

Annual Project Report

[UNDP-Macao Initiative for Carbon Sequestration through Sustainable Forest Management]

[31/12/2013]

Basic Project Information

Project Title: UNDP-Macao Initiative for Carbon Sequestration through Sustainable Forest Management	
UNDP Award ID	00070741
UNDP Project ID	00084586
Project Duration	3 years (2013-2015)
Reporting Period	January 2013 –December2013
Total Approved Project Budget	USD 1,000,000
Participating UN agencies	N/A
Implementing Partners/ National collaborating agencies	Beijing Forestry Carbon Administration (BFCA)
International collaborating agencies	N/A
Cost-sharing third parties	Macao SAR Government
UNDP Contact officer	Zhang Weidong/Fan Shuhua
Project website	N/A

Executive Summary

UNDP, Macao Government and BFCA reached an initial cooperation agreement at the beginning of the year. After frequent discussions with UNDP, Project Appraisal Committee (PAC) meeting held in February, completion of Project Documents and Two Year Work-plan as well as recruitment of 2 UNVs, the three parties signed the official agreement in April. The project was officially launched on Project Steering Committee (PSC), 14th June, 2013, which also set up PSC and Project Management Office (PMO) and issued PSC Charter and PMO Statement.

The project execution during this year keeps pace with annual plan and has achieved the following outputs:

- ✓ 8 technical documents and reports, 1 set of project overview brochure, 1 set of information booklet, 12 exhibition boards and 1 Project Communication Strategy were developed;
- ✓ 8 large and medium awareness promotion events and 4 technical training and exchange workshops were held.
- ✓ Over 50 websites, newspapers and magazines and 4 TV programmes have reported our projects, reaching a much greater number of audience than expected 0.5 million and generating wide impact domestically and internationally. UN senior officials have actively participated in the publicity activities, visited the demonstration site and discussed the second term cooperation.

So far, the project has successfully accomplished all annual planned activities. The project execution of PMO is highly recognized by senior officials of Beijing Municipal Government and United Nations Development Programme.

1. Background

Development Context

The role of forestry in combating climate change has been widely recognized and increasingly accentuated nowadays by the international community. Besides being listed in a series of international conventions,

protocols, acts and decisions such as the United Nations Framework Convention on Climate Change and the Kyoto Protocol, the Intergovernmental Panel on Climate Change (IPCC) predicts forestry carbon sequestration will be the most economic, pragmatic, and effective measure to address climate change in the next 30-50 years. Also, the transactions of forest carbon credits in the global voluntary emission trading market have surmounted 40% of total transactions.

As the largest greenhouse gas emitter, China is sparing no effort to combat climate change. The 12th Five Year Plan (2011-2015) for the first time set an explicit target to reduce 17 % carbon intensity and pledges efforts to reduce emission and increase carbon sinks, including developing nationwide voluntary carbon market. *The Work Program of Controlling Greenhouse Gas Emissions in the 12th Five-Year Plan Period* issued in November 2011 by the State Council explicitly also proposed to explore and establish a carbon emissions trading market. *The Notice regarding the Pilot of Development of Carbon Emissions Trading* published in the same year by the National Development and Reform Commission (NDRC) announced that seven provinces and cities including Beijing would be the first batch of pilot provinces and cities for carbon emissions trading with the requirement of formal launching in 2013.

Forestry carbon trading is an important part of the carbon emissions trading system. State leaders have awarded a special position to forestry in addressing climate change, pledged to increase forest coverage and stock volume and issued related policies, e.g. *the Action plan on Forestry Combating Climate Change and the Key Points of Actions for Forestry Combating Climate Change in the 12th Five-year Plan Period (2011-15)*. Market-based institutions such as the China Green Carbon Foundation and the China Forestry Exchange have been established. Afforestation based Carbon sequestration projects were carried out in more than ten provinces and cities covering more than 80,000 ha. Statistics showed that between 1980 and 2005 China has achieved almost 5.11 billion tons of carbon emissions reductions.

With Chinese forestry undergoing transition from afforestation to forest management there is great potential for forest management based carbon sequestration projects, which capitalize on an increase in carbon storage through targeted management approaches such as sustainable management (SFM). SFM-based carbon sequestration projects not only provide chances for regions lacking forestation potential, but bring co-benefits such as biodiversity conservation and livelihood improvement.

