



European Investment Bank (EIB)

Luxembourg, 10 December 2020

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name:	CFFL- LIAONING FORESTRY
Project Number:	2013-0284
Country:	China
Project Description:	<i>The project relates to establishment and rehabilitation of approximately 23,700 ha of forests to mitigate soil erosion of barren hills and to provide income to local rural population.</i>

### Summary of Environmental and Social Assessment at Completion

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

The project afforested over 24 500 hectares of barren lands in the Liaoning Province and the main species used were *P. tabulaeformis*, *P. sylvestris*, *Platycladus orientalis*, *Populus tomentosa* carr, jujube, pear, apple, wild apricot, *Prunus armeniaca* Linn, and *Xanthoceras sorbifolia*.

The project established multi-functional ecological, timber and economic forests in the Horqin Sandyland region. Afforestation with shelterbelt species (trees and shrubs) helped counter soil erosion by fixing sandy soils, provided windbreaks against wind and dust storms affecting people, crops, and livestock. This was mainly achieved through increased vegetation coverage and application of 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.

In terms of job creation, the project achieved 11 912 person-years employment through seasonal workers during the 5-year implementation period. Neither physical nor economic population displacement happened during the project implementation.

In terms of environmental benefits, significant achievement was the net carbon sequestration. At the end of the 5-year implementation period of the project, carbon sequestration in the newly established forests reached about 150 kt CO<sub>2</sub> per year. Over the 25-year lifetime of the project, the afforestation and forest rehabilitation are expected to lead to sequestration of about 243 kt CO<sub>2</sub> per year (net of emissions from transport and fertilizers)<sup>1</sup> in the Liaoning province. Compliance with international best practices and sustainable forest management (e.g. China Forest Certification System endorsed by PEFC) were part of the project's undertakings and monitored during implementation.

#### **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 was acceptable in terms of EIB Environmental and Social Standards.

<sup>1</sup> Average 9.9 t/ha/a throughout the entire project life, 9.9 x 24 562 ha = 243 kt CO<sub>2</sub>/a.