RESPONSIBLE PARTIES  |  |                                |                       |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   |   |                |
| 2008   |  |                                |                       |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   |   |                |
| Indicator 6.1: Portion of income from sustainable sources has increased.   | Activity 6.1: Support value-added MP management projects to communities for increasing income to householders<br>6.1.1: Develop and establish indicators of value of Medicinal Plants at a household level based on field-tested interview surveys, selection of appropriate indicators and completed baseline and repeat surveys.<br>6.1.2: Develop approaches that add value to current Medicinal Plants products through local, value-added processing (grading, improved packing) and reduced wastage (better drying and storage).                           | 11,000                         |                       |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  | 71200 int'l consultant (Survey experts)           | 11,000  |                |
|  |  | 5,000                          | 5,000                 |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | 71300 National Consultants (Survey experts)                               | 10,000         |
|  |  | 7,100                          | 5,000                 |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | 71600 Travel  | 12,100         |
|  |  | 30,000                         | 10,000                |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | 72100 Contractual Service (materials for packaging improvement testing)   | 40,000         |
| <b>Sub-total of 6.1</b>  |  | <b>53,100</b>                  | <b>20,000</b>         |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | <b>73,100</b>   |                |
| Indicator 6.2: Proportion of medicinal plant harvesters with access to stable markets and prices has increased.                                    | Activity 6.2: Support communities to access stable markets with higher prices<br>6.2.1: Establish links between collectors / farmers and the market (facilitate formation of producer associations which cooperate to get economies of scale (supply, transport, and tracking Chain of Custody for sustainably harvested products).<br>6.2.2: Review and develop relevant alliances between medicinal plant businesses and producer communities<br>6.2.3: Establish test areas for household level cultivation and agro-forestry production of Medicinal Plants. | 3,000                          | 3,000                 |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  | 71300 National Consultants (in rural development) | 6,000   |                |
|  |  | 3,400                          |                       |                 |              |                |           | 500                                  | 500 | 500             |                 |               |                |             |    |    |  | 71600 Travel                                      | 5,400   |                |
|  |  | 37,000                         | 145,000               |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | 72100 Contractual Service (fro workshops & cultivation materials)         | 182,000        |
|  |  | 1,600                          | 1,600                 |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | 74500 Miscellaneous Expenses  | 3,200          |
| <b>Sub-total of 6.2</b>  |  | <b>45,000</b>                  | <b>149,600</b>        |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | <b>196,600</b>  |                |
| Indicator 6.3: Alternative livelihood options and diversified household income for local communities reliant on medicinal plant harvest increased. | Activity 6.3: Support alternative livelihood projects to communities<br>6.3.1: Through coordination with existing rural development projects in the Upper Yangtze ecoregion, help develop alternative income sources (ecotourism, home stays, guiding, honey and poultry production) to diversify household income in communities where Medicinal Plants have limited economic value.  | 6,000                          |                       |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  | 71300 National Consultants (in rural development) | 6,000   |                |
|  |  | 38,000                         | 250,000               |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | 72100 Contractual service (for workshops, and seedlings & for home stays) | 288,000        |
|  |  | 4,000                          |                       |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | 74500 Miscellaneous Expenses  | 4,000          |
|  |  | <b>48,000</b>                  | <b>250,000</b>        |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   |   | <b>298,000</b> |
| <b>Sub-total of 6.3</b>  |  | <b>48,000</b>                  | <b>250,000</b>        |                 |              |                |           |                                      |     |                 |                 |               |                |             |    |    |  |   | <b>298,000</b>  |                |

| PLANNED BUDGET  |  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  |                  |
|---|--|------|----|----|----|---------------------|--------------------------------|------------------|---------------|-----------------|---------------------------------------|------------------|--------------------|--|------------------|
| Expected Outputs  | Planned Activities   | 2008 |    |    |    | RESPONSIBLE PARTIES | Source & Amount of Funds (USD) |                  |               |                 |                                       |                  | Budget Description | Total (USD)  |                  |
|   |  | Q1   | Q2 | Q3 | Q4 |                     | Executing Agent (WWF)          | Partner: TRAFFIC | Partner: TUCN | Partner: EGNRCM | Partner: Provincial Forest Department | Partner: Sichuan |                    |  | Partner: Shaanxi |
| Indicator 6.4:<br>Adoption rates of sustainable income generating activities increased. | Activity 6.4: Survey and analysis of adoption rates or sustainable income generating activities<br>6.4.1: Survey and analysis of adoption rates or sustainable income generating activities (e.g. bee keeping, wild vegetable and medicinal plant cultivation, home stay hotels, poultry production) |      | X  |    |    | WWF                 |                                |                  |               |                 |                                       |                  |                    | 71300 National Consultants (Survey experts)  | 6,000            |
|   | <b>Sub-total of 6.4</b>  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    | 74500 Miscellaneous Expenses (Translation/publication)   | 30,000           |
|   | <b>Sub total of output 6</b>   |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 36,000           |
|   | <b>Output 7: Project Management Support</b>  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 603,700          |
| Indicator 7.1: The Project Management Officer (PMO) is set up and in operation.         | 7.1.1: Project Staff Salary (including all long term project key personnel)  | X    | X  | X  | X  | All partners        |                                |                  |               |                 |                                       |                  |                    | Project leader, 1 person, 12 months;<br>Deputy project leader: 1 person, 12 months;<br>Donor/partner relationship officer: 1 person, 6 months<br>Trade Officer: 1 person, 10 months<br>Field MP officers: 2 people, 12 months/person<br>Finance officer: 12 months | 167,250          |
|   | <b>Subtotal for 7.1.1</b>  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 167,250          |
|   | 7.1.2: Travel for project staff (pilot sites, trainings and workshops etc.)  | X    | X  | X  | X  | All partners        |                                |                  |               |                 |                                       |                  |                    | 71600 Domestic travel<br>71600 Int'l travel  | 20,000           |
|   | <b>Subtotal for 7.1.2</b>  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 20,000           |
|   | 7.1.3: Office Cost   | X    | X  | X  | X  | All partners        |                                |                  |               |                 |                                       |                  |                    | 72200 Equipment and Furniture<br>74500 Office rental<br>74500 Miscellaneous Expenses:  | 24,000           |
|   | <b>Subtotal for 7.1.3</b>  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 12,000           |
|   | <b>Sub-total of output 7</b>   |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 36,000           |
|   | <b>Sub-Total of all outputs</b>  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 223,250          |
|   | <b>Overheads (Maximum 7% of ECBP granted direct cost)</b>  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 1,645,540        |
|   | <b>TOTAL</b>   |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 53,363           |
|   |  |      |    |    |    |                     |                                |                  |               |                 |                                       |                  |                    |  | 1,698,903        |



3. Annual Work Plan Year 2009

Project Title: Sustainable Management of Traditional Medicinal Plants in High-biodiversity Landscapes of Upper Yangtze Ecoregion

| Expected Outputs   | Planned Activities   | PLANNED BUDGET |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                |        |
|--|--|----------------|----|----|----|--------------------------------|-----------------------|-----------------|--------------|--------------------|--------------------------------------|---------------------------------------|--|----------------|--------|
|  |  | 2009           |    |    |    | Source & Amount of Funds (USD) |                       |                 |              |                    |                                      |                                       |  | Total (USD)    |        |
|  |  | Q1             | Q2 | Q3 | Q4 | RESPONSIBLE PARTNERS           | Executing Agent (WWF) | Partner TRAFFIC | Partner IUCN | Partner ECNR/COM M | Partner Provincial Forest Department | Partner Sichuan Shaanxi Gansu SABC/CM |  |                |        |
| <b>OUTPUT 1: Policy and regulatory framework— analyses, recommendations and improvements</b>   |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                |        |
| Indicator 1.1: Number of national, provincial and county authorities who receive the analyses of policy and regulatory frameworks relevant to management, marketing and conservation of medicinal plants | Activity 1.1: Analyze policy and regulatory frameworks and support their revision<br><br>1.1.2: Review and analyze policies and regulatory frameworks that govern the management, marketing and conservation of medicinal plants and gauge activities of policy makers through an opinion survey<br><br>1.1.3: Support revision and amendment of policies and regulatory frameworks on the basis of the results of review and analysis relevant to the management, marketing and conservation medicinal plants   | X              | X  | X  |    | IUCN, TRAFFIC, FDs, STCMB      | 5,000                 | 5,000           |              |                    |                                      |                                       |  | 10,000         |        |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  | 16,000         |        |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                | 15,550 |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                | 4,000  |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                | 2,600  |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                | 3,000  |
|  |  |                |    |    |    |                                |                       |                 | 5,000        |                    |                                      |                                       |  |                | 5,000  |
| <b>Sub-total for 1.1</b>   |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  | <b>46,150</b>  |        |
| Indicator 1.2: Number of initiatives taken for institutional strengthening and capacity building relevant to the management, marketing and conservation of medicinal plants                              | Activity 1.2: Promote institutional strengthening and capacity building<br><br>1.2.1: Design a communications strategy, develop the necessary materials and deliver it to the appropriate target audiences.<br><br>1.2.2: Hold workshops for institutional strengthening and capacity building using the materials developed above<br><br>1.2.3: Review and synthesise peer-reviewed research studies on the effects of local extinction of wild medicinal plant populations for biodiversity conservation at the landscape and ecosystem levels so that the implications of "cascade effects" can be integrated into policy dialogues | X              | X  | X  |    | IUCN, TRAFFIC, FDs, STCMB      | 3,000                 | 10,000          |              |                    |                                      |                                       |  | 13,000         |        |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  | 14,000         |        |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                | 13,600 |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                | 8,000  |
|  |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  |                | 2,200  |
|  |  |                |    |    |    |                                |                       |                 | 10,000       |                    |                                      |                                       |  |                | 10,000 |
|  |  |                |    |    |    |                                |                       |                 | 15,000       |                    |                                      |                                       |  |                | 15,000 |
| <b>Sub-total for 1.2</b>   |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  | <b>86,950</b>  |        |
| <b>Subtotal for output 1</b>   |  |                |    |    |    |                                |                       |                 |              |                    |                                      |                                       |  | <b>101,950</b> |        |

| Expected Outputs  | Planned Activities  | PLANNED BUDGET   |    |    |    |                                |               |                   |                                       |                  |                  |                |                 | Total (USD)  |  |
|---|---|--|----|----|----|--------------------------------|---------------|-------------------|---------------------------------------|------------------|------------------|----------------|-----------------|--|--|
|   |   | 2009   |    |    |    | Source & Amount of Funds (USD) |               |                   |                                       |                  |                  |                |                 |  |  |
|   |   | Q1   | Q2 | Q3 | Q4 | Partner: TRAFFIC               | Partner: IUCN | Partner: EGNRCM M | Partner: Provincial Forest Department | Partner: Sichuan | Partner: Shaanxi | Partner: Gansu | Partner: SABTCM |  |  |
| <b>OUTPUT 2: Effective management and monitoring mechanisms for the sustainable production and conservation of selected wild medicinal plants established in pilot project areas.</b> |   |  |    |    |    |                                |               |                   |                                       |                  |                  |                |                 |  |  |
| Indicator 2.1: Local community based management and monitoring committee functional   | Activity 2.1: Establish community based Medicinal plants management and monitoring system   |  |    |    |    |                                | 10,000        |                   |                                       |                  |                  |                |                 | 71200 intl Consultants (in medicinal plants)                   | 10,000                                       |
|   | 2.1.2: Develop practical management and monitoring techniques appropriate to focal medicinal plant species through field-based training and learning exchange between local harvesters and a small team of national and international experts | X  | X  | X  |    |                                |               | 3,600             |                                       |                  |                  |                |                 | 71300 National Consultants (in medicinal plants)               | 4,600  |
|   | 2.1.3: Establish community based management and monitoring committee(s)   |  |    |    |    |                                |               | 2,450             |                                       |                  |                  |                |                 | 71600 Travel   | 5,450  |
|   | <b>Sub-total of 2.1</b>   |  |    |    |    |                                |               | 33,400            |                                       |                  |                  |                |                 |  | 53,060                                       |
|   | Indicator 2.2: Baseline surveys completed, sustainable harvest levels determined, operational and monitoring guidelines for sustainable collection of selected wild MPs set up and implemented in pilot sites.                                | Activity 2.2: Implement sustainable collection plan of selected MPs in pilot sites |    |    |    |                                |               |                   |                                       |                  |                  |                |                 |  | 71200 intl Consultants (in medicinal plants) |
|   | 2.2.1: Build capacity through training on techniques for conducting baseline surveys and setting up resource management and monitoring systems in four pilot study sites (Shan Xi 1, Gansu 1, Sichuan 2)                                      |  |    |    |    |                                |               |                   |                                       | 500              |                  |                |                 | 71300 National Consultants (in medicinal plants)               | 3,000  |
|   | 2.2.2 Conduct baseline survey on the conservation status (including trends in population status and distribution) of medicinal plant species in four pilot study sites.   |  | X  |    |    |                                |               |                   |                                       |                  | 500              |                |                 | 71600 Travel   | 5,700  |
|   | 2.2.3 Analyse outcomes of the baseline studies and integrate the results into management plans, certification systems and awareness workshops (see 2.3.2).  |  |    |    |    |                                |               |                   |                                       |                  |                  |                |                 | 72100 Contractual Service for workshops and conducting surveys | 91,500                                       |
|   | <b>Sub-total of 2.2</b>   |  |    |    |    |                                |               |                   |                                       |                  |                  |                |                 |  | 115,500                                      |
| Indicator 2.3: Regulations for selected wild Medicinal Plants collection and trade issued by county authorities.  | Activity 2.3: Review, revise MPs collections and trade related regulations at county level and test it in pilot sites   |  |    |    |    |                                |               |                   |                                       |                  |                  |                |                 | 71300 National Consultants (in TCM trade)                      | 6,000  |
|   | 2.3.1: County level regulatory frameworks relevant to the harvest, management and trade of medicinal plants are reviewed, and enhanced; and approaches pilot tested   | X  | X  | X  |    |                                |               |                   |                                       |                  | 500              |                |                 | 71600 Travel   | 8,000  |
|   | 2.3.2: Workshops to raise awareness about the need for sustainable production and conservation of Medicinal Plants  |  |    |    |    |                                |               |                   |                                       |                  |                  |                |                 | 72100 Contractual service for workshops & meetings             | 13,300                                       |
|   | <b>Sub-total of 2.3</b>   |  |    |    |    |                                |               |                   |                                       |                  |                  |                |                 |  | 29,300                                       |

| PLANNED BUDGET  |  |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  |        |        |
|---|--|------|----|----|----|---------------------|--------------------------------|-----------------|--------------|----------------|--|-------------------------------|--------------------|-------------|----------------|--|--|--------|--------|
| Expected Outputs  | Planned Activities   | 2009 |    |    |    | RESPONSIBLE PARTIES | Source & Amount of Funds (USD) |                 |              |                |  |                               | Budget Description | Total (USD) |                |  |  |        |        |
|   |  | Q1   | Q2 | Q3 | Q4 |                     | Executing Agent (WWF)          | Partner TRAFFIC | Partner IUCN | Partner ECNRCM | Partner Provincial Forestry Department | Partner Sichuan Shaanxi Gansu |                    |             | Partner SABTCM |  |  |        |        |
| Indicator 2.4: Wild Medicinal Plants management agreement on best practices signed and followed.  | Activity 2.4: Agree on best practices of MPs management among stakeholders   |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  |        |        |
|   | 2.4.1: Develop and agree on testing of locally appropriate standards (principles, criteria and indicators) for sustainable harvest of wild Medicinal Plants  |      |    |    |    |                     | 9,000                          |                 |              |                |  |                               |                    |             |                |  |  | 17,000 |        |
|   | 2.4.2: Training on use of the standards  |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  |        |        |
|   | 2.4.3: Develop, create incentives and review management agreements in pilot study sites  |      |    |    |    |                     |                                | 2,500           |              | 3,000          | 200                                    | 200                           | 200                |             |                |  |  |        | 10,000 |
|   | 2.4.4: Establish trade monitoring systems for medicinal plants to establish baseline data on the diversity, volumes and values of medicinal species in trade from the Upper Yangtze score region, and gathers trade data on focal species being monitored in field sites (size/age estimates, volume traded & where possible, geographic source areas) |      | X  | X  | X  |                     |                                |                 |              |                |  |                               |                    |             |                |  |  |        | 15,825 |
|   | 2.4.5: Conduct monitoring of key species in permanent plots within pilot study sites (established during Indicative Activity 2.2) as part of the adaptive management process   |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  |        | 28,800 |
| 2.4.6: Independent review of the standards, management and monitoring plan  |  |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  | 5,400  |        |
|   | <b>Sub-total of 2.4</b>  |      |    |    |    |                     | 500                            |                 | 3,000        | 200            | 200                                    | 200                           |                    |             |                |  |  | 3,825  |        |
|   | <b>Sub-total of output 2</b>   |      |    |    |    |                     | 12,000                         | 10,000          | 3,500        | 1,200          | 1,200                                  | 1,200                         |                    |             |                |  |  | 80,850 |        |
| <b>OUTPUT 3: Network of learning and exchange established across landscapes, nationally and internationally, that promotes best practices and replicates medicinal plant pilot programs</b> |  |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  |        |        |
| Indicator 3.1: Exchange visits between sites within and between landscapes, provinces and regions.  | Activity 3.1: Organize and support exchange visits   |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  |        |        |
|   | 3.1.1: Organize and support exchange visits  |      | X  |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  | 3,000  |        |
|   | <b>Sub-total of 3.1</b>  |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  | 3,000  |        |
| Indicator 3.2: Links between relevant producer associations and buyer groups created.   | Activity 3.2: Establish links between producer associations and buyer groups   |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  | 5,000  |        |
|   | 3.2.1: Establish links between producer associations and buyer groups;   | X    | X  |    |    |                     | 3,000                          |                 |              |                |  |                               |                    |             |                |  |  | 8,000  |        |
|   |  |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  | 3,600  |        |
|   | <b>Sub-total of 3.2</b>  |      |    |    |    |                     |                                |                 |              |                |  |                               |                    |             |                |  |  | 20,200 |        |