Project Objectives and Strategy

Despite of potential benefits, there are several barriers to successfully carrying out SFM-based carbon sequestration projects in Beijing and China. Firstly, there is lack of standardized methodologies on how to increase carbon sequestration through sustainable forest management, how to conduct carbon accounting and monitoring so as to verify the carbon sequestered and how to manage such projects. Secondly, there is no pilot project with forest management area as a platform for demonstration and exchanging information/experience. Thirdly, there is lack of awareness on developing SFM-based carbon sequestration projects among the forestry practitioners and the role of forestry in combating climate change among the general public.

To tackle these, this UNDP-Macao project was initiated with the objectives and strategy as following: 1) supply technical reserves for Beijing and even national voluntary carbon trading market through developing technical guidelines and management regulations for SFM-based carbon sequestration projects; 2) establishing a platform for demonstration and communication through the building of the pilot SFM-based carbon sequestration project and related carbon accounting and monitoring practices; 3) capacity building through managerial and technical personnel training and raising the awareness of general public and local community on the role of forestry in combating climate change; 4) bring multiple co-benefits, e.g. biodiversity conservation, soil and water conservation and livelihood improvement to demonstration area.

2. Key Results

Project Outcomes

Outcome 1: Develop technical guidelines and project management regulations (trial version) in 2013; applying guidelines in demonstrate forests and issuing regulation in 2014.

The Chinese version of Forest management guideline for increasing carbon sequestration, guideline for carbon accounting and monitoring for SFM-based carbon sequestration projects and management regulation for forestry carbon sequestration projects in Beijing were developed and English versions are in the process of translation.

Outcome 2: Establish 160 ha demonstration area, manage and conduct carbon accounting and monitoring based on guidelines; report carbon sequestration capacity; maintain project achievements.

Project demonstration area was determined and its carbon stock baseline survey and report completed; work plan of forest management in demonstration area, Project Design Document (PDD) and carbon accounting models for 3 key tree species were developed; target trees were selected and marked, well prepared for implementing forest management in 2014;

Outcome 3: Enhance the capacity of technical staff and forestry practitioners on forestry carbon projects and the awareness of general public in Beijing on forestry addressing climate change.

2 domestic workshops on SFM-based carbon sequestration projects between Heilongjiang province and Beijing were held, 1 training on forestry combating climate change among Beijing grass-root forestry practitioners provided and 1 international training organized for New Zealand experts to share experience in establishing emission trading market; project publicity strategy was made, 1500 project overview brochures and 2000 booklets on forestry addressing climate change printed and distributed, and big project display board created; total over 40,000 people participated in 3 publicity events in 3 parks; 4 UN senior officials attended carbon footprint calculator donation events; more than 50 websites, 4 TV and multiple newspapers or magazines reported our project, reaching an audience over 1,000,000.

Outcome 4: The project management is carried out efficiently.

Project Steering Committee (PSC) and Project Management Office (PMO) were set up, two UNVs recruited, and commission and purchase contracts prepared. Expert and partner meeting were frequently held. Project management and evaluation documents such as quarterly progress reports and final reports were always timely submitted and in high quality. Project execution of PMO was highly recognized by Macao government and UNDP China.

Activities and Outputs

Activity 1.1 Develop forest management guideline (trial version) for increasing carbon sequestration

Chinese Institute of Green Carbon (CIGC) was entrusted to develop the forest management guideline for Beijing area, including reviewing relevant information, conducting analysis and preparing the guideline draft. After discussion with forestry experts in about 10 meetings and consultations, the forest management guideline (trial version) in Chinese has been successfully developed and English version is in the process of translation.

Activity 1.2 Develop carbon accounting and monitoring guideline (trial version) for forest management projects

Beijing Forestry Society (BFS) was entrusted to develop the carbon accounting and monitoring guideline for Beijing area, including information gathering, analysis and preparing the guideline draft. After discussion with forestry experts in about 10 meetings and consultations, the carbon accounting and monitoring in Chinese (trial version) has been successfully developed and English version is in the process of translation.

Activity 1.3 Draw up a set of management regulation (trial version) for forestry carbon project

CIGC was entrusted to develop the management regulation for forestry carbon projects, including investigating previous national and international forestry carbon projects, researching on carbon markets and preparing the regulation draft. After discussion with forestry and carbon market experts in about 10 meetings and consultations, management regulation in both Chinese and English (trial version) have been successfully developed.

Activity 2.1 Select the project demonstration area and conduct the baseline survey and report

The project demonstration area was selected after comparative analysis of multiple counties of Beijing rural area. Finally, 160 ha forests located in Shichangyu village, Dongshaoqu Township, Miyun county were selected. The baseline survey was entrusted to BFS, which was completed in June and the Chinese and English report were finalized in November.

