



European Investment Bank (EIB)

Luxembourg, 10 December 2020

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name:	<i>CCCFL - SHANDONG COASTAL SHELTER FORESTS</i>
Project Number:	<i>20140644</i>
Country:	<i>China</i>
Project Description:	The project was to afforest 31,125 ha of barren, alkaline and salty forestlands and abandoned agricultural lands, and to rehabilitate 245 ha of burned and degraded forestland, located in 15 counties of Shandong Province

### Summary of Environmental and Social Assessment at Completion

#### **EIB notes the following key Environmental and Social outcomes at Project Completion.**

The project afforested 31 992 ha in Shandong Province. The newly established plantations are either mixed stands, or stands that maintain landscape level diversity by having different species in adjacent blocks (mosaic pattern). Over 30 different locally adapted tree species were planted.

The project established multi-functional windbreak shelter forestry in coastal areas prone to marine disasters (e.g. erosion, storm surge and storm tide, strong winds, heavy rains), and it improved the local environment and soil properties by lowering the heavy salt content in the Yellow River Delta region. This has been achieved through a fruitful collaboration with Shandong Academy of Forestry and Shandong Agricultural University, who developed R&D backed solutions for developing salty and alkaline resistant tree species. Through intensive soil remediation measures and appropriate cultivation regimes, the project improved soil quality and land productivity with diverse forestry and agro-forestry ecosystems. Consequently, the implementation of this project had a positive impact on reduction of soil erosion, through increased vegetation coverage, sustainable forest management and agro-forestry systems. Thereby the project increased the income and living standards of local communities through timber and cash crops production, contributing to sustainable economic and social development in rural areas.

The project implemented international best practices and sustainable forest management in compliance with the China Forest Certification System (CFCS) endorsed by PEFC (Programme for Endorsement of Forest Certification), as specified in the roadmap to certification. Forest management plans have been developed and the project pioneered full forest certification (PEFC) in a number of project sites in Shandong province covering about 1 000 ha of different afforestation models, which increased awareness and commitment to economically viable, socially beneficial and environmentally sustainable forest management

In terms of job creation, about 22,000 persons were involved in the 5-year project implementation period, including over 200 scientific researchers, 800 scientific extension people and 21,000 forestry workers.

In terms of environmental benefits, one significant achievement was the net carbon sequestration. The afforestation and forest rehabilitation was quantified to lead to the sequestration of about 250 kt CO<sub>2</sub> per year (net of emissions from transport and fertilizers) in the Shandong province. In addition, net biodiversity gains have been reported in the project



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area. The species richness index (SRI) in the project areas' low mountains and hills varies between 7 and 29, compared to 5-11 reported in non-project areas. In the project's sea salty-alkaline land areas an SRI of 9-17 has been reported, compared to SRI 5-7 in non-project areas. The average vegetation coverage reported in the project area is about 85%, while the average vegetation coverage in the non-project areas is about 35%.

No significant environment issues were noted during implementation. Likewise, no physical, nor economic population displacement arose during the project implementation, and no other social issues have been reported.

**Summary opinion of Environmental and Social aspects at completion:**

Based on progress and final reports from the Promoter, as well as following the physical monitoring mission conducted in September 2018, the Bank's opinion is that the Project has been implemented in line with EIB Environmental and Social Standards.