| Expected Outputs   | Planned Activities   | 2009 |    |    |    | RESPONSIBLE PARTIES | Source & Amount of Funds (USD) |                  |               |                 |                                       |         |       | Budget Description | Total (USD) |                 |         |         |
|--|--|------|----|----|----|---------------------|--------------------------------|------------------|---------------|-----------------|---------------------------------------|---------|-------|--------------------|-------------|-----------------|---------|---------|
|  |  |      |    |    |    |                     | Executing Agent (WWF)          | Partner: TRAFFIC | Partner: IUGN | Partner: EONROM | Partner: Provincial Forest Department |         |       |                    |             | Partner: SABTCM |         |         |
|  |  | Q1   | Q2 | Q3 | Q4 |                     |                                |                  |               |                 | Sichuan                               | Shaanxi | Gansu |                    |             |                 |         |         |
| Indicator 5.4: Minimum one agreement with at least one international and one national buyer for a minimum of one certified product | Activity 5.4: Establish trade alliance and sign agreements for supply of MP products to national and international enterprises<br>5.4.1: Establish trade alliances and sign agreements for supply of sustainably harvested products with national and international enterprises.   |      |    |    |    | 25,000              |                                |                  |               |                 |                                       |         |       |                    |             |                 | 25,000  |         |
|  |  | X    | X  | X  | X  | 18,000              |                                |                  |               |                 |                                       |         |       |                    |             |                 | 18,000  |         |
|  |  |      |    |    |    | 12,300              |                                |                  |               |                 |                                       |         |       |                    |             |                 |         | 31,050  |
|  |  |      |    |    |    | 7,000               |                                |                  |               |                 |                                       |         |       |                    |             |                 |         | 12,000  |
|  |  |      |    |    |    | 6,000               |                                |                  |               |                 |                                       |         |       |                    |             |                 |         | 10,000  |
| <b>Sub-total of 5.4</b>  |  |      |    |    |    | 68,300              |                                |                  |               |                 |                                       |         |       |                    |             |                 | 96,050  |         |
| <b>Sub total of output 5</b>   |  |      |    |    |    | 150,875             | 122,725                        | 3,000            | 4,000         | 1,000           | 1,000                                 | 1,000   | 1,000 | 1,000              |             |                 | 284,600 |         |
| <b>OUTPUT 6: Income generation and conservation of TCM plants and their ecosystems.</b>  |  |      |    |    |    |                     |                                |                  |               |                 |                                       |         |       |                    |             |                 |         |         |
| Indicator 6.1: Proportion of income from sustainable sources has increased.  | Activity 6.1: Support value-added MP management projects to communities for increasing income to householders<br>6.1.1: Develop and establish indicators of value of Medicinal Plants at a household level based on field-tested interview surveys, selection of appropriate indicators and completed baseline and repeat surveys.<br>6.1.2: Develop approaches that add value to current Medicinal Plants products through local, value-added processing (grading, improved packing) and reduced wastage (better drying and storage).                           |      |    |    |    | 10,000              |                                |                  |               |                 |                                       |         |       |                    |             |                 | 10,000  |         |
|  |  | X    | X  | X  | X  | 5,000               |                                |                  |               |                 |                                       |         |       |                    |             |                 | 10,000  |         |
|  |  |      |    |    |    | 5,000               |                                |                  |               |                 |                                       |         |       |                    |             |                 |         | 7,000   |
|  |  |      |    |    |    | 30,000              |                                |                  |               |                 |                                       |         |       |                    |             |                 |         | 40,000  |
|  |  |      |    |    |    | 50,000              |                                |                  |               |                 |                                       |         |       |                    |             |                 |         |         |
| Indicator 6.2: Proportion of medicinal plant harvesters with access to stable markets and prices has increased.                    | Activity 6.2: Support communities to access stable markets with higher prices<br>6.2.1: Establish links between collectors / farmers and the market (facilitate formation of producer associations which cooperate to get economies of scale (supply, transport, and tracking Chain of Custody for sustainably harvested products).<br>6.2.2: Review and develop relevant alliances between medicinal plant businesses and producer communities<br>6.2.3: Establish test areas for household level cultivation and agro-forestry production of Medicinal Plants. |      |    |    |    | 3,000               |                                |                  |               |                 |                                       |         |       |                    |             |                 | 6,000   |         |
|  |  | X    | X  | X  | X  | 5,400               |                                |                  |               |                 |                                       |         |       |                    |             |                 | 5,400   |         |
|  |  |      |    |    |    | 37,000              |                                |                  |               |                 |                                       |         |       |                    |             |                 |         | 182,000 |
|  |  |      |    |    |    | 1,600               |                                |                  |               |                 |                                       |         |       |                    |             |                 |         | 3,200   |
|  |  |      |    |    |    | 47,000              |                                |                  |               |                 |                                       |         |       |                    |             |                 |         |         |
| <b>Sub-total of 6.2</b>  |  |      |    |    |    | 149,600             |                                |                  |               |                 |                                       |         |       |                    |             |                 |         |         |

| PLANNED BUDGET   |   |      |    |    |    |                     |                                |                   |               |                 |                                       |  |             |  |  |           |
|--|---|------|----|----|----|---------------------|--------------------------------|-------------------|---------------|-----------------|---------------------------------------|--|-------------|--|--|-----------|
| Expected Outputs   | Planned Activities  | 2009 |    |    |    | RESPONSIBLE PARTIES | Source & Amount of Funds (USD) |                   |               |                 |                                       |  | Total (USD) |  |  |           |
|  |   | Q1   | Q2 | Q3 | Q4 |                     | Executing Agent (WAVE)         | Partner: T/RAFFIC | Partner: IUCN | Partner: EGNROM | Partner: Provincial Forest Department | Partner: Sichuan, Shaanxi, Gansu, SABTOM |             |  |  |           |
| Indicator 6.3: Alternative livelihood options and diversified household income for local communities reliant on medicinal plant harvest increased. | Activity 6.3: Support alternative livelihood projects to communities<br>6.3.1: Through coordination with existing rural development projects in the Upper Yangtze ecoregion, help develop alternative income sources (ecotourism, home stays, guiding, honey and poultry production) to diversify household income in communities where Medicinal Plants have limited economic value. | X    | X  | X  | X  | WWF                 | 4,000                          |                   |               |                 |                                       |  |             |  | 71300 National Consultants (in rural development)  | 4,000     |
|  | <b>Sub-total of 6.3</b>   |      |    |    |    |                     | 26,000                         |                   |               |                 |                                       |  |             |  | 72100 Contractual Service (for workshops, and seedlings & for home stays )   | 218,000   |
| Indicator 6.4: Adoption rates of sustainable income generating activities increased.   | Activity 6.4: Survey and analysis of adoption rates or sustainable income generating activities<br>6.4.1: Survey and analysis of adoption rates or sustainable income generating activities (e.g. bee keeping, wild vegetable and medicinal plant cultivation, home stay hotels, poultry production)  | X    | X  |    |    | WWF                 | 6,000                          |                   |               |                 |                                       |  |             |  | 74500 Miscellaneous Expenses   | 4,000     |
|  | <b>Sub-total of 6.4</b>   |      |    |    |    |                     | 16,000                         |                   |               |                 |                                       |  |             |  | 71300 National Consultants (Survey experts)  | 6,000     |
|  | <b>Sub total of output 6</b>  |      |    |    |    |                     | 139,000                        |                   |               |                 |                                       |  |             |  | 74500 Miscellaneous Expenses (Translation/publication)   | 30,000    |
| <b>Output 7: Project Management Support</b>  |   |      |    |    |    |                     |                                |                   |               |                 |                                       |  |             |  |  |           |
| Indicator 7.1: The Project Management Officer (PMO) is set up and in operation.  | 7.1.1: Project Staff Salary ( including all long term project key personnel)  | X    | X  | X  | X  | All partners        | 133,500                        |                   |               |                 |                                       |  |             |  | 61100 Salary Costs – NP staff: Project leader, 1 person, 12 months; Deputy project leader: 1 person, 12 months; Donor/partner relationship officer: 1 person, 6 months Trade Officer: 1 person, 10 months Field MP officers: 2 people, 12 months/person Finance officer: 12 months Project Administrator: 6 months | 167,250   |
|  | <b>Subtotal for 7.1.1</b>   |      |    |    |    |                     | 133,500                        |                   |               |                 |                                       |  |             |  |  | 167,250   |
|  | 7.1.2: Travel for project staff (pilot sites, trainings and workshops etc.)   | X    | X  | X  | X  | All partners        | 10,000                         |                   |               |                 |                                       |  |             |  | 71600 Domestic travel  | 20,000    |
|  | <b>Subtotal for 7.1.2</b>   |      |    |    |    |                     | 6,000                          |                   |               |                 |                                       |  |             |  | 71600 Int'l travel   | 6,000     |
|  | 7.1.3 Office Cost   | X    | X  | X  | X  | All partners        | 16,000                         |                   |               |                 |                                       |  |             |  | 71600 Travel (vehicle rental) and Furniture  | 26,000    |
|  | <b>Subtotal for 7.1.3</b>   |      |    |    |    |                     | 12,000                         |                   |               |                 |                                       |  |             |  | 74500 Office rental  | 24,000    |
|  | <b>Sub-total of output 7</b>  |      |    |    |    |                     | 12,000                         |                   |               |                 |                                       |  |             |  | 74500 Miscellaneous Expenses:  | 12,000    |
|  | <b>Sub-Total of all outputs</b>   |      |    |    |    |                     | 161,500                        |                   |               |                 |                                       |  |             |  |  | 36,000    |
|  | <b>Overheads (Maximum 7% of ECBP granted direct cost)</b>   |      |    |    |    |                     | 756,420                        |                   |               |                 |                                       |  |             |  |  | 229,250   |
|  | <b>TOTAL</b>  |      |    |    |    |                     | 809,369                        |                   |               |                 |                                       |  |             |  |  | 1,603,230 |

9. Work Plan Budget

4. Annual Work Plan Year 2010

Project Title: Sustainable Management of Traditional Medicinal Plants in High-biodiversity Landscapes of Upper Yangtze Ecoregion

| Expected Outputs  | Planned Activities  | PLANNED BUDGET      |              |                                |                       |                 |               |                 |                  |                  |                                       | Total (USD) |                    |  |   |               |
|---|---|---------------------|--------------|--------------------------------|-----------------------|-----------------|---------------|-----------------|------------------|------------------|---------------------------------------|-------------|--------------------|--|---|---------------|
|   |   | 2010                |              | Source & Amount of Funds (USD) |                       |                 |               |                 |                  |                  |                                       |             | Budget Description |  |   |               |
|   |   | RESPONSIBLE PARTIES | Q1           | ECBP                           | Executing Agent (WWF) | Partner: TRAFHC | Partner: IUCN | Partner: ECNRGM | Partner: Sichuan | Partner: Shaanxi | Partner: Provincial Forest Department |             |                    | Partner: SABTCM  |   |               |
| <b>Output 7: Project Management Support</b>                                     |   |                     |              |                                |                       |                 |               |                 |                  |                  |                                       |             |                    |  |   |               |
| Indicator 7.1: The Project Management Officer (PMO) is set up and in operation. | 7.1.1: Project Staff Salary (including all long term project key personnel) | X                   | All partners | 15,375                         | 11,250                | -               | -             | -               | -                | -                | -                                     | -           | -                  | person, 2 months;<br>Deputy project leader: 1 person, 2 months;<br>Donor/partner relationship officer: 1 person, 1 months<br>Trade Officer: 1 person, 1 months<br>Field MP officers: 2 people, 2 months/person<br>Finance officer: 2 months<br>Project Administrator: 1 months | 26,625                                      |               |
|   | <b>Subtotal for 7.1.1</b>   |                     |              | <b>15,375</b>                  | <b>11,250</b>         |                 |               |                 |                  |                  |                                       |             |                    |  |   | <b>26,625</b> |
|   | 7.1.2: Travel for project staff (pilot sites, trainings and workshops etc.) |                     | All partners |                                |                       |                 |               |                 |                  |                  |                                       |             |                    |  | 71600 Domestic travel<br>71600 Int'l travel |               |
|   | <b>Subtotal for 7.1.2</b>   |                     |              |                                |                       |                 |               |                 |                  |                  |                                       |             |                    |  |   |               |
|   | 7.1.3: Office Cost  | X                   | All partners | 2,000                          | 4,000                 |                 |               |                 |                  |                  |                                       |             |                    | 71600 Travel (vehicle rental) and Furniture<br>74500 Office rental<br>74500 Miscellaneous Expenses:  | 4,000<br>2,000<br>6,000                     |               |
|   | <b>Subtotal for 7.1.3</b>   |                     |              | <b>2,000</b>                   | <b>4,000</b>          |                 |               |                 |                  |                  |                                       |             |                    |  |   | <b>32,625</b> |
|   | <b>Sub-total of output 7</b>  |                     |              | <b>17,375</b>                  | <b>15,250</b>         |                 |               |                 |                  |                  |                                       |             |                    |  |   | <b>32,625</b> |
|   | <b>Sub-Total of all outputs</b>   |                     |              | <b>17,375</b>                  | <b>15,250</b>         |                 |               |                 |                  |                  |                                       |             |                    |  |   | <b>32,625</b> |
| <b>Overheads (Maximum 7% of ECBP granted direct cost)</b>                       |   |                     |              | 1,216                          |                       |                 |               |                 |                  |                  |                                       |             |                    |  |   | 1,216         |
| <b>TOTAL</b>  |   |                     |              | <b>18,591</b>                  | <b>15,250</b>         |                 |               |                 |                  |                  |                                       |             |                    |  |   | <b>33,841</b> |



## 5.Summary of Sources of Funds

Currency: USD

| Sources of Funds  | year 2007 |               | year 2008 |               | year 2009 |               | year 2010 |               | Total amount of each source | Percentage of overall total % |
|---|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------------------------|-------------------------------|
|   | amount    | % of the year | amount    | % of the year | amount    | % of the year | amount    | % of the year |                             |                               |
| Grant sought in this application from ECBP  | 113,201   | 90.63%        | 815,693   | 48.01%        | 809,369   | 48.87%        | 18,591    | 54.94%        | 1,756,854                   | 50.00%                        |
| Cooperating Agency's financial contribution   | 10,400    | 8.33%         | 778,910   | 45.85%        | 737,200   | 44.51%        | 15,250    | 45.06%        | 1,541,760                   | 43.88%                        |
| Contributions from other organisations:   |           |               |           |               |           |               |           |               |                             |                               |
| <i>partner 1: TRAFFIC International</i>   | 500       | 0.40%         | 39,500    | 2.33%         | 46,000    | 2.78%         | 0         | 0.00%         | 86,000                      | 2.45%                         |
| <i>partner 2: IUCN,International Union for the Conservation of Nature and Natural Resources</i> | 0         | 0.00%         | 25,000    | 1.47%         | 26,000    | 1.57%         | 0         | 0.00%         | 51,000                      | 1.45%                         |
| <i>partner 3: The Ecology Committee of the Natural Resources of Chinese Meteria Medica</i>      | 0         | 0.00%         | 7,500     | 0.44%         | 7,500     | 0.45%         | 0         | 0.00%         | 15,000                      | 0.43%                         |
| <i>partner 4: Sichuan Forestry Department</i>   | 200       | 0.16%         | 8,700     | 0.51%         | 7,800     | 0.47%         | 0         | 0.00%         | 16,700                      | 0.48%                         |
| <i>partner 5: Shaanxi Forestry Department</i>   | 200       | 0.16%         | 8,700     | 0.51%         | 7,800     | 0.47%         | 0         | 0.00%         | 16,700                      | 0.48%                         |
| <i>partner 6: Gansu Forestry Department</i>   | 200       | 0.16%         | 8,700     | 0.51%         | 7,800     | 0.47%         | 0         | 0.00%         | 16,700                      | 0.48%                         |
| <i>partner 7: Sichuan Administrative Bureau of Traditional Chinese Medicine</i>                 | 200       | 0.16%         | 6,200     | 0.36%         | 6,700     | 0.40%         | 0         | 0.00%         | 13,100                      | 0.37%                         |
| Subtotal of the year  | 124,901   | 100%          | 1,698,903 | 100%          | 1,656,169 | 100%          | 33,841    | 100%          |                             |                               |
| OVERALL TOTAL   |           |               |           |               |           |               |           |               | 3,513,814                   | 100%                          |

# **ANNEX I**

## **Guidelines**

**For applicants responding to  
Call for Proposals under  
EU-China Biodiversity Programme**

**Contracting Authority:  
UNDP**

# ***Guidelines***

***For applicants responding to  
Call for proposals under***

**EU-CHINA BIODIVERSITY PROGRAMME**

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**ABBREVIATIONS FOR GUIDELINES:**

|           |   |
|-----------|---|
| CBD       | Convention on Biological Diversity            |
| ECBP      | EU-China Biodiversity Programme               |
| EIAs      | Environmental Impact Assessments              |
| EU        | European Union                                |
| IGRC      | Independent Grant Review Commission           |
| MOFCOM    | Ministry of Commerce                          |
| NGO       | Non-governmental Organization                 |
| SEAs      | Strategic Environmental Assessments           |
| SEIA      | Socio Economic Impact Assessments             |
| SEPA      | State Environmental Protection Administration |
| UNDP      | United Nations Development Programme          |
| UNDP-COSU | UNDP-Country Office Support Unit              |

## **1. INTRODUCTION TO THE EU-CHINA BIODIVERSITY PROGRAMME**

The Government of the People's Republic of China, the European Union (EU) and the United Nations Development Programme (UNDP) have established a joint initiative and strategic partnership called the EU-China Biodiversity Programme (ECBP). The ECBP's objective is to support mainstreaming of biodiversity considerations and actions into socio-economic sectors and into the overall development vision of China.