Activity 2.2 Develop the implementation plan of forest management in project demonstration area

CIGC was entrusted to develop the implementation plan of forest management in demonstration area, including reviewing relevant materials, doing analysis and preparing the work plan draft. After discussion with forestry experts in about 10 meetings and consultations, the implementation plan of forest management in demonstration area in Chinese (trial version) has been successfully developed and English version is in the process of translation.

Activity 2.3 Develop the work program of carbon accounting and monitoring for the project (Upgraded to Project Design Document (PPD))

BFS was entrusted to develop the Project Design Document, which was covering the work program of carbon accounting and monitoring for the project and other detailed project information. After discussion with forestry experts in about 10 meetings and consultations, the document (trial version) has been successfully developed.

Activity 2.4 Develop the carbon accounting models of 2-4 key tree species available

BFS was entrusted to develop the carbon accounting models for three key tree species, including collecting relevant materials, data analysis and preparing the models. After discussion with forestry experts in about 10 meetings and Consultations, the models in Chinese (trial version) have been successfully developed and the English version is in the process of translation.

For activity 1.1 to 2.4, expert meetings or consultations were not held individually for each guideline, regulation and work plan. The meetings usually combined the discussion on all these technical materials, except specific expert consultation. Over 30 experts were totally from partners CIGC and BFS, top forestry research institutes such as Beijing Forestry University, Chinese Academy of Forestry, Beijing Forestry Survey and Design Institute and companies like Beijing Forestry Exchange. The discussion meetings were summarized respectively:

- 1) On 13th May, experts were gathered in Beijing Forestry Society to discuss carbon accounting and monitoring methodology;
- 2) On 14th May, one expert meet was held also in BFS to discuss the methodologies in carbon sequestration projects;
- 3) On 30th May, 10 technical staff from PMO and Beijing Forestry University, BFS and CIGC held a meeting in BFCA to finalize the plan for baseline survey in demonstration area. During the meeting, baseline survey content and methodologies was introduced, discussed and improved.
- 4) On 23th July, 12 technical staff was invited to BFCA to discuss the technique guidelines and management regulations to be developed for this project. The discussion helped entrusted experts develop a clear framework and contents of these technical documents, provided solution to ambiguous questions and set clear schedule.
- 5) On 5th September, 12 experts from government, research institutes and carbon trading corporations were invited to BMBFP to evaluate a draft on technical specification for verification of forestry carbon sequestration projects, which aims to standardize forestry carbon trading. During the evaluation, experts gave suggestions on improving the accuracy of terminology, revising the structure of contents as well as expanding important chapters.
- 6) On 5th November, 16 experts from SFA, Beijing Forestry University, and other research institutes were invited to BFCA to discuss and improve the draft of technical guidelines and management regulations.
- 7) On 14th November, 10 technical staffs were gathered to BFCA for improving technical guidelines and work plans of forest management in demonstration area. PMO summarized and presented the advices from the expert meeting on 5th to entrusted experts. Finally, two parties reached an agreement on the concept, framework, principals and all technical standards of technical guidelines and work plans of forest management so as to ensure their high quality.
- 8) On 15th November, 9 experts were invited to BFCA for improving management regulations on forestry carbon sequestration projects and discussing carbon trading market development. PMO summarized and presented the advices from the expert meeting on 5th to entrusted experts to ensure the documents meeting high standards in concept, framework and other aspects.
- 9) On 22nd November, BFCA had an acceptance testing on a newly developed forestry carbon trading and integrative management online platform, which is an important component of forestry carbon trading system. Experts agreed that the product met the standards of complete information components and functions. Experts also provided suggestion on further improvement such as developing a relevant mobile app.
- 10) On 13th and 16th December, entrusted experts were invited to BFCA for refining the research on 2-3 tree species carbon accounting models.

Activity 3.1 Improve the capacities of 7 key technical staff/participants on forestry carbon

Activity 3.1.1 Training workshop abroad in New Zealand and Australia on international carbon market and forestry carbon

There is no technical difficulty in this plan. Due to force majeure, this activity will be conducted in 2014.

Activity 3.1.3 Domestic training meeting in Heilongjiang Province on SFM-based carbon sequestration projects

In August 2013, 6 technical persons (including project manager) on forestry carbon carried out 6 day study tour in Yichun City, Heilongjiang Province. 15 attendees (1 woman) conducted a half-day training in Forestry Bureau of Tangwanghe District on methodologies and techniques involved in conducting SFM-based Carbon Sequestration projects, shared the steps and each other's experience in conducting forest management based carbon sequestration projects. The staff of Forestry Bureau of Tangwanghe District also reported periodic carbon accounting results. 100% attendees agreed that this training provides useful advices to UNDP-Macao Project. The 6 technical persons also visited the demonstration area of Yichun pilot forest management carbon sequestration project for 1 day for better understanding how each specific measure of forest management and carbon accounting and monitoring steps were planned and carried out in field.

Besides this planed training, we also organized other training or exchanging activities:

- 1) In 18th July, the project manager delivered 2 hour course at Beijing Forestation and Forest Management engineering Training Class in Miyun County. 53 core technical staff selected from forestry bureaus of all districts and counties of Beijing attended the training. The project manager introduced the role of forestry in addressing climate change and development status of forestry carbon in international and national emission trading market as well as the progress of the UNDP-Macao project. 53 booklets were also distributed to all participants. It was to raise the awareness of grass-root forestry practitioners on developing carbon sequestration projects.
- 2) In 29th August, delegation of Forestry department from Daxinganling visited BFCA. The two parties exchanged and discussed the development of domestic forestry carbon trading market and the forest management project for carbon sequestration.
- 3) New Zealand carbon trading specialist delegation was invited to give an one-day training in BFCA on 15th October. Over 70 persons from different departments of the BMBFP, SFA, universities, CBEEEX and enterprises attended the meeting. Attendees learnt New Zealand's experience and lessons in establishing emission trading system and forestry carbon market development, which is conducive to building forestry carbon trading platform and project management regime in Beijing and even China.

Activity 3.2 Develop and update publicity materials of the project and forestry carbon combating climate change

Activity 3.2.1 Develop a communication strategy

The Chinese and English version of communication strategy were developed, including three sections -forest communities oriented, general public oriented and international community oriented.

Activity 3.2.2 Establish a team to identify and compile information for dissemination and publicity

Two UNVs under the supervision of project manager were responsible for the tasks.

Activity 3.2.3 Design, print and disseminated publicity materials for event participants and villagers

Publicity materials including:

- 1) Project overview brochure: 1500 English & Chinese version, briefing project background, objective, activity and expected outputs to introduce UNDP-Macao project;
- 2) Booklet "Develop Carbon Forestry, Combat Climate Change": 1000 Chinese and 1000 English version, disseminating knowledge on forestry addressing climate change and carbon offset concept to inform general public and advocate low carbon living.
- 3) Gifts for publicity event participants: 150 vacuum cups, 200 eco-friendly tableware, 1000 green shopping bag and 200 T-shirt, all with project logo.

Activity 3.4 Organize propaganda activities for general public and local community residents

Activity 3.4.1 Organize general public activities one in city and one in forest community; hold publicity events in parks and disseminate information materials

Total three publicity activities were held in popular parks of Beijing.

- 1) "Green Technology, Colorful Life – 2013 Innovative Forestry and Parks Technology Popularization Fair" was launched from 28th April for one week in Longtanhu Park. Over 60 organizations set 80 booths to display over 100 latest technologies in 200 exhibition boards on the forestry and parks sector, including our forest management and silviculture techniques as well as carbon footprint calculation and carbon offset. At least

30,000 people either visited the information booths, read the information boards or attended the two training on planting techniques.

2) "The First Forest Concert and Fourth Carbon Neutral Musical Season" was organized by BMBFP in the morning of 27th Jul, 2013 at Xishan National Forest Park. Except a classical concert in the woods, there were also forest reading, painting and games and handcraft workshop using timber off-cuts. Exhibition and brochure-distribution booths and consulting counters were scattered in the park. The host introduced the concept of low carbon living and forestry addressing climate change by linking them to forest ecological culture and musical instruments. Participants were over 900, children being a big proportion. They were also informed that the CO₂ emitted from this event would be accounted and offset by planting trees or forest management, which echoed the name "Carbon Neutral Concert".

3) "Walking around the Lake" activity was held in popular Honglingjin Park in the morning of 15th Sept, 2013 by BFS and BFCA; park visitors were acquiring knowledge on climate change issues, eco-friendly tips and our project information while walking around the lake to get gifts. Brochures and booklets were distributed. Over 1,000 people participated in the activity.

Activity 3.4.2 Display exhibition boards in demonstration area and park scene area

1) Exhibition boards in Chinese: 4 boards at 120*80 cm, containing importance of forestry carbon sequestration in climate change mitigation and introduction to UNDP-Macao project

2) Exhibition boards in English: 4 boards at 120*80 cm, introducing project background, demonstration site condition and forest management measures of UNDP- Macao project, targeting visiting experts

3) Exhibition boards in Chinese: 3 boards at 120* 80 cm, conveying information on climate change mitigation and adaptation strategies, Beijing Special Fund under China Green Carbon Foundation and UNDP-Macao project.