The programme is implemented by China's State Environmental Protection Administration (SEPA) and will support China to conserve and sustainably manage its globally important biodiversity, including its ecosystems, species and genetic diversity. The programme will operate at all levels supporting institutional strengthening, capacity building and awareness raising and will support the development of linkages between biodiversity policies and plans at central and local (provincial, municipality, county, town or village) levels and their implementation on the ground.

### **1.1 GENERAL BACKGROUND**

Biodiversity in China has global significance and considerable local economic and cultural value. China is one of the world's ten 'mega-diverse' countries, each of which are home to about 10% of the earth's species. China's vast territory, combined with complex climates and diverse geography, has resulted in a wide range of ecosystems, ranging from stony and sandy deserts to lush tropical rain forest, from fertile plains to snow covered mountain peaks and from extensive grasslands to species-rich coral reefs.

Chinese society both depends on and benefits from biodiversity in numerous direct and indirect ways. Many species and varieties are of direct economic importance for agricultural or medicinal purposes. China is one of the principal ancestral centres of genetic diversity of the world's crop plants and has abundant native plant cultivars and livestock species and varieties.

The healthiness and diversity of ecosystems are of vital importance for the maintenance of soil fertility, water quality, oxygen supply and carbon sequestration and the country's biodiversity resources play an increasing important role in the development of the tourism sector.

All regions of China possess significant biodiversity. Whereas the southwest and southern regions are the richest in terms of number of species, all regions have unique and diverse ecosystems, all have unique and endangered species, and all have commercially important species and genetic diversity.

An estimate of the value of China's biodiversity prepared in 1995 placed the annual contribution of biodiversity to GDP in the range of USD 257-421 billion. Although such calculations are inherently difficult to make, it is clear that biodiversity makes a fundamental contribution to socio-economic development in China.

***Status and recent progress***

China's biodiversity, however, has been severely degraded over recent decades. Forests, wetland, grassland, desert and agricultural ecosystems have all suffered. This trend continues and many remaining elements of biodiversity are under threat.

The loss of biodiversity compromises sustainable development both nationally and locally, and it can undermine China's international commitments to conserve and sustainably manage its biodiversity resources.

While there are many examples of reversing biodiversity loss in China, these remain the exception. Some of the direct threats stems from over-exploitation of land and of key species, loss and fragmentation of habitats, pollution and the spread of alien invasive species.

The Government of the People's Republic of China has demonstrated its commitment to conserve biodiversity. Following its rapid ratification of the international Convention for Biological Diversity (CBD) in 1993 China prepared a National Biodiversity Action Plan in 1994. It has since developed a comprehensive legal system for biodiversity conservation and sustainable use.

SEPA takes the lead in coordinating national biodiversity conservation initiatives, developing regulations and guidelines, monitoring, and facilitating international cooperation. Several inter-ministerial mechanisms and working groups have been established with specific mandates. The most important is the Steering Committee established by the State Council for the CBD.

In addition to SEPA, several other government agencies play key roles in managing China's natural resources, and, in line with the relevant legislation, have responsibilities for conserving biodiversity on the land they manage. The most important of these are the State Forestry Administration, the Ministry of Water Resources, the Ministry of Agriculture, the State Administration of Traditional Chinese Medicine, the Ministry of Land and Resources, the Ministry of Finance, the Ministry of Commerce and the National Development and Reform Commission.

Key responsibilities for biodiversity conservation lie, however, with the provincial, municipal and county affiliates of these national agencies. Chinese and international NGOs play a small but growing role in biodiversity conservation.

Most recent measures to conserve biodiversity have been focussed on the nature reserve system that now covers approximately 15% of China's land area. These efforts are presently complemented by initiatives and programmes to sustainably manage natural resources outside the nature reserves.

***Important challenges***

Despite these important measures, some fundamental weaknesses still hinder integration of biodiversity conservation and sustainable use into mainstream development processes. These include:

- National policy directives cover a wide range of social, economic and environmental issues and local authorities in many instances lack knowledge, experience, capacity and resources to

carry out the full range of responsibilities. Local governments are under pressure to provide income and improve livelihoods and to prioritize short-term economic and production targets. They have few incentives to conserve and utilise biodiversity sustainably.

- Responsibilities for biodiversity conservation are in most cases dispersed across many government agencies, involving actors at all levels and often synergies are lost, mandates overlap and compete, and efficiency is low. Integrated, coherent and systematic responses to the needs of integrating biodiversity concerns into local development processes are often lacking.
- Economic planning and land use planning is mostly undertaken by planners with little awareness and understanding of the importance of the role biodiversity may play in underpinning local society's economy and livelihood with the result that conservation and sustainable use of biodiversity is rarely integrated into development planning;
- Many elements of biodiversity are closely linked to traditional land use practices and other cultural characteristics of rural populations and minorities. Much of this biodiversity is threatened due to planning which does not sufficiently consider and incorporate socio-economic processes and dimensions which could promote integration of development and conservation.

## **1.2 OBJECTIVES OF THE PROJECT SUPPORT UNDER ECBP**

The Government of the People's Republic of China is committed to address these challenges and to reverse biodiversity loss across the country. An important strategy to achieve this is to promote and support projects which can bring together Chinese and foreign governmental and non-governmental organizations in processes and actions fostering exchange of experiences, synergies, innovations and practical solutions. Under the ECBP, UNDP has set up a Country Office Support Unit (UNDP-COSU) to guide, administer and monitor grants to such projects.

Mechanisms under the ECBP will be established to ensure communication, dissemination and exchange of experiences between and among projects as well as to facilitate integration of project results, methods and approaches on a national scale.

## **1.3 FINANCIAL ALLOCATION FOR SUPPORT TO PROJECTS**

The total amount available under the ECBP component for project support is EUR 21 million (approximately USD 26 million) which is funded by the EU.

Individual project grants under the programme will range between a:

- minimum amount of USD 500 000 and a
- maximum amount of USD 4 000 000.



Grants from this programme may not exceed 50% of the total eligible costs of the projects. The remaining 50% must be financed by the applicant's and/or the partners' own resources, or from other sources made available to those.

Up to 20% of an applicant's contribution may be considered in kind and the remainder – not less than 80% - shall be in cash. In kind contributions will typically include non-cash project management contributions such as estimated value of provision on office facilities, power costs etc, while cash contributions can include project staff salaries and all other documented cash contributions when paid by the applicant and/or partners. The value of the in-kind contribution will be calculated according to a) either the costs actually borne and duly supported by accounting documents or b) or the costs generally accepted on the market in question.

The budget submitted with the application will provide a detailed breakdown of all costs, including the 50% to be financed by ECBP and the 50% co-financing from the applicant and or/partner resources (see Annex I – Application Form, Workplan and Budget Sheet).

Depending on the amount and quality of project applications under this call there may be another call at a later stage.

## **2. WHO CAN APPLY AND WHICH PROJECTS CAN BE AWARDED CO-FINANCING**

The next section explains who can apply under the ECBP Programme and which types of projects can receive funding.

### **2.1 WHO CAN APPLY?**

The applicant must act as the lead organisation to implement the Grant Agreement and, if selected, will be designated as the Cooperating Agency. The applicant will be the sole responsible party to UNDP for use of funds and compliance with the Grant Agreement, and will be the focal point for communication with UNDP-COSU for reporting, financial transfers etc.

In order to be eligible for a grant, the applicant must:

- be a Chinese legal entity that will undertake the project in partnership with one or more partners of which at least one must be international, Hong Kong, Macau, and/or Taiwan, or
- be an international, Hong Kong, Macau, and/or Taiwan legal entity that will undertake the project in partnership with one or more partners of which at least one must be a Chinese legal entity, and
- have demonstrated capacity, including an organisational and management structure capable of managing and implementing projects of a size and nature of the project being applied for (see Annex I – Application Form, Section IV “Capacity to Implement and Manage the Project”), and

- have a demonstrated track record of involvement with conservation and sustainable use of biodiversity in China.

The applicant must be designated by its partner(s) as their representative to UNDP-COSU.

The applicants further have to:

- be legal entities that are non-profit organisations (such as national or international non-governmental organisations; non-profit organizations must have been registered as NGOs by the Government of the People's Republic of China) or public sector operators or authorities from local (provincial, municipality, etc.) or national levels, and
- be able and prepared to match the grant amount applied for with a sum at least equal to the grant from their own or other funds (other than from ECBP), and
- be directly responsible for the preparation and management of the action with their partners, not acting as an intermediary.

An applicant can only be granted one project grant under this programme.

Potential applicants shall not participate in calls for proposals or be awarded grants if they:

- (a) are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) have been convicted of an offence concerning professional conduct by a judgement which has the force of *res judicata* (i.e. against which no appeal is possible);
- (c) are guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the action is to take place;
- (e) have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity;
- (f) have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement procedure or other grant award procedure.

In Annex 1 - Application Form, Section VI Declaration by the Applicant, the applicant must declare that it does not fall into any of the categories (a) to (f) listed above. Applicants are

excluded from participation in calls for proposals or the award of grants if, at the time of the call for proposals, they:

- (g) are subject to a conflict of interests;
- (h) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the Call for Proposals or fail to supply this information;
- (i) have attempted to obtain confidential information or influence the evaluation committee or the contracting authority during the evaluation process of current or previous calls for proposals.

In the cases referred to in points (a), (c), (d), (f), (h) and (i) above, the exclusion applies for a period of two years from the time when the infringement is established. In the cases referred to in points (b) and (e), the exclusion applies for a period of four years from the date of notification of the judgment.

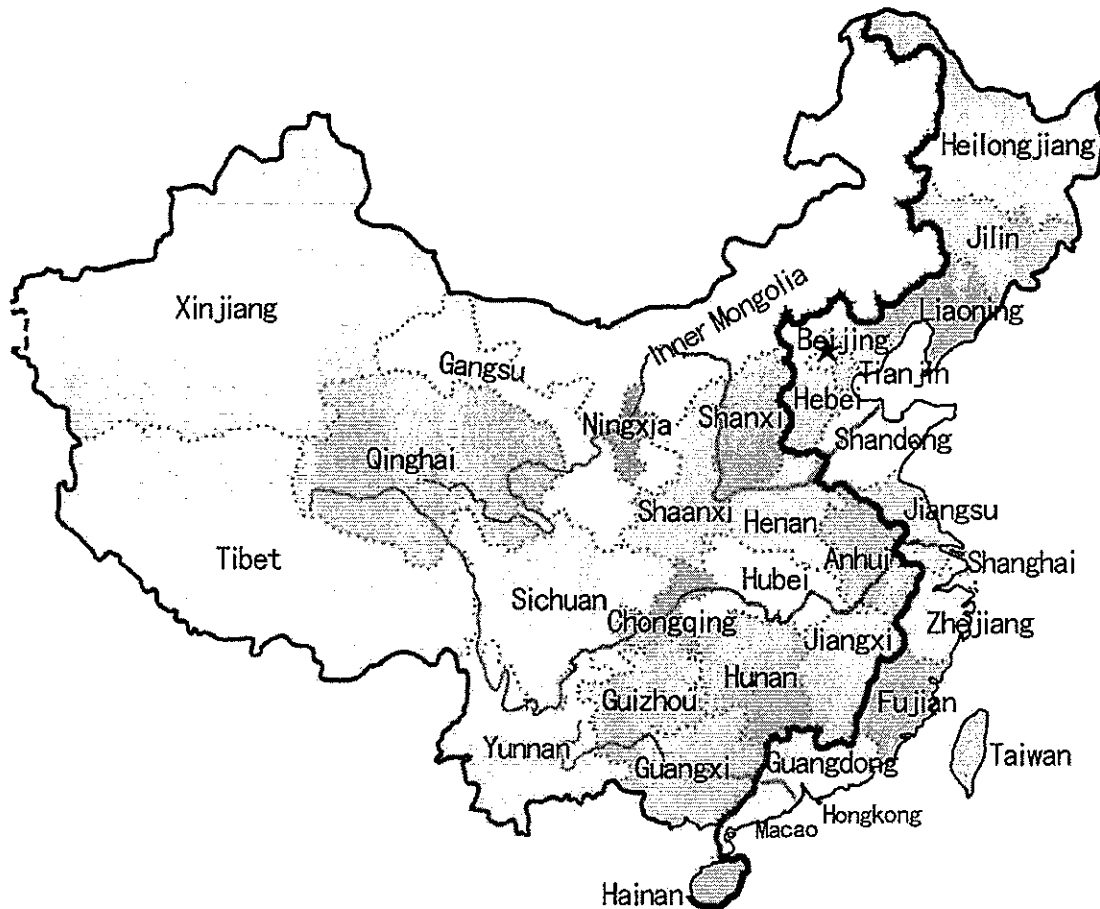
## **2.2 PARTNERS INVOLVEMENT**

Partners can include non-profit, private or government organizations and must meet the eligibility criteria referred to in Section 2.1. Partners must sign a Partnership Statement to be included in the application (see Annex 1 – Application, Section V). A partner may also stand as an applicant for another project proposal and can also be involved as a partner in other applications under ECBP. Partners should participate actively in the design and implementation of the project, and the costs they incur are eligible in the same way as those incurred by the applicant. In the event that an application is accepted for funding, the applicant and partner(s) will sign a detailed Memorandum of Understanding to become an integral part of the Grant Agreement, concerning the roles and responsibilities of each party.

Other organisations involved in a project but not receiving ECBP funding are considered as Associates can be profit making entities and do not have to meet the eligibility criteria referred to in Section 2.1. Subcontractors procured under the project are neither Partners nor Associates, and are subject to the procurement rules for sub-contracting referred to in Annex 2 - General Terms and Conditions.

## **2.3 PROJECTS ELIGIBLE FOR CO-FINANCING**

Projects supported by ECBP cannot extend beyond February 2010. Site level actions must be undertaken in the Western and Southern parts of China which are the richest in biodiversity and at the same time among the least developed and most disadvantaged. Projects must take place in the Provinces west of the (red) borderline indicated on the map below.



Projects must promote conservation and sustainable use of one or more of the following ecosystems:

- Desert or steppe grasslands ecosystems;
- Alpine or plateau ecosystems
- Tropical, sub-tropical or temperate ecosystems
- Agro-ecosystems or medicinal herb production systems

Applications under this call for proposals are intended to:

- contain strategies and actions that respond to identified constraints and opportunities to improve biodiversity conservation in priority sites and landscapes.
- present innovative approaches to increase the effectiveness and impact of biodiversity conservation and management.
- demonstrate how proposed activities will lead to improved biodiversity conservation on the ground, including mechanisms for monitoring and impact evaluation.

- present mechanisms for integration of biodiversity concerns and actions into horizontal structures (e.g. integration among actors at field level) and vertical structures (e.g. integration between field level and central administrative or policy levels).
- demonstrate linkages to local (provincial, municipality, etc.) government planning and include local government involvement in planning, implementation and monitoring where relevant. As a minimum the projects must provide a supporting letter from the relevant Provincial Government Department with their project application.
- identify the roles and relationships of project partners and adopting a participatory approach involving different stakeholders to build ownership and promote stewardship of biodiversity resources at the local level (provincial, municipality, etc.).
- include mechanisms to ensure dissemination of results and to raise awareness amongst important stakeholders.
- present ways and means to ensure replicability of project initiatives on a broader scale (e.g. in similar ecosystems, in similar legal or administrative settings etc).
- where possible contribute to poverty alleviation and livelihood development.

It is envisaged that the projects in some cases will be able to build on previous and on-going initiatives and partnerships and that they will be able to add important dimensions to these by addressing issues such as the translation of pilot experiences into practical and replicable solutions, improvement of framework conditions, institutional strengthening, capacity building and awareness raising.

Themes or sectors to be addressed could include:

- Local (provincial, municipality, etc.) regulations and practices of importance to biodiversity conservation and sustainable use
- Local planning actions, particularly economic planning, land use planning, environmental impact assessments (EIAs), strategic environmental assessments (SEAs) and socio economic impact assessments (SEIA)
- Local biodiversity strategies and actions plans
- Establishment of local cross-sectoral bodies, e.g. Provincial Steering Committees on Biodiversity for coordination and integration
- Inventory and permanent monitoring schemes for biodiversity in sectors (agriculture, water, forest, pastures, mining, reserves etc)
- Integration models for socio-economic, biodiversity and economic objectives in planning processes
- Economic incentives and compensation schemes related to biodiversity conservation at local levels (provincial, municipality, etc.)
- Participatory approaches in biodiversity conservation and sustainable use, including public participation in biodiversity planning, management and implementation

Projects addressing: Protected areas, invasive species, genetically modified organisms, ex-situ conservation and commercial exploitation of biodiversity resources may only be considered for

granting under this programme if the projects overall aim and their activities will clearly lead to improvements to ecosystem management and do address issues on a landscape level.

#### **2.4 PROJECT COSTS THAT CAN BE SUPPORTED FINANCIALLY**

Not all project costs may be funded by this programme. Only certain (eligible) costs can be funded. The eligible costs of project activities must be based on real cost estimates, not lump sum figures (except for travel, subsistence and indirect costs) and will serve as ceiling of eligible costs to be covered by the assistance.

The proposed budget will be evaluated and examined by UNDP-COSU which may request for clarification that may lead to reductions or to the rejection of the application. It is therefore in the applicant's and partners interest to provide a realistic and cost-effective budget.