4) Exhibition backdrop in Chinese: 1 big backdrop at 2.5 m * 2 m, introducing UNDP-Macao project and the concept of carbon footprint calculator as well as its recent donation events.

The English exhibition boards have been set in demonstration area and Chinese exhibition boards have been displayed in all publicity events.

Activity 3.4.3 Other advocating activities

1) UN Secretary General Mr. Ban Ki-moon and UN Resident Coordinator Ms. Renata Dessallien attended "Carbon Footprint Calculator Donation" Event organized by UNDP and BFCA on 20th June at Diaoyutai State Guesthouse. BFCA donated 20 carbon footprint calculators to UN China.

2) UNDP Administrator Ms. Helen Clark paid a field visit to the project demonstration area on 28th August and also attended the "Carbon Footprint Calculator Donation" Event and donated 20 carbon footprint calculators to Bohai Town Central Primary School to popularizing low carbon living.

3) On 18th-19th October, BFCA Representatives accompanied UNDP Associate Administrator Mr. Rebeca Grynspan in visiting Government Headquarters of the Macao SAR. Ms. Grynspan delivered a speech briefing UNDP-Macao project and donated Carbon Footprint Calculators to Macao Polytechnic Institute and to the SAR government. This visit strengthened the communication among three parties and fueled the second term cooperation.

4) One UNV presented the UNDP-Macao project in "Youth and Green Future" Conference and distributed project brochures on 15th November at 9th China International Garden Expo. Over 90 representatives from environmental NGOs, enterprises, governmental organizations, universities and research institutes attended the conference.

After the successful holding of publicity activities mentioned above, almost all project overview brochures, information booklets and gifts were distributed to the public.

Activity 3.4.4 Make use of newspaper, internet and other media to release project information

1) Over 50 mainstream websites (e.g. CCTV, BTV, Sina), 4 TV programmes and a multiple of newspapers and magazines (e.g. *The Beijing News*, *Oriental Outlook*), including Macao newspaper *Ta Kung Pao* and *Macau Daily news* have reported our publicity events or project information, reaching over one million audiences, which is the double of our expected audience.

2) One UNV introduced the project in an interview by the magazine *Fellow Traveller* for high-speed railway passengers. The magazine was issued in October and approximate number of readers is 15 million according to official figures.

Activity 4.1 Establish a professional team for project implementation and management and complete all of annual project tasks

Activity 4.1.1 Recruit 2 United Nations Volunteers and 1 project manager

1 forestry carbon expert was first recruited to be responsible for comprehensive management. Then 2 United National Volunteers were recruited. One is based in UNDP, facilitating communication among UNDP, BFCA and Macao government, developing communication strategy and translation; the other is based in BFCA, assisting project manager in executing and managing all planned tasks.

Activity 4.1.2 Organize 2-3 meetings about the work plan, progress and annual work review

1) Project Appraisal Committee Meeting, was held on 26th February 2013 in UN compound. Total 15 attendees from UNDP and BFCA had an in-depth discussion on project framework and planned targets.

2) Project Steering Committee Meeting, was held on 14th June in Beijing Grand Hotel Yuanshan. Total 20 attendees from all PSC organizations (National Development and Reform Commission, UNDP, State Forestry Administration, Beijing Municipal Commission of Development and Reform, Beijing Municipal Bureau of Forestry and Parks, Macao government and BFCA) and project partners (BFS, CICG and County Bureau of Forestry and Parks) announced the official launching of the project, reviewed the project progress, finalized project framework and provided advices to future implementation.

3) Project mid-term review/evaluation meeting was held on 25th September between UNDP China office and PMO in BFCA (total 10 persons). Project manager introduced project progress and financial management and UNDP gave evaluation and advices. Two parties agreed that the project progressed successfully and looked forward to cooperation on a second project.

Activity 4.3 Ensure smooth operation of project activities

Activity 4.3.1 Purchase the equipments and furniture for newly recruited PMO member

The equipments such as computers and camera were purchased and installed.

Activity 4.3.2 Smooth operation of the project offices

The project operation is smooth, reflected by: firstly, nearly all planned annual tasks were accomplished on schedule, which demands a lot of efforts on coordination between different sectors/parties; secondly, management tools required by UNDP such as Two Year Work Plan, Project Document, Quarterly Financial Report, Quarterly Work Plan and Budget, Funding Authorization and Certificate of Expenditure for Macao Grant (FACE) and Quarterly Project Progress Report were always submitted on time and qualified; and thirdly, information on any progress such as publicity events held was collected and shared with UNDP and Macao Government within 1 week, and with PSC members periodically.

Sustainability

The project has long term sustainability due to its matching and integration to Chinese governmental programs and policies.

First of all, China is world's leading power in combating climate change, which will not change in the near future, while emission trading is a trend. The 12th Five Year Plan (2011-2015) set a clear goal to achieve 17 % carbon intensity reduction and promote the development of nationwide voluntary carbon market. *The Work Program of Controlling Greenhouse Gas Emissions in the 12th Five-Year Plan Period* issued in November 2011 by the State Council explicitly proposed to explore and establish a carbon emissions trading market. *The Notice regarding the Pilot of Development of Carbon Emissions Trading* published in the same year by the National Development and Reform Commission (NDRC) announced that pilot provinces and cities in carbon emissions trading.

Secondly, forestry carbon sequestration is a crucial part of emission trading system. President Hu Jintao's commitment to an increase of 40 million hectares of forest and 1.3 billion cubic meters of forest volume by 2020 from 2005 levels following the COP15 in Copenhagen and Premier Wen Jiabao awarded "a special position" to forestry in response to climate change with a series of principles and policies launched in China, for example *the Action plan on Forestry Combating Climate Change* and *the Key Points of Actions for Forestry Combating Climate Change in the 12th Five-year Plan Period (2011-15)*. Market-based institutions such as the

China Green Carbon Fund and the China Forest Rights Exchange have been established. Many projects of carbon sequestration afforestation over more than 80,000 ha were carried out in more than ten provinces and cities, achieving almost 5.11 billion tons of carbon emissions reductions.

Thirdly, SFM-based Carbon sequestration projects have great potential but face difficulties. With Chinese forestry undergoing changes from afforestation to forest management there is great potential for establishing carbon sequestration projects. However, there is lack of guidelines and management regulation. Our project targets at the problem with the help of all sectors and the output will have a far-reaching impact.

The project progress is on the right track to meet the stated goals, with all planned activities accomplished on schedule. No constraints are found in meeting the project long term sustainability and the management is adequate.

Partnership Effectiveness

The project builds partnerships with different sectors at different levels: partnership with forestry bureaus in each counties of Beijing for conducting field work and acquiring essential information, with universities and research institutions for essential data and scientific work, with national and international experts or groups for their insights and experience, with enterprises for building carbon market, with mainstream media for publicity and so on. So far, the partnership is effective to bring about all the project progress.

Cross-cutting Issues

1) Livelihood development: sustainable forest management could help local community get access to better forest products. Through conducting forestry carbon projects, they could receive monetary returns from collectively selling carbon credits or enjoy job opportunities in conducting forest management. Moreover, sustainable forest management combined with eco-friendly infrastructures will create the opportunity for local people to develop eco-tourism, which also increase their incomes.

2) Biodiversity: sustainable forest management benefits biodiversity through maintaining or creating suitable habitat for various plant and animal species.

6. Project Management and Oversight

Implementation status

During 2013, the progress against the annual plan and quality of implementation arrangement was satisfactory; management and oversight from PMO, PSC and UNDP was of sufficient quality; no setbacks were found and extension of project was not needed.

Human Resource Management

Human resources were effectively managed and adequate to support the project progress. In the near future, there will not be much change in the composition and strengthens of human resources for the project except the replacement of two current UNVs in the middle of 2014.

Monitoring and Evaluation

- 1) Quarterly financial report, quarterly work plan and FACE for each quarter were always timely submitted.
- 2) The smooth project progress in 2013 is indicative of adequate monitoring and evaluation management.
- 3) Evaluation meeting was held on 25th September between UNDP China office and PMO in BFCA (total 10 persons). Project manager introduced project progress and financial management and UNDP gave evaluation and advices. Two parties agreed that the project progressed successfully and looked forward to cooperation on a second project.
- 4) As part of project evaluation, UNDP China office project manager visited project demonstration site in Miyun County on 6th November with PMO members (total 8 persons). UNDP investigated the condition of project demonstration site, learned the forest management measures to be taken and explored the possibility of future cooperation direction.

Both reporting and on-the-field evaluation of project progress were satisfactory.

Risk management

No significant risk has been identified during the reporting period.

Communication and advocacy

The Chinese and English version of communication strategy were developed, including three sections -forest communities oriented, general public oriented and international community oriented.