To be eligible for funding under this programme, costs must:

- be necessary for, and utilized, in carrying out the project actions described in the final agreement;
- must comply with principles of sound financial management, cost effectiveness and value for money;
- be actually incurred by the applicant and partner(s) during the implementing period for the project, whatever the time of actual disbursement by the applicant and partner(s); this will not affect the eligibility of final audit costs;
- be recorded in the applicant and partner(s) accounts or tax documents, be identifiable and verifiable, and be backed by originals of supporting documents.

Eligible costs can include (subject to rules set in Annex 2 - General Terms and Conditions):

- **Project personnel with the applicant and partner(s):** International or national staff assigned to conduct project activities. Such personnel may serve full-time as long term advisers or short term consultants. The scale of salaries and related costs must not exceed those normally applied by the applicant and partner(s). Chinese Government personnel can only receive remuneration from project grants if (a) his/her employer agency is not an organizational unit of the applicant, *and* (b) s/he obtains an approved leave of absence from the employer agency.
- **Travel and subsistence costs,** for staff conducting project actions, provided they do not exceed the standards of such costs normally borne by the applicant and partner(s).
- **Training:** These are training opportunities designed for the project applicant and partner(s) personnel or other relevant stakeholders to gain knowledge and skills directly relevant to achieving project objectives. Such activities may be in the form of workshops, courses or study tours to establish training institutions in the country or overseas.

- **Equipment:** These include both expendable and non-expendable equipment provided the equipment is necessary to conduct the project and purchased at market rates. Non-expendable equipment is equipment with a life span of at least 5 years and normally costing more than 500 USD.
- **Subcontracts:** These are contracts or agreements issued to public or private organisations for the purpose of delivering specific services required by the project.
- **Costs arising directly from the requirements of the final Grant Agreement** (e.g. dissemination of information, evaluation, audit, translation, printing, insurance, financial service costs in form of transfers and financial guarantees)
- **Miscellaneous** – This category includes cost of small items which do not fall in the above categories (e.g. the cost of consumables and supplies).

#### Ineligible costs

The following costs are not eligible:

- debts and provisions for losses or debts;
- interest owed;
- currency exchange losses;
- purchases of land or buildings;
- taxes, including VAT;
- items which are already financed in another framework.

#### Eligible indirect costs (overheads)

A lump sum not exceeding 7 % of the granted direct eligible costs of the project may be claimed as indirect costs to cover administrative overheads incurred by the applicant and partner(s).

Indirect costs are eligible provided that they do not include costs assigned to direct eligible costs under another heading of the project budget.

### **3. HOW TO APPLY?**

The application will need to show that the proposed project is consistent with the objectives and priorities of these guidelines and that both the applicants and the partner(s) fulfil the necessary eligibility criteria.

Applicants and partners shall bear all costs associated with the preparation and submission of the applications regardless of the outcome of the call for proposals.

An application shall consist of:

- Completed Application Forms
- Supporting Documents

### **3.1 Application form**

The applicant must fill in the Application Form both in English and in Chinese. The English version of the application will take precedence in event of inconsistency between the two versions.

The completed Application Forms should be filled in strictly according to format and be precise and detailed enough for a proper assessment.

Applicants should verify that their application is complete by comparing it with the checklist included with the Application Forms.

Applications should be typed. Hand-written applications will not be accepted.

### **3.2 Supporting documents**

Applications must be accompanied by the following supporting documents:

1. Statutes or articles of association of the applicant organisation and of each partner organisation;
2. The applicant's and partner(s) most recent annual report (stating their main activities) and their latest financial report. The applicant's financial report must be certified by an external audit report or provide other relevant certification;
3. Letter of support from a relevant Provincial Government Department.

The supporting documents requested must be supplied in the form of originals or photocopies certified as true by the applicant.

Where supporting documents are in Chinese they must be supplemented by a faithful English version. For comprehensive documents an English summary will be sufficient.

### **3.3 Where and how to send the application**

Applications must be received in a sealed postage by registered mail, courier or by hand-delivery at the address below:



**UNDP- Country Office Support Unit (UNDP-COSU)**

*Rm. 506, Xianfeng Office Building,*

*No. 277, Rd. Zhaodengyu, Xicheng District,*

*Beijing, 100034*

*P.R. China*

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.

Applications must be submitted in one original and 2 copies. Each copy must be clearly marked "Original" or "Copy". A CD-ROM with all the documents in MS Word must also be enclosed.

The outer envelope must bear the full name of the applicant, the address of the organisation, and the words "ECBP Project Application - not to be opened before the opening session".

### **3.4 Deadline for receipt of applications**

The deadline for the receipt of applications is the 28 of September 2006, at 16.00 PM. Any application received after this deadline will be rejected.

### **3.5 Further information**

UNDP-COSU can not enter into discussion on the project proposals with potential applicant during their preparation of the project application nor will applicants be provided with further guidelines or advice. However, questions strictly about procedural or administrative matter may be sent by e-mail to UNDP-COSU ([cosu.china@undp.org](mailto:cosu.china@undp.org)) not later than the 18 of August 2006. A reply will be given not later than 12 days after the receipt of the question(s). Questions and answers that may be relevant to other applicants will be published on the UNDP China website ([www.undp.org.cn](http://www.undp.org.cn)).

### **3.6 Acknowledgement of receipt of application**

UNDP-COSU will send an acknowledgement of receipt to all applicants, indicating whether or not their application was received prior to the deadline and allocating them a project reference number.

#### 4. EVALUATION AND SELECTION OF APPLICATIONS

Applications will first be pre-assessed by UNDP-COSU to ensure that all required sections of the Application Form have been completed, before applications are evaluated by independent evaluators in an Independent Grant Review Commission (IGRC). IGRC’s voting members will be designated by the EC, UNDP and Ministry of Commerce.

The evaluation will consider the quality and relevance of the application in relation to the objectives and priorities set. This will include assessment of the applicants and partners professional and operational competencies and qualifications, the project’s expected impact, replicability, sustainability and cost-effectiveness. The evaluation will be undertaken according to a set of criteria listed in an evaluation grid (see below).

The criteria of the evaluation grid are divided into sections and subsections. Each subsection must be given a score between 1 and 5 in accordance with the following guidelines: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Note on Section 1 of the Evaluation Grid: Applicants and partner(s) eligibility. If the applicant and the partner(s) are not eligible under this programme no further evaluation is needed.

Note on Section 2: Financial and operational capacity: A total score lower than “adequate” (12 points) in this section will result in exclusion of the application and no further evaluation will be needed.

##### Evaluation Grid

| Section   | Maximum Score |
|---|---------------|
| <b>1. Applicants and partner(s) eligibility</b>   |               |
| 1.1 Do the applicant and partner(s) meet the <b>eligibility criteria</b> ?  | Yes or no     |
| <b>2. Financial and operational capacity</b>  | <b>20</b>     |
| 2.2 Do the applicant and partner(s) have <b>sufficient experience of project management</b> ?   | 5             |
| 2.3 Do the applicant and partner(s) have <b>sufficient technical expertise</b> to conduct the proposed project  | 5             |
| 2.4 Do the applicant and partner(s) have <b>sufficient management capacity</b> ? (including staff, equipment and ability to handle the budget for the action)?  | 5             |
| 2.5 Do the applicant and partner(s) have <b>stable and sufficient sources of finance</b> ?  | 5             |
| <b>3. Relevance</b>   | <b>25</b>     |
| 3.1 How relevant is the application to the <b>objectives</b> of the ECBP programme (such as addressing the needs, themes and sectors defined in the guidelines) | 5             |
| 3.2 How clearly <b>defined and strategically chosen</b> are the applicant, partner(s) and stakeholders involved?  | 5             |
| 3.3 Have the <b>needs</b> of the target groups, the applicant and partner(s) been   | 5             |

|   |            |
|---|------------|
| <b>clearly defined and does the proposal address them appropriately?</b>  |            |
| 3.4 Does the proposal contain specific elements of <b>added value</b> , such as innovative approaches, models for good practice etc.)?  | 5          |
| 3.5 Will the project effectively <b>address institutional strengthening, capacity building and awareness raising?</b>   | 5          |
| <b>4. Methodology</b>   | <b>25</b>  |
| 4.1 Are the <b>project actions</b> proposed appropriate, practical, and consistent with the objectives and expected results?  | 5          |
| 4.2 How <b>coherent is the overall design of the project</b> (in particular, does it reflect the analysis of the problems involved, take into account external factors)?                              | 5          |
| 4.3 Are the applicants, partners and target groups <b>involvement and participation</b> in the project appropriate and the project satisfactory?  | 5          |
| 4.4 Is the <b>project description</b> and the <b>work plan</b> clear and feasible?  | 5          |
| 4.5 Does the application contain a relevant <b>result and resources framework description</b> including <b>relevant and objectively verifiable indicators</b> for the outcome of the project actions? | 5          |
| <b>5. Sustainability</b>  | <b>20</b>  |
| 5.1 Is the project likely to produce <b>useful results</b> and have a tangible <b>impact</b> on its target groups?  | 5          |
| 5.2 Is the proposal likely to have <b>multiplier effects</b> (including dissemination of information and scope for replication and extension of the outcome(s) of the project)?                       | 5          |
| 5.3 Are the expected results of the proposed project <b>financially sustainable</b> (will the actions continue and be financed after this funding ends)?  | 5          |
| 5.4 Are the expected results <b>institutionally and politically sustainable</b> (will there be relevant “owners”, will institutional and political structures be in place etc. )?                     | 5          |
| <b>6. Budget and cost-effectiveness</b>   | <b>10</b>  |
| 6.1 Is the ratio between the estimated costs and the expected results satisfactory?   | 5          |
| 6.2 Is the proposed expenditure <b>necessary</b> for the implementation of the action?  | 5          |
| <b>Maximum total score</b>  | <b>100</b> |

Based on the evaluation of the individual applications IGRC establishes a short-list of projects. The IGRC short list of projects will also take into consideration the need for a balance in terms of geographical location, institutional involvement and the range of biodiversity issues and ecosystems being targeted by the projects. Only unsuccessful applicants will be informed that their applications cannot be funded and will be presented with reasons for this decision.

## 5. REVISION OF SHORT LISTED APPLICATIONS

UNDP-COSU will contact the short listed applicants to address the concerns of the IGRC and further elaborate the elements of the Project Description as outlined in the Application Form, to constitute the final proposal. In final proposals, applicants and partners further develop their strategic approaches and will be asked to provide more elaborated information on the various sections of the Results and Resources Framework and on the Workplan and Budget. This final proposal will then be attached to the Grant Agreement Signature Page (see Annex 2 - General Terms and Conditions), to constitute the Grant Agreement.

It should be noted that more projects may be short listed than may finally be supported by the programme. The revised applications will be reassessed by the IGRC according to the same evaluation grid as was used during the first assessment. Based on this assessment a list of recommended projects will be established.

### **5.1 Deadline for receipt of revised applications**

The deadline for the receipt of the final applications will be within 25 days of announcement. Applications received after this deadline will be rejected.

### **5.2 Acknowledgement of receipt**

After receipt of the revised project applications UNDP-COSU will send an acknowledgement of receipt to the applicants, indicating whether or not their application was received prior to the deadline.

## **6. FINAL DECISION AND NOTIFICATION**

Based on the recommendations from the IGRC, UNDP-COSU will forward the list of recommended projects to be co-financed under ECBP for endorsement by the ECBP Programme Steering Committee and for approval by the UNDP Resident Representative.

Applicants will be informed in writing of the final decision concerning their application. The decision to reject an application and not to award a grant will be final. The reasons to reject an application and not to award a grant can, amongst others, be:

- the application was received after the closing date;
- the application was incomplete or otherwise non-compliant with the stated administrative conditions;
- the applicant or one or more of its partners was assessed to be ineligible;
- the project in general or project actions to be funded were ineligible;

- the application exceeded the maximum duration allowed or the requested contribution was lower or higher than the minimum/maximum allowed;
- the applicant's financial and operational capacity was assessed to be insufficient;
- the project was deemed eligible but was not selected based on the evaluation criteria and the number of applications.

## **7. GRANT TERMS AND CONDITIONS**

Following the final decision to fund, the applicant will sign a Grant Agreement with UNDP in the language of English. Within 15 (fifteen) days of receipt of the Grant Agreement, the applicant shall sign and date two original copies and return one to UNDP-COSU. From this point on, the applicant will be known as the **Cooperating Agency** for the project. The project will be managed according to the UNDP rules and regulations, as set forth in Annex 2 – General Terms and Conditions, which will become an Annex to the Grant Agreement.

## **ANNEX II**

### **General Terms and Conditions Governing Implementation of UNDP Grant Agreements under EU-China Biodiversity Programme**

## **ANNEX 2**

### **GENERAL TERMS AND CONDITIONS GOVERNING IMPLEMENTATION OF UNDP GRANT AGREEMENTS UNDER ECBP**

The following defines the key terms and conditions applicable to the services to be provided by the applicant (hereafter referred to as the Cooperating Agency) towards the implementation of field projects under the EU China Biodiversity Programme (ECBP). These Terms and Conditions will serve as an Annex to the Grant Agreement between UNDP and the Cooperating Agency.

#### **1) General conditions**

In supporting the implementation of field projects under ECBP, the Cooperating Agency shall undertake activities to be described in the Grant Agreement with UNDP in accordance with the terms included herein for delivery of all inputs and their conversion into agreed outputs. In order to ensure proper use of funds and compliance with the terms set forth in the Grant Agreement and these Terms and Conditions, the Cooperating Agency will enter into Memoranda of Understanding with Partners to the project, to be formally annexed to the Grant Agreement. For all activities under the Grant Agreement, the Cooperating Agency remains the sole responsible party to UNDP for use of funds and compliance with the terms of the Grant Agreement and its Annexes, including these Terms and Conditions.

The general responsibilities of the Cooperating Agency further include:

- (a) Delivery of project inputs and consequent outputs assigned to it, under the terms and conditions specified in the Grant Agreement and these Terms and Conditions, which forms an Annex to and an integral part of the Grant Agreement.
- (b) Accountability to UNDP for the quality of the inputs and outputs assigned to the Cooperating Agency, as well as for the proper use of project funds provided to it.
- (c) Provision of technical/substantive leadership in managing and implementing activities under the Grant Agreement by preparing and updating Annual Workplans, drawing up the technical specifications for project inputs (i.e., project personnel, training, equipment, subcontracts, and miscellaneous inputs), and ensuring the timely and effective application of these inputs through close cooperation with the UNDP Country Office Support Unit (UNDP-COSU).

(d) Undertake direct internal monitoring, evaluation and reporting on the substantive and financial performance of the project.

(e) Assume primary accountability to UNDP for the substantive performance of the project.

(f) Provide the institutional and co-financing resources required for the successful implementation of the project, as specified in the Grant Agreement.

Under ECBP, UNDP-COSU has the responsibility for processing and supervising implementation and compliance of Grant Agreements with the terms and conditions expressed herein. UNDP-COSU will provide technical guidance and support to the Cooperating Agency in fulfilling these terms of conditions.

Grants from ECBP can range between USD 500,000 and USD 4,000,000 per project, but the Grant may not exceed 50% of the total eligible costs of the applicant's project. The remaining 50% must be financed by the applicant's and/or the partners' own resources, or from other sources made available to those. Up to 20% of an applicant's contribution may be considered in kind and the remainder – not less than 80% - shall be in cash. The value of the in-kind contribution will be calculated according to a) either the costs actually borne and duly supported by accounting documents or b) the costs generally accepted on the market in question.

The Cooperating Agency will request advance of funds directly from UNDP-COSU, incurring expenditure within the limits set out in these Terms and Conditions, and the Annual Workplan, and will make the necessary financial arrangements directly with UNDP-COSU for the reimbursement of expenditures incurred by the Cooperating Agency. If the Cooperating Agency fails to implement the project as undertaken and agreed in the Grant Agreement, UNDP reserves the right to suspend payments, and/or to terminate the Agreement. The contribution may be reduced, and/or UNDP may demand full or partial repayment of the sums already paid, if the Cooperating Agency fails to fulfill the terms of the Grant Agreement.

## **2) General Use of Funds**

The budget in the Grant Agreement sets limits on how much funding the Cooperating Agency can spend during the entire life of the project, for every year of implementation, and for what types of project inputs/components, i.e., personnel, subcontracts, training, equipment and miscellaneous. When the Cooperating Agency signs the Grant Agreement, it becomes legally bound to respect the limits set in the budget and to be able to show at any time that it has done so. The key principles that the Cooperating Agency should keep in mind with respect to the budget are:



- (a) The total budget for the entire duration of the project should in no case be exceeded.
- (b) Project expenditures should generally not exceed the yearly total budget and the totals budgeted for difference activities within the Workplan each year. The Cooperating Agency may shift funds among budget lines within an Activity in the Workplan, but any such changes must not exceed the total within each Activity, must be in accordance with the agreed Annual Workplan, and must be justified and explained to UNDP-COSU. Any other changes in the budget require a formal revision to the budget within the Grant Agreement, as explained below.
- (c) All project expenditures should be charged to the correct budget lines and backed by supporting documents which should be recorded and filed by the Cooperating Agency. These documents and records are the means by which the Cooperating Agency shows that project funds are properly used, and are therefore vital to discharging accountability to UNDP.
- (d) The life of a project is not contingent on whether or not an unspent balance remains in the budget. Rather, the project is considered completed when its life as specified in the Grant Agreement ends, or when its outputs have been produced and objectives achieved, whichever comes first. In the case, that agreed outputs have yet to be achieved by the end of a project's life, the Cooperating Agency may request an extension of the project to UNDP-COSU, which will consider the request and consider whether the Cooperating Agency's justification for delayed delivery suffices to allow a project extension. When the end of a project is reached, any unspent balance in the budget reverts to UNDP. The existence of an unspent balance at the end of the project's life is not, by itself, sufficient grounds for an extension of the project.

To be eligible for funding under this programme, costs must:

- (a) Be necessary for, and utilized, in carrying out the project actions described in the Grant Agreement, and must comply with principles of sound financial management, cost effectiveness and value for money;
- (b) Be actually incurred by the applicant and partner(s) during the implementing period for the project, whatever the time of actual disbursement by the applicant and partner(s); this will not affect the eligibility of final audit costs
- (c) Be recorded in the applicant and partner(s) accounts or tax documents, be identifiable and verifiable, and be backed by originals of supporting documents.

Eligible costs can include:

- Project personnel with the applicant and partner(s): International or national staff assigned to conduct project activities. Such personnel may serve full-time as long term advisers or short term consultants. The scale of salaries and related costs must not exceed those normally applied by the applicant and partner(s). Chinese Government Agency personnel can only receive remuneration from project grants if:

(a) his/her employer agency is not an organizational unit of the Cooperating Agency, and (b) s/he obtains an approved leave of absence from the employer agency..

- Travel and subsistence costs, for staff conducting project actions, provided they do not exceed the standards of such costs normally borne by the applicant and partner(s).
- Training: These are training opportunities designed for the project applicant and partner(s) personnel or other relevant stakeholders to gain knowledge and skills directly relevant to achieving project objectives. Such activities may be in the form of workshops, courses or study tours to establish training institutions in the country or overseas.
- Equipment: These include both expendable and non-expendable equipment provided the equipment is necessary to conduct the project and purchased at market rates. Non-expendable equipment is equipment with a life span of at least 5 years and normally costing more than \$500.
- Subcontracts: These are contracts or agreements issued to public or private organisations for the purpose of delivering specific services required by the project.
- Costs arising directly from the requirements of the final Grant Agreement (e.g. dissemination of information, evaluation, audit, translation, printing, insurance, financial service costs in form of transfers and financial guarantees)
- Miscellaneous – This category includes cost of small items which do not fall in the above categories (e.g. the cost of consumables and supplies).

Ineligible costs include:

- Debts and provisions for losses or debts;
- Interest owed;
- Currency exchange losses;
- Purchases of land, buildings or vehicles;
- Taxes, including VAT;
- Items which are already financed in another framework.

Eligible indirect costs (overheads)

A lump sum not exceeding 7% of the granted direct eligible costs of the project may be claimed as indirect costs to cover administrative overheads incurred by the applicant and partner(s). Indirect costs are eligible provided that they do not include costs

assigned to another heading of the project budget and that the applicant and partner(s) in other respects do receive an operational grant. The overhead amount will be provided along with quarterly financial transfers to projects under the Grant Agreement. The Cooperating Agency and Partner(s) must define in their MoU how these amounts will be distributed amongst themselves.

### **3) Workplans and Financial Transfers**

Before any funds can be advanced to the Cooperating Agency, UNDP-COSU must first endorse and co-sign an Annual Workplan (AWP), which then becomes an integral part of the Grant Agreement. AWP's indicate what activities must be undertaken by whom and at what time to produce each and every output specified in the Grant Agreement. The Cooperating Agency prepares Annual Workplans as part of the Grant Agreement signed with UNDP, and ensures that such AWP's are regularly reviewed and updated in a timely manner with UNDP-COSU. Clear and accurate AWP's serve as a foundation for effective use of funds under projects for the following reasons:

- (a) AWP's are an operational definition of how project management staff and participants can achieve objectives within the life of the project. The workplan is therefore a primary means for the Cooperating Agency to apply its technical and management leadership of the project.
- (b) AWP's are the only sound basis for determining which inputs and how much funding is required, and has been spent, by the Cooperating Agency within a given period. The workplan is needed by UNDP-COSU to forecast and authorize expenditures of the budget under the Grant Agreement, and to serve as the basis for regular reporting to UNDP-COSU on the financial status of the project. Workplans therefore serve as the crucial link between the substantive and financial operations of the project.
- (c) AWP's are the chief basis for the different ECBP parties and auditors to objectively assess the substantive and financial performance of the project.
- (d) AWP's are a useful communication tool for explaining the work of the Cooperating Agency to its staff, higher authorities and the public.
- (e) A project is activated only after AWP's have been signed between UNDP-COSU and the Cooperating Agency and thereby form part of the Grant Agreement. The elements and other considerations regarding Annual Workplans are further described in the Grant Agreement.

Regarding expenditure of funds, UNDP adopts a risk management approach and will select specific procedures for cash transfer on the basis of a micro-assessment of the financial management capacity of a selected Cooperating Agency, where necessary. A micro assessment may be conducted by an accounting firm nominated by UNDP prior to the awarding of the Grant Agreement. Based on the results of the micro-assessment, UNDP will select the most suitable cash transfer modality for the project and the

corresponding cash transfer procedures and assurance activities to be used with the Cooperating Agency. Options for cash transfer procedures include, but are not limited to:

*(a) Direct Cash Transfers to the Cooperating Agency.*

Except for the first quarterly request for advance, such requests are submitted to UNDP-COSU by the Cooperating Agency through a Financial Report within 15 days after the end of the Quarter, recording the previous quarter's expenditures against any previous advances, calculating the remaining unspent advance, and specifying the funds required for the next quarter. Along with the financial breakdown is attached a Quarterly Operational Workplan which specifies in more detail the activities to be carried out within the Quarter in line with the overall Annual Workplan. Templates for Financial Reports and Quarterly Operational Workplan will be provided by UNDP-COSU. The Financial Report specifies:

- All Cooperating Agency expenditures, by budget line, in the past quarter
- Reports unspent funds from the past quarter's cash advance
- Forecasts the expenditures and net amount of funds needed for the next quarter based on Quarterly Operational Workplan

UNDP-COSU reviews the Financial Report against the Quarterly Operational Workplan and processes it for endorsement by UNDP prior to cash advance. UNDP deposits the requested advance, in RMB and/or US Dollars, in a specially-dedicated bank account (RMB and/or USD) to be opened by the Cooperating Agency prior to signature of the Grant Agreement. The Cooperating Agency then directly makes payments or disbursements out of the account to cover project expenditures.

*(b) Through direct payments by UNDP.*

In cases where the micro-assessment finds it more effective for certain types of expenditures for payments to be made directly by UNDP than by the Cooperating Agency, this direct payment option can be selected within the Grant Agreement. In addition, the Cooperating Agency may request to UNDP-COSU at any time for UNDP to provide direct payments where it is not practical or convenient for the Cooperating Agency to do so, as in the case of US or other foreign currency payments. Templates for direct payment requests will be provided by UNDP-COSU.

The request must be duly certified by the Cooperating Agency and accompanied by supporting documents showing that the requested payment is for an approved, legitimate expense within the agreed activities in the Grant Agreement. Supporting documents will include for example: copy of Service Contract/Special Services Agreement and the Cooperating Agency certification of performance for payment of a national or international consultant; copy of Purchase Order and original invoice for payment of an overseas equipment supplier; and copy of subcontract and Certification of Subcontractor Performance for payment of a subcontractor. UNDP will effect payment on the basis of

the duly certified request, and on the understanding that all the required supporting documents have been duly screened and endorsed by UNDP-COSU.

### **Maintenance of Financial Records**

For the purpose of direct cash transfers (if selected by UNDP as the cash transfer modality for the project following the micro-capacity assessment), the Cooperating Agency must keep accurate and regular records and dedicated, transparent accounts of the implementation of the project. It must keep the records for at least four years after payment. These account records are critical for the following reasons:

- They enable UNDP and other ECBP partners to ascertain the financial operations and status of the project at any given time.
- They facilitate the preparation of the quarterly Financial Reports and the substantive Project Reports.
- They are required for examination by the independent external auditors under ECBP.
- They can help the Cooperating Agency and UNDP-COSU to identify and correct financial irregularities.

The account records and ledgers that the Cooperating Agency should keep are as follows. Basic templates can be provided by UNDP-COSU on request.

- (a) Non-expendable Property Ledger: This is a record of non-expendable equipment acquired, transferred, or disposed of by the project as noted above in section on Procurement of Equipment. The ledger is used as the basis for preparing the Inventory of Non-expendable Equipment that should be submitted to UNDP-COSU each year as part of regular reporting on the project.
- (b) Cash Receipts and Disbursements Journal: This journal is a chronological record of all funds that are deposited into, or disbursed from, the project bank account.
- (c) Disbursement Ledger: This is a cumulative record of all disbursements made by the Cooperating Agency, entered by budget line. The ledger enables the Cooperating Agency to keep a running balance of the available budget in each component and budget line each year throughout the life of the project, and facilitates the preparation of the quarterly Financial Report.
- (d) Cash Advance Ledger: This records the amount of funds received as cash advances from UNDP, and how much of it has been disbursed within any reporting period. The ledger facilitates the preparation of the quarterly Financial Report.

(e) Direct Payments Ledger: This records direct payments made by UNDP as requested by the Cooperating Agency, and indicates the cumulative balance of funds budgeted for direct payments.

### **Procurement**

The Cooperating Agency will be responsible for procuring all project inputs required to fulfill the Outputs specified in the Grant Agreement. This includes procurement of consultancy/expert services, supply and installation of equipment, lease of facilities and machinery, conducting training, or carrying out studies.

For procuring goods or services from a private firm and a non-governmental organization, the Cooperating Agency issues a purchase order or subcontract, following fully open tender and competitive bidding in line with UNDP standards for international best practice. A subcontract is an agreement between the Cooperating Agency and a subcontractor for the latter to provide goods or services needed by the project.

A subcontractor may be a national or international academic or research institution, private firm, or a non-governmental organization. A subcontractor is accountable for its performance to the Cooperating Agency which, in turn, is accountable to UNDP for achievement of the terms of the Grant Agreement.

It should be noted that any entity or unit that is organizationally and administratively a part of the Cooperating Agency cannot be awarded a subcontract. The Cooperating Agency will follow UNDP standards for international best practice in the procurement process, throughout all the following basic steps:

- (a) Preparation of the specifications of the goods or services to be purchased.
- (b) Identification of qualified suppliers.
- (c) Bidding or tendering for the procurement
- (d) Selection of the best supplier.
- (e) Issuance of the purchase order to the selected supplier.
- (f) Inspection and accepting delivery of the goods or services.
- (g) Paying the supplier.

UNDP requires that procurement under all projects must ensure that:

- Goods or services to be procured are consistent with the technical and financial provisions in the Grant Agreement.
- Open, competitive bidding procedures have been observed by the Cooperating Agency.
- The best price and conditions from acceptable bidders have been selected for the product or services, e.g., with respect to warranties, local servicing, compatibility with existing equipment or practices, delivery time, etc.

To comply with these requirements, the following standard procurement procedures must be followed:

(a) All procurement of goods or services from a single supplier, or a series of contracts/purchases adding up to less than \$30,000, and all vehicles, personal computers, audio-visual and office equipment regardless of purchase value, shall be procured by the Cooperating Agency from qualified suppliers which offer the best price and terms for the purchase. Price quotations from at least three of these selected suppliers should be obtained for review and selection by the Cooperating Agency, with the recommendation and selection by the Cooperating Agency provided to UNDP-COSU along with regular reporting on the project.

(b) Procurement of goods or services (other than the above-mentioned category) from a single source valued \$30,000 or more but not exceeding US\$100,000 is required to undergo full open tender and competitive bidding process. The Cooperating Agency will convene a Bid Evaluation Committee to evaluate bids/quotations from at least three suppliers, and recommend the Committee's preference ranking of the suppliers, i.e., the first-ranked supplier made the best offer, followed by the second, etc. The results of the Committee's evaluation will be provided UNDP-COSU for endorsement and recording prior to notification of selected supplier by the Cooperating Agency.

The Bid Evaluation Committee is an *ad hoc* committee that consists of 5 to 10 members depending on the complexity of the goods/services and consequent expertise required to evaluate the procurement. The Committee should be chaired by a senior officer of the Cooperating Agency and will include relevant Partner Organizations involved in the project. UNDP-COSU will be invited to attend all committee meetings as an observer. Committee members should be made up of representatives from:

- Cooperating Agency
- Partner Organizations
- At least 3 independent experts on the goods or service being procured, identified by the Cooperating Agency, (i.e., not a staff member of the Cooperating Agency or any of the partners, associates or suppliers). The composition of the members of the Committee and the CVs of its members must be provided to UNDP-COSU prior to the committee meeting.

The Committee applies the following criteria in reviewing the bids:

- Conformity with specifications or TOR
- Offered price or cost
- Availability of warranty, local servicing, training
- Delivery schedule
- Terms/conditions of payment

Bids are reviewed first on their technical merits. If the bids do not meet all technical specifications, they are automatically disqualified. If they meet all the specifications then the financial terms are reviewed. All bids reviewed must be

summarized in a bid evaluation form, template of which will be provided by UNDP-COSU.

UNDP-COSU may also issue invitations for a representative from UNDP Country Office, EU, MOFCOM or SEPA to participate as observers in the proceedings of any Bid Evaluation Committee meetings. To facilitate this invitation, the Cooperating Agency will advise UNDP-COSU of the date, time and venue of bid evaluation meetings at least three weeks before they are held.

(c) Procurement of goods or services (other than the types mentioned in (a) above) valued \$100,000 or more shall be subjected to full open international tender and competitive bidding. The same process as described in section (b)) must be followed.

(d) In certain very exceptional circumstances such as those described below, the requirement for fully open competitive bidding may be waived. In such cases, regardless of the value of the procurement, requests for waiver must be submitted to UNDP-COSU for review, and must be approved by UNDP. Requests for waivers of competitive bidding may be granted under one or more of the following conditions:

- (i) Prices or rates or sole sources are fixed pursuant to national legislation or by regulatory bodies.
- (ii) Standardization of supplies, equipment or spare parts renders competition impracticable.
- (iii) Exigencies of service do not permit delay attendant upon issuance of a request for bids or proposals.
- (iv) A request for bids or proposals would not give satisfactory results or would not be deemed in the interest of UNDP.
- (v) Commodities in scarce supply can be immediately procured at prices which are not likely to be maintained.
- (vi) A previous order or contract has been awarded to a bidder and it is advantageous to award an order for a new identical requirement to the same bidder at the same price.

The Cooperating Agency undertakes monitoring and general supervision of the subcontractor's work to ensure that the TOR for the service is adhered to and the outputs are produced as envisaged. When the services, goods or outputs are satisfactorily delivered to the Cooperating Agency (i.e., in accordance with the TOR) the Cooperating Agency completes and submits to UNDP-COSU a Certification of Subcontractor Performance form, to be provided by UNDP-COSU as part of regular project reports. Invoices from the subcontractor should normally accompany this certification when it is submitted. The Cooperating Agency remits payments to the subcontractor, based on schedule of payments provided in the sub-contract, only after UNDP-COSU has endorsed the Certification of Subcontractor Performance.



## Procurement of Equipment

Equipment to be procured under the Grant Agreement are limited to those indicated in the budget and the Annual Workplan. This also includes small allocations for supplies such as stationery and other miscellaneous office items. The most important distinction applied to equipment purchased under projects is whether they are *expendable* or *non-expendable*. Expendable equipment, also termed "supplies" or "consumables," are those items that have a short life span or routinely consumed, and have low unit costs. Non-expendable equipment, also termed "durables," are those that have a life span of at least 5 years (ie. vehicles, audiovisual and office equipment, personal computers, etc) and normally costing more than \$500. This categorization has great significance for the Cooperating Agency because it is required to maintain, annually report to UNDP-COSU on, and account for its inventory of non-expendable equipment procured under the project.

The procurement of equipment takes place under institutional arrangements involving a Bid Evaluation Committee established by the Cooperating Agency as described above under section on Procurement. At all times, the Cooperating Agency will ensure that the principle of open competitive bidding and other UNDP standards are observed in procurement of equipment under projects.

The Cooperating Agency will develop equipment specifications for issuing a request for quotations, indicating functions, capacities or other technical features of equipment required to achieve activities in the Grant Agreement. Brand names and models should not be indicated unless these are determined to be the only equipment meeting the required functional features. Also, ECBP funds cannot be used to purchase equipment with luxury, decorative or other non-functional features which carry additional costs. Among the key information that should be included in the equipment specifications:

- Required quantities of each equipment item
- Complete technical characteristics of each item
- Request to supplier to indicate availability of warranties and after-sales maintenance/service facilities
- Desired dates of delivery, installation and testing
- Any other requirement (e.g., installation services, training in equipment operation)

Review of bids and selection of suppliers is undertaken by the Bid Evaluation Committee as noted above in section on Procurement depending on the size of the contract. The Cooperating Agency then issues a Purchase Order to the supplier and takes delivery of equipment, inspecting them to make sure that all items have been delivered, meet specifications, have no damages or missing parts, and/or are functioning properly. The Cooperating Agency must fill a Receiving and Inspection Report. In case of damage or missing items, the Cooperating Agency should report these to UNDP-COSU within 15 days after receipt of equipment. If the equipment is internationally procured, the

Cooperating Agency receives the shipping documents from the supplier and undertakes all obligations for customs clearance, inspection of the shipment, making insurance claims, and transporting the equipment to the project site.

The Cooperating Agency shall ensure that all non-expendable equipment is entered in an Inventory of Non-expendable Equipment. The inventory indicates the following information for each item of non-expendable equipment procured under the project: a serial number, the quantity, chassis and motor number (if applicable), date of purchase and value, and where it is located. The format for this inventory will be provided by UNDP-COSU. The Cooperating Agency prepares and certifies the inventory annually, as it is required to submit and have this inventory endorsed annually by UNDP-COSU.

If the equipment purchased is non-expendable, the Cooperating Agency informs UNDP-COSU of the receipt of the equipment and shall at the same time request for a transfer of ownership from UNDP to the Cooperating Agency or the appropriate partner(s) to be affected through a Transfer of Title of Non-expendable Equipment agreement to be provided by UNDP-COSU. Equipment procured under UNDP-assisted projects remains UNDP property until formally transferred or finally disposed of, at the end of the project. Such non-expendable equipment must carry the EU and the UNDP logo.