5) Publicity materials were design, print and disseminated for publicity event participants and villagers including: 1) Project overview brochure: 1500 English & Chinese version, briefing project background, objective, activity and expected outputs to introduce UNDP-Macao project; 2) Booklet "Develop Carbon Forestry, Combat Climate Change": 1000 Chinese and 1000 English version, disseminating knowledge on forestry addressing climate change and carbon offset concept to inform general public and advocate low carbon living; 3) Gifts for publicity event participants: 150 vacuum cups, 200 green tableware, 1000 green shopping bags and 100 T-shirts, all with project logo; 4) Exhibition boards in Chinese: 4 boards at 120*80 cm, containing importance of forestry carbon sequestration in climate change mitigation and introduction to UNDP-Macao project; 5) Exhibition boards in English: 4 boards at 120*80 cm, introducing project background, demonstration site condition and forest management measures of UNDP-Macao project, targeting international experts; 6) Exhibition boards in Chinese: 3 boards at 120* 80 cm, conveying information on climate change mitigation and adaptation strategies, Beijing Special Fund under China Green Carbon Foundation and UNDP-Macao project; and 7) Exhibition backdrop in Chinese: 1 big backdrop at 2.5 m * 2 m, introducing UNDP-Macao project and the concept of carbon footprint calculator as well as its recent donation events.

General public activities in city parks and forest community were held and information materials were disseminated: 1) "Green Technology, Colorful Life – 2013 Innovative Forestry and Parks Technology Popularization Fair" attended by over 60 organizations set 80 booths to display over 100 latest technologies in 200 exhibition boards on the forestry and parks sector. At least 30,000 people either visited the information booths, read the information boards or attended the two training on planting techniques; 2) "The First Forest Concert and Fourth Carbon Neutral Musical Season" was organized at Xishan National Forest Park, including a classical concert, forest reading, painting and games and handcraft workshop. Participants were over 900, children being a big proportion; 3) "Walking around the Lake" activity was held in popular Honglingjin Park in the morning of 15th Sept, 2013 by BFS and BFCA. Brochures and booklets were distributed. Over 1000 people participated in the activity.

Other advocating activities included UN senior officials visited project demonstration area and attended the "Carbon Footprint Calculator Donation" event; visiting Headquarters of the Macao SAR, and presenting the UNDP-Macao project in "Youth and Green Future" Conference and distributed project brochures on 15th November at 9th China International Garden Expo.

After the successful holding of publicity activities mentioned above, almost all project overview brochures, information booklets and gifts were distributed to the public.

Over 50 mainstream websites (e.g. CCTV, BTV, Sina), 4 TV programmes and a multiple of newspapers and magazines (e.g. *The Beijing News*, *Oriental Outlook*), including Macao newspaper *Ta Kung Pao* and *Macau Daily news* have reported our publicity events or project information, reaching over one million audiences, which is the double of our expected audience. One UNV introduced the project in an interview by the magazine *Fellow Traveller* for high-speed railway passengers. The magazine was issued in October and approximate number of readers is 15 million according to official figures.

Finally, both the "Beijing News" of The General Office of CPC Beijing Municipal Committee and "Foreign Affair Letter" of Foreign Affairs Office of Beijing Municipal People's Government published the UNDP-Macao project progress. Beijing Municipal Government, esp. the member of the Standing Committee of Beijing Municipal Committee Niu Youcheng and Deputy Secretary-General of Beijing Municipal Government Zhao Genwu attaches great importance to the project progress. In all, UNDP-Macao project has exerted a wide impact both domestically and internationally.

4. Financial Management

Expenditure Vs. Approved project budget by source of funding	Source of Fund	(Year) Budget	Expenditure
UNDP			
Government Cost Sharing			
Third Party Cost-sharing		USD 237,000	USD 270,350.57
Other (please specify)			
Total		USD 253,590	USD 270,350.57

Output	Activities	Source of Funding	Budget Description	Annual Budget (USD)	Annual Expenditure (USD)	Note	
Output 1 Guidelines Development	1.1 Develop forest management guideline (trial) for carbon sequestration.		71300 Local Consultants	4,800	4,855.17	-	
			72100 Contractual Service	23,100	23,350.14	-	
	1.2 Formulate the guideline (trial) on carbon accounting and monitoring for forest management project.	Macao SAR	74200 Audio Visual and Print Products	2,100	2,111.06	-	
			71300 Local Consultants	8,000	7,517.32	-	
			72100 Contractual Service	27,000	24,769.98	-	
	1.3 Draw up a set of management regulation (trial version) for forestry carbon project.		71300 Local Consultants	9,200	9,276.322	-	
			72100 Contractual Service	18,800	19,004.78	-	
				Sub-total 1	93,000	90,885	-
	Output 2 Demonstration Establishment	2.1 Properly select the project demonstration area and conduct the baseline survey of it.	Macao SAR	71600 Travel	720	737,848.1	-
				72100 Contractual Service	7,280	7,360.85	-