The responsibility and accountability to UNDP for the care, insurance coverage (if applicable), and proper use of equipment rests with the Cooperating Agency during the life of the project. This includes both non-expendable and expendable equipment, even though formal inventory records for the latter are not required. The Cooperating Agency may initiate disposal of damaged or unneeded equipment already under its ownership. They may be sold or written off in accordance with UNDP disposal procedures which will be provided by UNDP-COSU. With regards to the purchase of vehicles under projects, the Cooperating Agency assumes the following responsibilities:

- (a) Registering and licensing all project vehicles.
- (b) Since insurance coverage during shipping terminates upon delivery of equipment to the final destination, the Cooperating Agency is required to purchase at least third-party liability insurance locally to cover all vehicles. UNDP bears no liability on the vehicles procured.
- (c) All vehicle accidents, including injury or death of a third party, must be covered by the Cooperating Agency in accordance with existing Government rules and regulations. UNDP bears no liability for such accidents.

### **Expenditures for Personnel**

Because projects represent technical rather than capital assistance, project personnel inputs, together with those for training, will often constitute a large proportion of the project budget. Consequently, the recruitment of various types of project personnel by the Cooperating Agency becomes a major project management responsibility. Personnel recruited under the Grant Agreement shall not be considered in any respect as being employees or agents of UNDP. The Cooperating Agency shall ensure that all relevant national labor laws are observed.

UNDP does not accept any liability for claims arising out of the activities performed under personnel contracts under the project, or any claims for death, bodily injury, disability, and damage to property or other hazards that may be suffered by project personnel as a result of their work pertaining to the project. It is understood that adequate medical and life insurance, as well as insurance coverage for service-incurred illness, injury, disability or death, is the responsibility of the incumbent project staff.

There are many types of personnel that a project can recruit. The most common categories include international and national personnel, professional and administrative support staff, or international or national experts and consultants. All paid experts/consultants in the project are required to be recruited from outside the Cooperating Agency's organization, unless proposed personnel are expert staff of the Cooperating Agency or partner organizations and indicated in the application. For projects where the proposed personnel is an employee of a Government agency, s/he can only be issued an employment contract under two conditions: (a) his/her employer agency is not an organizational unit of the Cooperating Agency, *and* (b) s/he obtains an approved leave of absence from the employer agency.

The Cooperating Agency will design Terms of Reference (TORs) for each project post to be funded by the Grant Agreement and will ensure timely recruitment of the best qualified personnel for each post or assignment, optimally using them to produce the outputs envisaged in the Grant Agreement by matching TORs with expected results within projects. The Cooperating Agency assumes the responsibility for recruiting and issuing the employment contract to all project personnel, except where the Grant Agreement specifies that a UN or other international organization is designated to perform this task.

### ***Recruitments***

All recruitments must follow standard open advertisement and competitive selection processes. The Cooperating Agency ensures that selection is made on a competitive basis from a short list of at least three screened applicants established by an independent short-listing panel established by the Cooperating Agency. No discrimination shall occur based on considerations of race, ethnicity, religion or creed, nationality or political belief, gender or handicapped status. A separate interview panel will also be established by the Cooperating Agency to review the applications of the

short-listed candidates based on a quantitative preference ranking with the following general types of criteria.

- Matching of the candidate's qualifications with the TOR;
- Cost required in terms of the candidate's likely salary or fee;
- Timeliness of availability; and
- Performance appraisals or references on the candidate's work

More detailed matrix of criteria for ranking candidates should be developed by the Cooperating Agency beforehand to match the needs of the project in question. Standard templates can be provided by UNDP-COSU. A waiver of the above open and competitive recruitment process can only be given for consultant contracts of less than one month, but must be based on a short-listing from a roster of candidates and selection from at least three short-listed qualified candidates.

Once the interview panel has selected a candidate, the Cooperating Agency submits a Minutes of Short-Listing and Selection Panels to UNDP-COSU as part of its regular reporting. Cooperating Agency then offers the post or assignment to the selected candidate and, if needed, negotiates the remuneration, timing, and other terms and conditions of the contract. It should be noted that only the two parties signing the contract, the Cooperating Agency and the successful candidate, are bound by it, not UNDP. Besides describing the services that the consultant is to perform, the contract also indicates the level of remuneration, travel and subsistence entitlements, and other terms and conditions for the employment. Contracts must also stipulate that all income tax requirements remain the sole responsibility of the consultant in accordance with national rules. Standard templates for personnel contracts can be provided by UNDP-COSU.

#### *Remunerations*

Levels of remuneration for posts specified in the Grant Agreement are estimated as maximum costs. For national and international experts/consultants, the amount reflected in the budget should include three components: (a) the salary or fee (b) cost of official travel, and (c) daily subsistence allowance when on official travel. The estimated costs of personnel in the Grant Agreement will be treated as the upper limits for personnel remuneration to be used by the Cooperating Agency.

Within these limits, the actual rates paid upon contract negotiation and conclusion are determined on a case-to-case basis and essentially determined by conditions in the national and international market for specialists, e.g., supply/availability and demand/need factors. Actual expenditures for personnel will be based on actual costs which may be below the upper limits set in the budget.

Final personnel costs reflected in contracts issued by the Cooperating Agency cannot exceed UNDP standard personnel costing figures. General rates, depending on nature of TOR, level of education and experience and other criteria as basis for assessment, shall be between \$40,000-\$100,000 gross per annum for long-term (one year

or more) international experts, or \$200-\$550 per day gross for short-term international consultants, and between RMB55, 000-RMB480,000 gross per annum for long-term national experts, or \$50-\$200 (in RMB equivalent) gross per day for short-term national consultants.

Within the above conditions, the remuneration/fee for consultants, the total number of workdays, and the manner or schedule of payment are negotiated on a case-to-case basis. In general, payment of the fee is calculated to start from the first workday up to and inclusive of the last workday of the assignment or mission.

### *Travel*

International experts and consultants recruited by the Cooperating Agency are entitled to receive Daily Subsistence Allowance (DSA) when on work mission outside of their primary duty station as reflected in the contract. The DSA must not exceed UNDP rates which will be provided by UNDP-COSU.

Subsistence allowance is paid to the consultant for the duration of the mission, i.e., from the date of departure from, to the date of arrival in, his/her home country. UNDP General DSA rates, depending on location of travel within China are \$65-\$250 per day for international experts/consultants. DSA is also paid for each night spent on mandatory stopovers (e.g., to make the necessary flight connections) at the prevailing rate for that city. In the case of overnight flight during mission, DSA is payable at the rate of the next mission place, except for the return journey or which overnight DSA will be paid at the last duty station rate.

For travel on missions to China, the consultant is entitled to a return economy air ticket by the most direct route between the home country and the duty station in China. If the total flying time for the journey is nine hours or more, the Cooperating Agency may grant travel on business class if the consultant requests it either as a condition of his/her acceptance of the assignment, or upon arrival in China, provided that in both cases s/he presents the business class air ticket stub and corresponding original receipt/invoice. In addition, terminal/airport costs (transfer, portage) are paid in accordance with UNDP standard rates for various cities.

National experts and consultants who undertake official travel outside their duty station are entitled to reimbursement of travel costs and subsistence allowances not exceeding such rates as are normally born by the institution they work with and which does not exceed the conditions described below.

In case such standards are not available the following will apply:

- Food allowance of RMB 150 per day
- Accommodation (hotel) allowance is provided by reimbursing actual costs of hotel accommodation, provided the hotel does not exceed a three-star standard. Where the national expert/consultant travels on the same mission

- with international experts/consultants and therefore stays in the same hotel, the actual hotel cost is reimbursed.
- The actual cost of air, land or water transport is reimbursed.

For travel on missions, personnel are entitled to a return economy air ticket by the most direct route between the duty station and the mission site, or in the case of international experts from home station to the duty station in China. The experts/consultants must present to the Cooperating Agency air ticket stubs and corresponding original receipts/invoices. In addition, terminal/airport costs (transfer, portage) can be paid in accordance with UNDP standard rates for various cities.

Once the services have been rendered, a Certification for Remuneration of Payment shall be submitted by the experts/consultants for endorsement by the Cooperating Agency. This shall reflect whether the expert/consultant has performed his/her services in accordance with the TOR satisfactorily. This Certification should be accompanied by a copy of any report or other outputs of the consultant as specified in the TOR.

### **Expenditures for Training/Workshops**

Projects are expected to serve as a major avenue for capacity building, reflected in the training components of Grant Agreements and budgets. Indeed, the sustainability of ECBP-assisted projects largely depends on the success with which individuals learn skills and organizations gain institutional capabilities so that they continue, long after project end, to produce outputs similar to those generated during the life of the grant. For these reasons, the Cooperating Agency must ensure that training activities budgeted under the Grant Agreement are not only carried out as scheduled in the Annual Workplan, but more important, that training and workshop/dialogues related activities actually transfer new skills and capabilities from these activities.

The necessary resources for training and workshops are reflected in the training component of the Grant Agreement budget. All training activities should attempt to ensure at least 30-50% participation by women. There are various categories of training that may be provided in a project.

Study Tours covers educational visits to one or more countries by participants in management or professional positions within the Cooperating Agency. Study tours are also used for attendance in international conferences. They should provide knowledge directly relevant to the work of the participants related to achievement of project results. Finally, in-country training covers any project-related training that takes place in China. This type of training is organized in the form of workshops or seminars.

In order to effectively implement training components of the Grant Agreement, the Cooperating Agency will prepare a Training Plan for each training activity. A Training Plan should be received by UNDP-COSU as part of its regular reporting in

advance of the quarter in which the training is to be undertaken. The Training Plan should contain the following information:

(a) Training Activity and Venue: This is the category of the training activity as specified in the Grant Agreement (e.g., in-country training, study tour, fellowship) and/or Annual Workplan, and where it is expected to be held.

(b) Date and Duration of Training: The intended starting date and duration of the training activity should be indicated, making sure to allow enough lead time for preparations.

(c) Training Objectives and Terms of Reference for Trainers: The objectives of any training activity should be stated in terms of specific, measurable changes in knowledge, attitudes or skills among trainees, expected as a result of the training activity. Terms of Reference (TORs) should be developed for trainers that will support implementation of the plan.

(d) Number and Type of Participants: Description of the positions or titles and required qualifications of training participants.

(e) Required Reports: It should be indicated what reports on the training activity are required to be submitted to the Cooperating Agency (a) by the trainees, and (b) by the trainer or training institution that conducted the activity.

(f) Cost of Training: This should indicate the estimated total cost of the training activity. Training cost items that can be charged to the project include rental of venue, printing of training materials, participants' and trainer's accommodations, lodging and travel by the most economical route, stationery and training supplies, interpretation or translation of training materials, and trainer/lecturer fees. It should also be noted that projects cannot cover hospitality or entertainment costs (e.g., banquets or performances). The budget line(s) to be charged for the training activity should also be indicated in, and should be in accordance with the Annual Workplan. The daily subsistence allowance (DSA) due to workshop participants, as well as other costs associated with the local workshops, will be in accordance with standard UNDP DSA rates as noted above. National resource persons can be recruited as project consultants and paid in accordance with the standard rates indicated in section above on personnel.

### **Revisions to the Grant Agreement**

All revisions to the Grant Agreement which constitute a formal modification of the design or elements of the project (i.e., adjustment of its immediate objectives, outputs, activities and inputs), a correction of the budget, or revisions to the Annual Workplan must be formally requested to and approved by UNDP-COSU. However, basic amendments (such as office contact address change, bank account details, etc) need only be notified by the Cooperating Agency to UNDP-COSU in writing. Two common requests for revision to the Grant Agreement may include:

(a) When the project budget is modified as a result of reallocations of funds among Activities in the Annual Workplan, or among years in the project's life. Such budget revisions are expected to make up the most common type of revision. A budget revision involving reallocation of unspent funds from the current year to the next or future years is referred to as budget rephrasing which also requires request for revision.

(b) When the purpose is to change the objectives or produce additional outputs in order to attain a higher-level or different objective, thereby also requiring an increase or decrease in the budget. These changes are considered a major type of project revision and require a substantive revision to the Grant Agreement.

### **Audits**

Projects will undergo annual audits by external independent auditors recruited by UNDP. UNDP-COSU will develop audit plans, listing projects scheduled to be audited in a given year. The EC will also conduct an external mid-term and an external final evaluation of the entire ECBP Programme, including coverage of projects. The EC, the European Anti-Fraud Office and the European Court of Auditors will be permitted to carry out on the spot inspections of projects. The overall objective of auditing a project is to obtain reasonable assurance that funds are being managed by the Cooperating Agency in accordance with the financial regulations, rules and procedures, and as specified in the Grant Agreement and its Annexes. The audits of projects cover various issues including, but not limited to, the following:

- (a) Allocation and use of Cooperating Agency matching co-financing to the project in accordance with the Grant Agreement and Annual Workplan
- (b) Assessment of the rate of delivery;
- (c) Financial accounting, monitoring and reporting;
- (d) Management systems for recording, documenting and reporting on resources utilization;
- (e) Equipment use and management; and
- (f) Management structure, including the adequacy of appropriate internal control and record-keeping mechanisms.

Thus, the audit report should address, among others, those instances where:

- Disbursements have not been made in accordance with the Grant Agreement
- Financial reports are not fairly presented or accurate
- Disbursements are not valid or not supported by adequate documentation
- Material weaknesses exist in management, structure and control
- There are improper certifications by the Cooperating Agency
- Procurement, use, control and disposal of non-expendable equipment are not in accordance with requirements of the Grant Agreement

The Cooperating Agency and related subcontractors and partners in project implementation must give the auditors access to all relevant documents and files on the



project. UNDP-COSU will provide a list of documents that should be kept available for the auditors. Where negative findings are made, the Cooperating Agency must ensure that actions are taken to correct adverse audit findings.

### **Monitoring & Evaluation**

Monitoring is the process of continuous tracking or surveillance of the implementation of the project with the aim of obtaining early indications of progress in the achievement of project objectives. It primarily involves gathering information that can be used to determine whether the project is being implemented as planned, i.e., whether inputs have been mobilized, activities undertaken, outputs produced and, therefore, results achieved as scheduled. Monitoring deals with both the substantive and financial performance of a project. The fundamental prerequisites for monitoring are the Annual and Quarterly Operational Workplans, and the Quarterly and Bi-Annual Reports, prepared and submitted on regular basis by the Cooperating Agency to UNDP-COSU.

Evaluation is the process of systematically and objectively assessing the following aspects of an on-going or completed project:

- (a) Relevance - whether the design of the project remains valid in terms of the problem(s) it addresses and its main design elements (objectives, outputs, activities and inputs).
- (b) Performance - whether the project is being implemented as planned in terms of inputs utilization, the production and quality of outputs and their contribution to achieving objectives, and management arrangements.
- (c) Success - whether the project has achieved its immediate and development objectives and the desired sustainability of project results or impact.

The fundamental prerequisites for project evaluation are the stated objectives and the criteria or indicators that measure the achievement of each objective, as highlighted in the Annual Workplan.

Reporting is the preparation of written accounts of the progress and/or results of implementation and these are submitted to UNDP-COSU for endorsement. All reports that the Cooperating Agency submits to UNDP-COSU must be prepared in English. Besides sharing information on the performance of a project, reporting is a means by which the Cooperating Agency discharges its accountabilities. Reporting is one of the primary responsibilities of the Cooperating Agency. Reports are important inputs in the management and administration of a project.

Bi-Annual Progress Reports will be submitted to UNDP-COSU containing a report on continued relevance of activities to achieving ECBP results, overall performance of implementation and the likelihood of its successfully achieving the goals of the Grant Agreement. Standard formats for Bi-Annual Project Reports will be

provided by UNDP-COSU. Participants in preparing the reports should include the Cooperating Agency and relevant representatives from local partners and beneficiaries to the project. The Bi-Annual Report should contain information on: (a) a numerical rating of the relevance, performance and success of the project, (b) a textual assessment of these indicators, and (c) data on the use of project inputs.

In addition annexes to the report should include: statement of the year's approved budget and the actual year-to-date expenditures, the certified latest Inventory of Non-expendable Equipment, and the Annual Workplan and budget, including any suggested budget revisions for the upcoming bi-annual period.

UNDP-COSU will visit projects for purposes of on-site monitoring as needed, but at least once a year. There is much valuable information in addition to the Bi-Annual Project Reports that will be obtained from seeing the actual operation of the project and talking to project staff, partner institutions and the project target groups.

### **Closure of Projects**

A project is operationally completed when all its activities have ceased. It is the responsibility of the Cooperating Agency to advise to UNDP-COSU in writing when the project is operationally completed. This advice should include a draft budget revision reflecting actual and estimated expenditures by the end of the operational activities. Projects are encouraged to organize public events (workshops, etc) and related activities to publicize results and achievements, including provision of relevant information to UNDP-COSU for linkages to overall ECBP programme visibility activities. The costs for such activities can be paid from the project budget. Before declaring the project operationally complete, the Cooperating Agency should ensure that:

- (a) All recruited personnel have completed their assignments, and all required technical reports from consultants and experts have been received and distributed;
- (b) All subcontracts have been completed according to the terms and conditions of the contract;
- (c) All major items of equipment have been delivered and are installed, tested and functioning;
- (d) All equipment have been disposed of in agreement with UNDP-COSU, either by transfer to the Cooperating Agency, to another project related entity, or retained as the property of UNDP for temporary custody, or by sale;
- (e) All reports related to activities included in the latest Annual Workplan have been submitted to the UNDP-COSU.

Immediately prior to the operational completion of the project, UNDP-COSU will advise the Cooperating Agency on how non-expendable equipment not yet transferred to Cooperating Agency ownership will be disposed of.