Output 3: Capacity Building	2.2 Develop the implementation plan of forest management for the project.	71300 Local Consultants	2,050	2,082,386	-
		72100 Contractual Service	6,950	7,008,074	-
		71300 Local Consultants	960	1,313,231	-
		72100 Contractual Service	6,040	5,747,899	-
		72100 Contractual Service	11,000	11,114	-
		Sub-total 2	35,000	35,364	-
	3.1 Improve the capacities of 7 key technical staff/participants on forestry carbon.	71200 International Consultant	3,800	0	-
		71600 Travel	14,100	3,054,87	-
		72100 Contractual Service	2,500	3,438,29	-
		71200 International consultant	1,500	0	-
		71300 Local Consultants	4,600	3,163,62	-
		71600 Travel	0	336,79	-
	3.2 Develop and update publicity materials of the project and forestry carbon combating climate change.	72100 Contractual Service	0	2,471,58	-
		74200 Audio Visual and Print Products	8,900	8,963,59	-
		71300 Local Consultants	3,900	1,977,26	-
		71600 Travel	0	128,52	-
		72100 Contractual Service	6,200	6,275	-
	3.4 Organize public activities for general public and local communities.	71300 Local Consultants	3,900	1,977,26	-
		71600 Travel	0	128,52	-
		72100 Contractual Service	6,200	6,275	-

**Output 3:
Capacity
Building**

Macao SAR

Output 4: Project Management	72300 Materials & Goods		7,100	9,245.76	-
	74200 Audio Visual and Print Products		1,000	370.74	-
	Sub-total 3		53,600	39,426	-
	71500 UN Volunteers		30,000	13517.01	-
	61100 National Long-term staff		8,000	8,183,226	-
	72100 Contractual Service		4,800	4,742,132	-
	74200 Audio Visual and Print	Macao SAR	1,200	1,128,328	-
	72200 Equipment & Furniture		8,900	90,14,994	-
	74500 Miscellaneous expenses		2,500	2,669,418	-
	Sub-total 4		55,400	39,255.01	-
	UNDP GMS				Off the top GMS collection was done in 2013 and no more in the future.
		16,590.00	65,420.56		
	Total	253,590	270,350.57		

5. Management recommendations

The management performance of 2013 is adequate. No management recommendations are needed for 2014.

6. Annexe/s (please see attachments)

- 1) Draft of *Management Regulations for Voluntary Trading of Forestry Carbon in Beijing*
- 2) Abstract of a *Concise Plan of Forest Management in Technique Zones for Carbon Sequestration Increase*
- 3) Abstract of *Technical Guideline for Forest Management to Increase Carbon Sequestration in Beijing*
- 4) Report on Baseline Survey of UNDP-Macao Project Demonstration Zone
- 5) Abstract of *Study on Accounting Models for Carbon Sequestration through Sustainable Forest Management*
- 6) Abstract of *Technical Guideline for Accounting and Monitoring of Carbon Sequestration for Forest Management Project in Beijing*

Annual Project Report (UNDP conclusion)

[UNDP-Macao Initiative for Carbon Sequestration through Sustainable Forest Management]

[12 Feb 2014]

Project annual report rating

<i>Item rated</i>	<i>Rating provided</i>
Overall quality of the report	5
Does the project still fit with the Country office Strategic direction	5
Is the project still Relevant within the country setting	5
Sustainability	5
Efficiency: Financial performance (overall)	5
Efficiency: Financial performance (reporting period)	5
Effectiveness: Activity implementation (overall)	5
Effectiveness: Activity implementation (reporting period)	5
Partnership Effectiveness (if applicable)	5
<i>Total</i>	<i>45</i>

Partnership Effectiveness (only for joint inter-UN agency initiatives)

Not relevant

Overall assessment

The project reporting has always been in time and in good quality with support from two UNVs. The visibility of the project is extremely high thanks to the SG's participation at the donation event of the Carbon Footprint Calculators, the visit of the Administrator to the site and the AA visit to Macao, the donor. The PMO is extremely capable and the delivery rate is very high (around 96%), making the project management efficient and effective.

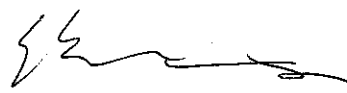
Sustainability (either separate or as part of the overall assessment)

Sustainability of the project is high since the project is closely relevant within the country setting and strong support from the donor. The technical manuals to be developed/being developed are very useful for Beijing and the country as a whole in sustainable forest management in curbing climate change.

Management steps to be taken

Not needed.

Signed by

Zhang Weidong 

Date

Feb 13, 2014