An operationally completed project will be considered financially completed when all financial transactions have been recorded by UNDP, the Cooperating Agency's project account closed, and a final budget revision approved by UNDP. The financial completion of a project must occur within 12 months after the month it is operationally completed. The Cooperating Agency will close the project bank account and refund to UNDP any outstanding balance, together with any accrued interest. Similarly, any savings or deficit that results from the settlement of outstanding obligations shall be credited or charged to UNDP.

### **Visibility**

The Cooperating Agency may use the name and emblem of UNDP only in direct connection with the project, and subject to prior written consent of UNDP. Appropriate visibility and credit must be given to the umbrella ECBP Programme under which projects are implemented through Grant Agreements with UNDP. This includes proper references to ECBP in reports and publications stemming from Grant Agreement projects (eg. websites, brochures, etc) and during workshops and other public events associated with the projects. It should be noted that SEPA serves as the overall Implementing Partner for the ECBP programme, that the ECBP programme is funded by the European Union, and that UNDP supports the management and implementation of field projects under ECBP.

### **Other**

Nothing in or relating to the Grant Agreement or its Annexes or other provisions concerning this cooperation shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UNDP.

In accordance with the provisions spelled out above, and those to be reflected in the Grant Agreement, UNDP-COSU may request, when necessary, additional information from the Cooperating Agency. For any matters not specifically covered by the Grant Agreement and its annexes including these Terms and Conditions, the appropriate provisions of UNDP rules and regulations contained therein shall apply, *mutatis mutandis*.

UNDP and the Cooperating Agency shall try to settle amicably through direct negotiations, any dispute, controversy or claim arising out of or relating to the Grant Agreement, including breach or termination of the agreement. Any issues or disputes arising from the implementation of the Grant Agreement will refer to the Standard Basic Assistance Agreement signed between the People's Republic of China and the United Nations Development Programme signed on June 29, 1979.

## **ANNEX III**

### **Memorandum of Understanding (MoU)**

**Memorandum of Understanding  
between  
WWF Beijing Office  
and  
TRAFFIC International  
The World Conservation Union (IUCN)  
The Ecology Committee of the Natural Resources of Chinese Meteria Medica  
Sichuan Provincial Forestry Department  
Shaanxi Provincial Forestry Department  
Gansu Provincial Forestry Department  
Sichuan Administrative Bureau of Traditional Chinese Medicine**

**Background**

The World Wide Fund for Nature (WWF) Beijing Office (hereafter referred to as WWF), TRAFFIC International (hereafter referred to as TRAFFIC), the World Conservation Union (IUCN) (hereafter referred to as IUCN), the Ecology Committee of the Natural Resources of Chinese Meteria Medica (hereafter referred to as ECNRCMM), the Sichuan Provincial Forestry Department, the Shaanxi Provincial Forestry Department, the Gansu Provincial Forestry Department and the Sichuan Provincial Administration of Traditional Chinese Medicine agreed to collaborate for implementation of the partnership project titled “*Supporting the sustainable management of traditional medicinal plants in high-biodiversity landscapes of Upper Yangtze Ecoregion*” hereafter referred to as the Project.

The Project is a landscape-level partnership initiative, funded by the EU-China Biodiversity Program (ECBP), which will develop and build capacity for implementing a strategic model for biodiversity conservation and sustainable development in China through incentive-based approaches to reverse degradation of medicinal plant ecosystems and improve livelihoods in Minshan and Qinling landscapes.

The overall outcome of this project will be that degradation of medicinal plant populations and key habitats is mitigated and local medicinal plant harvester's livelihoods improved in key landscapes of the Upper Yangtze ecoregion. This will be achieved through innovative ecosystem management methods linked to incentive based approaches to biodiversity conservation and sustainable development, resulting in a strategic model for biodiversity conservation and sustainable development in China.

WWF is the applicant through its Beijing Office. The partners are TRAFFIC, IUCN, the Ecology Committee of the Natural Resources of Chinese Meteria Medica, the Sichuan Provincial Forestry Department, the Shaanxi Provincial Forestry Department, the Gansu Provincial Forestry Department, and the Sichuan Administrative Bureau of Traditional Chinese Medicine who will each provide significant matching funds to this project.

**Preamble**

RECOGNISING also that our common interest in establishing effective resource assessment, management and monitoring systems for sustainable harvest of wild medicinal plants are a means towards attaining the Millennium Development Goals (MDGs) and implementing the Convention on Biodiversity (CBD);

RECOGNISING that we have a strong interest in promoting sustainable use as a means of increasing community income in pilot areas, through integrated, landscape level strategies for poverty alleviation and sustainable use of wild medicinal plants

ACKNOWLEDGING that through our complementary experience and expertise, the potential for the benefits of collaboration to be greater than the sum of the parts of the work of the groups in isolation.

PERCEIVING that many of our interests are complementary and our objectives are largely compatible.

PURSUANT to our mutual desire to collaborate in the field of biodiversity conservation with emphasis on the sustainable use of its components,

**Do hereby agree on the following:**

**Roles and Responsibilities:**

WWF shall:

- a) Sign contracts and liase with UNDP-COSU as the Cooperating Agency, as well as with the other Parties to this MoU;
- b) Establish a Project Management Office (PMO);
- c) Be responsible for project maagement, coordination, reporting and implementation of all activities, and work with national partners in field sites;
- d) Be responsible for financial management of the Project, including providing matching funds and receiving funds from UNDP-COSU;
- e) Be responsible for dispersing funds to national, provincial and local partners; and
- f) Organize internal and external monitoring and evaluation;

TRAFFIC shall:

- a) Take the leading role in the implementation of trade-related activities of the Project; and
- b) Contribute to the production of work plans and budgets, as well as financial and progress reports;
- c) Contribute and allocate matching funds as planned.

IUCN shall:

- a) Take the leading role for reviewing and enhancing policy related activities of the Project; and
- b) Contribute to the production of work plans and budgets, as well as financial and progress reports;
- c) Contribute and allocate matching funds as planned.

The Ecology Committee of the Natural Resources of Chinese Meteria Medica shall:

- a) Taking the leading role in developing locally appropriate standards for sustainable harvest of wild Medicinal Plants;
- b) Coordinate relevant traditional Chinese medicine institutions and manufacturers in support of the Project;
- c) Support the capacity building for and the initiation of the establishment of Medicinal Plant certification bodies at the national level;
- d) Contribute to enhancing relevant policy work;
- e) Disseminate results and promote the project at the national level; and
- f) Ensure that matching funds are provided and allocated as planned

The Provincial Forestry Departments shall:

- a) Support and ensure coordination and implementation of the Project;
- b) Each appoint a coordinator for the Project;
- c) Issue invitation letters for international consultants; and
- d) Contribute to project monitoring and evaluation;
- e) Ensure that matching funds will be provided and allocated as planned.

The Sichuan Administrative Bureau on of Traditional Chinese Medicine shall, in the project areas:

- a) Provide technical support in the implementation of the Project;
- b) Assist in coordinating relevant policy work, and
- c) Ensure that matching funds are provided and allocated as planned.

All the parties to this MoU will also follow and respect all the responsibilities as defined and stipulated in the Results and Resource Framework (RRF), Work Plans and all other documents included in the Grant Agreement.

#### **Joint responsibilities**

Each Party to this MoU shall designate a representative to be responsible for all routine liaisons within the scope of this agreement. These representatives shall collaborate to exchange information and bring the benefits of the collaboration to their respective organizational membership.

#### **Coordination**

The PMO will set up a “virtual” voluntary Technical Advisory Group consisting of staff from the Ecology Committee of the Natural Resources of Chinese Meteria Medica, the Sichuan Administrative Bureau of Traditional Chinese Medicine, the Provincial Forestry Departments, WWF Beijing office, WWF Germany, IUCN and TRAFFIC.

#### **Financial Management**

The disbursement of any funds raised jointly shall be subject to joint agreement. Funds available for dispersal should reflect the level of responsibilities of each Party to this MoU to implementation of specific Outputs and Activities set out in the RRF and accompanying Budget. External, independent evaluation will be conducted to assess the effectiveness and impact, efficiency of implementation and sustainability of the project. The 7% management fee will be managed by the Applicant, WWF.

#### **Intellectual Property Rights**

The Parties to this MoU shall each respect the confidentiality of all information concerning the other which is obtained or received as a result of the activities and operations conducted under this agreement, and will use such information solely in pursuit of the objectives of this agreement. The Parties to this MoU shall jointly copyright any products developed under this MoU, which will include the logos of all parties. Each Party will be free to reuse the products for other initiatives, following approval by the Steering Committee, and acknowledging that the product has been developed in the framework of the Project. Use of any Party’s logo shall be subject to that Party’s prior written consent.

#### **Dispute Resolution**

This MoU has been developed in a spirit of multilateral cooperation and collaboration. Any dispute between the Parties to this MoU regarding the interpretation or implementation of this agreement shall be settled amicably, by consultation or negotiation to reach consensus within the spirit of collaboration of this MoU. In case that an agreement cannot be reached, the dispute will be resolved according to Chinese laws and UNDP rules and regulations.

#### **Amendments**

Modification of any term, including the duration, of this MoU may be made in advance by an amendment signed by all Parties and approval by UNDP-COSU.

#### **Withdrawal or Termination of A Party**

If a Party cannot deliver the outputs as determined in the Grant Agreement, the Cooperating Agency has the right, after proper consultation and warning, to terminate its involvement and replace the Party with another appropriate Party to be approved by UNDP-COSU. In such an event, this MoU shall be amended accordingly.

#### **Duration**

This agreement shall become effective on the date when the project is approved and signed by the Cooperating Agency and UNDP. It will remain active until the project is completed according to UNDP-COSU requirements.

On behalf of WWF

Country Representative  
WWF China Programme Office, Beijing

On behalf of TRAFFIC

Director  
TRAFFIC East Asia China Programme

On behalf of IUCN

China Programme Director  
IUCN China Liaison Office, Beijing

On behalf of ECNRCMM

ECNRCMM Representative  
The Ecology Committee of the Natural  
Resources of Chinese Meteria Medica

On behalf of Sichua Provincial Forestry  
Department

Department Representative  
Sichuan Provincial Forestry Department

On behalf of Shaanxi Provincial  
Forestry Department

Department Representative  
Shaanxi Provincial Forestry Department

On behalf of Gansu Provincial Forestry  
Department

Department Representative  
Sichuan Provincial Forestry Department  
Gansu

On behalf of Sichuan Administrative  
Bureau of Traditional Chinese Medicines

Bureau Representative  
Sichuan Administrative Bureau of  
Traditional Chinese Medicines



## **ANNEX IV**

### **Draft Terms of References and CVs for Key Staff**

## Terms of Reference for Key Positions

|                         |  |
|-------------------------|--|
| <b>Position title:</b>  | <b>Project Leader</b>  |
| <b>Reports to:</b>      | WWF Beijing Office   |
| <b>Supervises:</b>      | Project Management Office (PMO) staff  |
| <b>Location:</b>        | Chengdu  |
| <b>Date:</b>            | October 1, 2007  |
| <b>Main Objectives:</b> | Effectively manages the implementation of the project titled “ <i>Sustainable management of traditional medicinal plants in high-biodiversity landscapes of Upper Yangtze Ecoregion</i> ” (hereafter referred to as “the Project”) |

### 1. Major functions:

- ❖ Develops the Project’s annual work plan, budget with the integration of the matching fund
- ❖ Supervises the Project implementation
- ❖ Develops Annual reports and the final report
- ❖ Ensures delivery of conservation outcomes
- ❖ Maintains effective linkage among different project components
- ❖ Coordinates with the local and provincial partners
- ❖ Develops and maintains close relationship with donors
- ❖ Manages fund and seeks opportunities for magnification
- ❖ Team Building/Coaching
- ❖ Prepares and hosts the Steering Committee annual meetings

### 2. Major Duties and Responsibilities:

- ❖ Leads the effective development and implementation of the Project’s annual work plans and budgets, ensuring all project partners’ participation in planning and reviewing of the Project
- ❖ Provides support, guidance and technical supervision to PMO team, including convening and chairing PMO meetings or delegates these as appropriate
- ❖ Provides overall coordination and support for multi-programme and crosscutting initiatives in the Project and WWF related Programmes.
- ❖ Acts as the spokesperson for the Project on conservation issues or delegate this task to the appropriate person.
- ❖ Leads and co-ordinates the Project reporting according to the objectives of the Project. Ensures timely production of technical reports of appropriate format, quality, and content, and within the specified time frame to meet donor requirements
- ❖ Maintains good relationships with EU China, UNDP COSU, WWF Donors and external donors, in order to achieve the Project goals
- ❖ Ensures effective implementation of the Project communications and Strategic Policy Plans
- ❖ Ensures the development of protocols for effective monitoring and evaluation of the Projects, including ongoing adaptive management, learning, and sharing of the Project
- ❖ Takes the leading role to facilitate annual financial audits;
- ❖ Conducts joint annual performance appraisal and training needs assessment of PMO staff.
- ❖ Develops annual training/capacity-building plan for PMO staff with support from the HR Manager of WWF Beijing Office.
- ❖ Prepares and hosts the Steering Committee annual meetings

### 3. Position Requirements/Qualifications:

- ❖ More than 10 years’ working experience in conservation and related areas
- ❖ Experience in managing large multi-partner conservation and rural development projects
- ❖ Good knowledge on community development, medicinal plants and landscape conservation, trade and market knowledge and certification scheme
- ❖ Hold at least a Master’s degree in biology, or social economics
- ❖ Fluent in Mandarin and English communication
- ❖ Good experience in international cooperation
- ❖ Good leadership skills

**Position title:** Deputy Project Leader  
**Reports to:** The PMO Project Leader  
**Supervises:** Project Management Office (PMO) staff  
**Location:** Xi'an  
**Date:** October 1, 2007  
**Main Objectives:** Effectively manages implementation of the project titled "*Sustainable management of traditional medicinal plants in high-biodiversity landscapes of Upper Yangtze Ecoregion*" (hereafter referred to as "the Project")

**1. Major functions:**

Support the PMO Project Leader fulfilling the project leader's major functions in the management of the Project, authorized by the Project leader.

**2. Major Duties and Responsibilities:**

Support the PMO Project Leader fulfilling the project leader's major functions in the management of the Project, authorized by the Project leader.

**3. Position Requirements/Qualification:**

- ❖ At least 8 years working experience in conservation and related areas
- ❖ Experience in managing large multi partner conservation and rural development projects
- ❖ Good knowledge on community development, medicinal plants and landscape conservation, trade and market knowledge and certification scheme
- ❖ Hold at least a Master's degree in biology, or social economics
- ❖ Fluent in Mandarin and English communication
- ❖ Good experience in international cooperation

**Position title:** Project Officer (3)  
**Reports to:** The PMO Project Leaders  
**Location:** Chengdu, Xi'an, Beijing  
**Date:** November 1, 2007  
**Main Objectives:** Coordinates and supports the implementation of the project titled "*Sustainable management of traditional medicinal plants in high-biodiversity landscapes of Upper Yangtze Ecoregion*" (hereafter referred to as "the Project")

**1. Major functions:**

- ❖ Assists developing the Project annual work plans, budgets and to ensure the integration with the matching funds.
- ❖ Implements the Project work plan.
- ❖ Ensures conservation outcomes on the ground
- ❖ Maintains effective linkage among different project components
- ❖ Manages contracted projects and implement consistently monitoring and evaluation
- ❖ Coordinates among the project partners
- ❖ Closely works with WWF field project teams in Chengdu and Xi'an

**2. Major Duties and Responsibilities:**

- ❖ Provides technical assistance to partners;
- ❖ Coordinates with the partners to ensure that a sound communications strategy is in place and participates in communications activities as needed;
- ❖ Establishes necessary project documentation and database, serving as an information source.
- ❖ Coordinates meetings/workshops in terms of project implementation.
- ❖ Manages contracted projects implementation and project day-to-day monitoring and evaluation.
- ❖ Timely delivers project progress reports, (technical/financial)
- ❖ Hosts and introduces the project to visitors.
- ❖ Fulfils other project related works required by supervisor.

**3. Position Requirements/Qualification:**

- ❖ At least 5 years work experience in biodiversity conservation or rural economic development.
- ❖ Understanding conservation and economic development issues in China
- ❖ Familiar with adaptive management approach
- ❖ Good computer skills.
- ❖ Good English writing and speaking, Excellent Chinese writing skills
- ❖ Familiar with participatory facilitation skills
- ❖ Adaptive to frequent field travel, and willing to work in the project field sites.
- ❖ Dynamic, creative and outgoing personality and commitment to nature conservation

**Position title:** TRAFFIC Trade Officer  
**Reports to:** The PMO Project Leader with the additional reporting line to TRAFFIC East Asia – China Program Coordinator  
**Location:** Beijing, China  
**Date:** October 1, 2007  
**Main Objectives:** Coordinates the trade/TRAFFIC component of the project titled “*Sustainable management of traditional medicinal plants in high-biodiversity landscapes of Upper Yangtze Ecoregion*” (hereafter referred to as “the Project”)

**1. Major Duties and Responsibilities:**

- ❖ Coordinate the trade/TRAFFIC component of the Project and ensure timely delivery of activities coordinated by TRAFFIC
- ❖ Work in close collaboration with the IUCN Project Officer to ensure appropriate joint implementation and coordination of the Project policy and trade activities
- ❖ Provide contribution to develop the Project annual work plans and budgets
- ❖ Produce the TRAFFIC component of annual and quarterly project reports
- ❖ Maintain good relationships with project partners and relevant governments and organization in order to achieve the Project goals
- ❖ Assist the Project Leader to facilitate annual financial audits;
- ❖ Periodically report the project progress to the TRAFFIC East Asia – China Program Coordinator
- ❖ Other tasks agreed with the PMO Project Leader and the TRAFFIC China Program Coordinator

**2. Position Requirements/Qualifications:**

- ❖ Hold at least a Masters degree in the field related to Biology, Environment and nature resource conservation
- ❖ At least 5 years working experience in conservation or related fields and more then 3 years work for wildlife trade with good communication within the team;
- ❖ Proven ability to liase and work with governments, private sector and /or non-governmental organizations in China;
- ❖ Have ability to liase effectively with key figures in Chinese society and culture;
- ❖ Experience in working with international organizations;
- ❖ Good oral and written communication skills in English and the ability to communicate fluently in Mandarin;
- ❖ Strong commitment to the TRAFFIC Mission and an interest in conservation.

# CVs for Key Staff

## 1. Project Leader

### CURRICULUM VITAE

1. **Family Name:** Ling
2. **First Names:** Lin  
**Address and e-mail:** No. 15<sup>th</sup> of Renminbeilu Yiduan, Chengdu.  
lling@wwfchina.org
3. **Date of Birth:** May 19, 1961
4. **Nationality:** Chinese
5. **Civil Status:** Married
6. **Education:** (start with most recent diploma or degree)

|    | Institution                                      | Date:              | Degree(s) or Diploma(s)                          |
|----|--|--------------------|--|
| 1  | Sichuan University                               | 07/2004 until now  | Study on Ph. D program on Ecosystem conservation |
| 2  | RECOFTC of Thailand                              | 06/1992 to 12/1992 | Certification on Community Forestry              |
| 3. | Southwest Forestry University in Kunming, Yunnan | 09/1980 to 07/1984 | Bachelor Degree in Forestry                      |

7. **Language skills:** Indicate competence on a scale of 1 to 5 (1 = excellent; 5 = basic)

|    | Language | Reading | Speaking | Writing |
|----|----------|---------|----------|---------|
| 1. | Chinese  | 1       | 1        | 1       |
| 2. | English  | 3       | 3        | 3       |
| 3. | Tibetan  | -       | 5        | -       |

8. **Membership of professional bodies:**

Member of Sichuan Participatory Rural Assessment (PRA) Network

9. **Other skills:**

Workshop facilitation skills

Computer literacy in MS Office

Geographical Information Systems (GIS)

10. **Present position:**

Leader of WWF Chengdu Office

11. **Years within the firm:**

six years

12. **Key qualifications:**

- At least ten years experiences on large scale program management, for example, WWF Minshan panda forest landscape conservation, EU China sustainable forest anagement program, World bank supported afforestation program in Sichuan province, Sino-german afforestation program in Sichuan and etc.

- 10 years experiences on rural community development in South west China
- 8 years experiences on training, extension and practice of Participatory Rural Assessment in China
- Familiar with leadership of government agencies in China
- 10 years working experiences on development of grass root NGOs and farmer's institute in south west China and familiar with NGO's management and legal issues in China
- Professional facilitation skills on strategy development of various organizations
- 5 years work with FAO projects on Conflict Management issues
- Community Property Management
- 5 years experiences on training manual development, pilot sites implementation of Non Timber Forest Products Marketing in rural communities and the Mt. Emei World Heritage Site in Sichuan
- In Helping with UNDP project expert to develop Micro Credit Schemes in Sichuan
- Training and Extension

**13. Specific experience in the beneficiary countries:**

|    | Country        | Date: from/to      |
|----|----------------|--------------------|
| 1. | Sichuan, China | 12/1989 to present |
| 2. | Thailand       | 06/1992 to 12/1992 |
| 3. | Yunnan, China  | 09/1980 to 07/1984 |
| 4  | Tibet, China   | Before 09/1980     |

**14. Professional experience record: (start with most recent employment/ assignment)**

|                     | Date: from/to  | Location | Company                       | Position              |
|---------------------|--|----------|-------------------------------|-----------------------|
| <b>1</b>            | 12/2001 to now   | Chengdu  | WWF<br>China Programme Office | Ecoregion Coordinator |
| <b>Description:</b> | <ul style="list-style-type: none"> <li>• As a officer leader, managing WWF's Pand conservation program being implemented in Sichuan and Gansu,</li> <li>• Work for WWF "Forests of Upper Yangtze Ecoregion Programme"</li> <li>• Work as an facilitator to help Winrock "Tibetan community sustainable development project " conduct Rural Social –economic assessment"</li> <li>• Help to develop a co-management mechanism for protecting of "Huangduliang panda corridor" in North Minshan landscape in the Upper Yangtze Eco-region</li> <li>• Help to develop ecoregion conservation action plan for the "Forests Of Upper Yangtze Ecoregion Programme"</li> <li>• Coordination and implementation of "Minshan Landscape Initiative Project in Sichuan and Gansu province</li> <li>• FAO "NTFP Marketing &amp; Analysis and Development Project in World Heritage Sites, in Mountain Emei Sichuan</li> <li>• Design and publish of training manual for NTFP marketing for South West China</li> <li>• Development and implementation of pilot projects on NTFP in Sichuan (Conservation area and natural heritage sites, connecting international and local marketing)</li> </ul> |          |                               |                       |

|                     |  |         |   |                 |
|---------------------|--|---------|---|-----------------|
| 2.                  | 10/1996 to<br>11/2001  | Chengdu | World Bank supported Forestry Project<br>Office | Vice Director   |
| <b>Description:</b> | <ul style="list-style-type: none"> <li>• World Bank “Sustainable Forestry Development Project in Sichuan”</li> <li>• Project preparation: cooperation with national and international experts</li> <li>• Natural forest management and community development</li> <li>• Protected areas management</li> <li>• Head of participatory land use planning group</li> </ul> <p><i>World Bank “Forestry Development In Poverty Area Project”</i></p> <ul style="list-style-type: none"> <li>• Vice director of Sichuan Provincial Project Office.</li> <li>• Development of the Community Participation Guideline and farmers monitoring plan for the whole project in China</li> <li>• Trainings to trainers from 12 provinces of the Project in China</li> </ul> <p><i>UNDP “Poverty Alleviation Project Sichuan”</i></p> <ul style="list-style-type: none"> <li>• Micro credit schemes development</li> <li>• Rural assessment and training</li> </ul> <p><i>KfW “Sino-German Afforestation Sichuan”</i></p> <ul style="list-style-type: none"> <li>• Participatory land use planning</li> <li>• Trainings for local staff of the project on project management circle, i.e. Loge framework, monitoring and evaluation</li> </ul> <p><i>WWF “Sustainable Forestry Project” Sichuan</i></p> <ul style="list-style-type: none"> <li>• Development of project idea and proposal</li> <li>• Training and practices on negotiation of stakeholders for land use planning</li> <li>• Many experiences on organizing of participatory community meeting and stakeholders meeting</li> <li>• Promote Project management skills, i.e. conflict management, women’s participation, GIS mapping and etc.</li> <li>• Development of new Forest inventory guideline for county level in consideration of not only forests aspect but also social economy and biodiversity aspects</li> <li>• Case study on impacts to rural community from Logging Ban and analysis of timber marketing chain</li> <li>• Development of Forest zoning process and introduction of logic framework concept in more counties in Sichuan</li> </ul> |         |   |                 |
| 3.                  | 06/1992 to 09/1996   | Chengdu | Sichuan Forestry<br>Extension Station           | Extension Staff |
| <b>Description:</b> | <p><i>Ford Foundation supported “Community Forestry Project” in Sichuan province</i></p> <ul style="list-style-type: none"> <li>• Development of community forestry concept for Sichuan China</li> <li>• Implementation of pilots community forestry project in Sichuan</li> <li>• Development of training manual on community development, i.e. Community Forestry Assessment.</li> </ul>   |         |   |                 |
| 4.                  | 06/1989 to 1992  | Chengdu | Sichuan Forestry<br>Department                  | Technical Staff |



|                     |  |                           |   |                 |
|---------------------|--|---------------------------|---|-----------------|
| <b>Description:</b> | <i>Yangtze protection forests (shelter belt) project on Planning and Monitoring (Government Project)</i>   |                           |   |                 |
|                     | <ul style="list-style-type: none"> <li>• Development of annual action plans</li> <li>• Monitoring &amp; Evaluation</li> <li>• Farmers training</li> </ul>  |                           |   |                 |
| <b>5</b>            | 07/1984 to 1989  | Zhengzhou, Henan Province | Henan Provincial Institute of Forestry Inventory and Planning | Technical staff |
| <b>Description:</b> | <i>Forestry monitoring and Evaluation</i>  |                           |   |                 |
|                     | <ul style="list-style-type: none"> <li>• Carry out monitoring and evaluation according guidelines from Henan Forestry Department</li> <li>• Carry out a research project on Remote Sense technique in Forestry Land use Planning</li> <li>• Carry out forests inventory</li> <li>• Designing of Song Shan Forest Park</li> </ul> |                           |   |                 |

**15. Other relevant information:**

Preparation and translation of Chinese version of “ The Sustainable Forestry Handbook”

Translation and publishing of “Non-Timber Forest Products Marketing & Analysis and Development Booklets in Chinese version

Translation and editing of Criteria and Indicators for Sustainability of Community

Development and published of the Chinese manual of “Community forestry Assessment”

## 2. Deputy Project Leader

### CURRICULUM VITAE

1. **Family Name:** Liu
2. **First Names:** Xiaohai
- Address and e-mail:** Room 2504 Zhong Lian Yi Hua Yuan, North Wen Yi Road, Xi'an  
710054 Shaanxi China  
xhliu@wwfchina.org
3. **Date of Birth:** 2<sup>nd</sup> July 1972
4. **Nationality:** Chinese
5. **Education:** (start with most recent diploma or degree)

|    | Institution                       | Date:              | Degree(s) or Diploma(s)                     |
|----|-----------------------------------|--------------------|---|
| 1  | Beijing Forestry University       | 07/2003 to 07/2006 | Master Degree on Rural Economic Development |
| 2. | Xi'an Foreign Language University | 09/1990 to 07/1994 | Bachelor Degree in Literature               |

6. **Language skills:** Indicate competence on a scale of 1 to 5 (1 = excellent; 5 = basic)

|    | Language | Reading | Speaking | Writing |
|----|----------|---------|----------|---------|
| 1. | Chinese  | 1       | 1        | 1       |
| 2. | English  | 3       | 3        | 3       |
| 3. | Japanese | 5       | -        | -       |

7. **Membership of professional bodies:**

Member of Shaanxi Nature Reserve Management Network  
Standing Director of Shaanxi Zoology Association

8. **Other skills:**

Workshop facilitation skills  
Computer literacy in MS Office

9. **Present position:**

Head of WWF Xi'an Office

10. **Years within the firm:**

six years

11. **Key qualifications:**

- At least ten years experiences on large scale program management, for example, WWF Qinling landscape conservation, China-UK program, Organic farming Programme
- More than 8 years experiences on rural community development in North-west China
- Maintain good partnership with government agencies in Shaanxi.
- 10 years working experiences on development of grass root NGOs and farmer's institute in North-west China and familiar with NGO's management and legal issues in China

- Professional facilitation skills.
- 3 years experience on eco tourism development.
- 8 years experiences on training manual development, Project implementation.

**12. Professional experience record: (start with most recent employment/ assignment)**

| <b>Date: from/to</b> | <b>Company</b>                                   | <b>Position</b>                   | <b>KRA</b>   |
|----------------------|--|-----------------------------------|--|
| 2004-now             | WWF China  | Head of WWF Xi'an Office          | Overall supervise Qinling Landscape Conservation Project                         |
| 2002-2004            | WWF China  | WWF species Programme Coordinator | Supervise WWF Qinling project Eco-tourism and Community Development Module.      |
| 2001-2002            | Futures Group Europe China Representative Office | Chief Operation Officer           | Overall Supervise China-UK HIV/AIDS Prevention and Care Project Social Marketing |
| 2000-2001            | US Business Network                              | Regional Trade Manager            | Consultancy on International trade policy and procedures.                        |
| 1999-2000            | Hawaii Organic Hemp Project                      | Project Leader                    | Organic Hemp development and Promotion Programme in North West China             |
| 1997-1999            | O CIA Organic Farming Project                    | Project leader                    | Organic Farming Promotion and Certification in North West China                  |
| 1994-1997            | COFCO Shaanxi Branch Dalian Office               | Office Manager                    | International Trade Management   |

**13. Other relevant information:**

**Publications:**

1. "Field Guide of Wild Animals in Shaanxi"
2. "Field Guide of Bird Species in Shaanxi"
3. "Community Co-management; from conflict to cooperation"
4. "Shaanxi South Taibai Master Plan"
5. "Community Development series-Bee Keeping Manual"
6. "Community Development series-Medicinal Herb Plantation Manual"
7. "Ecotourism, Solution for Poverty Alleviation"
8. "Community Development and Nature Reserve co-management in Qinling"

### 3. TRAFFIC Trade Officer

## CURRICULUM VITAE

### PERSONAL INFORMATION

Liu, Xueyan  
Programmer Officer of Timber and Plants Trade  
TRAFFIC China Office  
1609, Wen Hua Gong Beijing Working People's Culture Palace,  
Beijing 100006, China  
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### EDUCATION & QUALIFICATIONS

- 2002-2005: Master of Science, Resource Management in Technology University Munich, Germany
- 2001-2002: Harnack Germany Language School in Berlin, Germany
- 1992-1996: Bachelor of Economics, Nanjing Agriculture University, China

### PROFESSIONAL EXPERIENCE

2006. Jan – Present as Programmer Officer of TRAFFIC China, Beijing,

Major project/programme activities on-going and undertaken:

- Developing the “Legal Standards for Forestry Products Source” in China for EU timber Project
- Through workshops, field trips, interviews with relevant stakeholders to identify their relationships and contributions for our targets.
- Building up network and liaison with stakeholders
- Worked with relevant governments and research institute such as SFA, State Forestry Research center, China Forestry, CITES Management Authority to achieve our targets;
- Take leading for Timber trade project in China and offer technical supports for TRAFFIC global network connected with timber/plants trade and conversation issue;
- Prepared timely project progress report and financial report to supervisor and donor;
- Developed ECBP Proposal connect with TCM plants conservation issue; Helped and coordinated Asia Regional Cooperation—Custom proposal; Coordinated TRAFFIC component and activities in IUCN “LLS-Livelihoods and Landscapes Strategy”
- Provided technical assistant to the communication activities of TRAFFIC and WWF China Programme Office;

Main responsibilities:

- Take the lead role in the coordination and implementation of the projects on timber and plants trade within the TRAFFIC wildlife trade - China programme; help initiate and develop new proposals in relation to timber and plants; responsible timber trade management and policy
- Collect information in support of programmer or project work, including reports from partners in the field and reports from contra tees, etc.
- Compile all legal documents and laws connected with Legal source verification and translate into English; Finish the draft of legal standard and its reviewing process through experts seminar; Organize a national workshop to discuss it;
- Finish the gap analysis report for China legal system and policies connected with legal standard; Offer legal standard for national and international review and polish it by lawyers; translate and Publish it under the requirement of Donor or other partners;
- Accurately prepare and timely complete and deliver project documentation, including project activity reports, monitoring and evaluation information, and others as needed.;
- Provide technical supports to for TRAFFIC network especially for plants project;
- Offer the date and supports for TRAFFIC publications like newsletter/ hardcopy/Annual reports;
- Provide timely updating news and information to Communication officer (TRAFFIC/WWF);
- Manage and develop regular relationship among Chinese government in different levels, NGOs, relevant communities; partners
- Provide other information and supports be requested by team and director;

Aug.2003 – Dec.2003 Intern, Resource Management Bureau in Valencia, Spain  
as Marketing Researcher for Local Resource & Marketing Division

- Responsible for local resource analysis focus on EU ( Europe Union) marketing development; implement relationship management strategy to achieve the goal of a superior level of government services;

- Collecting and compiling over 20 years historic data for local water resource
- Analyzed problem & variances recommend new strategies to achieve sustainable utilization's goal.

**Aug.1996- Jan.2001** Jiangsu Kinsley Group Co. Nanjing, China  
 --Manager of International Business Department (Sept.1998- Jan. 2001)  
 -- Coordinator of International Business Department (Aug.1996- Sept.1998)

### **SKILLS & ACHIEVEMENTS**

#### **Communication**

- Good communication skills gained from giving presentation at management meeting and group works. Issued clear and concise instructions to clients, chairing meetings and dealing with customers tactfully and diplomatically
- Worked on international projects during my trading career has involved different roles, which have developed business negotiation and persuasion skills

#### **Team Work & Leadership**

- Successful work was dependent upon participation, coaching and motivation of syndicate project groups
- Experience of studying within a team-based multi-culture involved planning, understanding, co-ordination and commitment

#### **Analytical & Problem Solving Ability**

- Development of strong analytical and diagnostic skills from daily business cases and recognized by the team-members, superiors, and customers.
- Responsible for a large number of oversea clients and companies and their assets taught me to find solutions to solve customer problems in a calm and efficient manner

### **LANGUAGE**

- English (fluent)      Germany (fluent)      Chinese (native language)

### **COMPUTER SKILLS**

Knowledge of MS OFFICE (Word, Excel, PowerPoint), Photoshop, Adobe

### **HONORS & ACTIVITIES**

- Representative & 1st place. for Cross Cultural Communication, TUM, Germany Feb. 2003
- Execution in Austria for Tourist Resource Developing, June. 2003
- Student job as Marketing researcher for a Peter Simon Import and Export Co. Berlin, Germany from April to July in 2002
- Student job in Marketing Department of Metro in Munich, Germany in April 2003
- Excellent editor for Student News Agency in Nanjing Agriculture University, China May. 1994

### **CERTIFICATION & LICENSURES**

- Certified Intercultural Communications by TUM, Germany, Feb.2003
- Certified Presentation and Facilitation Techniques by TUM Germany, December 2002
- Certified For the Strategic Environmental Communication by GreenCOM, USA Feb. 2003