



European Investment Bank (EIB)

Luxembourg, 8 July 2022

Environmental and Social Completion Sheet (ESCS)

Overview

<i>Project Name:</i>	CCCFL - JIANGXI FORESTS
<i>Project Number:</i>	2015-0533
<i>Country:</i>	China
<i>Project Description:</i>	<i>The project was to afforest or regenerate 20,300 ha of Chinese fir, Slash pine forests and Cape jasmine bush in Poyang Lake basin of Jiangxi province.</i>

Summary of Environmental and Social Assessment at Completion

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

The project afforested 21,489 hectares which is 5.7% more than planned. The survival rate of the planted trees was excellent (larger than 90%).

The project has achieved a number of environmental benefits. By the end of 2020, it is estimated that 139,500 tons of CO₂ have been sequestered through the project according to a study of the project's climate change impacts which included ex-post tree measurements. It also reduced soil erosion in the Poyang Lake watershed.

The project provided about 10,500 person years (FTE) temporary employment during the 5-years construction period which is substantial. 40% of the hired work force consisted of women.

809 villages and 24,666 households benefited from the project. About 2,500 impoverished households were involved in the project, accounting for 16% of the total number of households in the project, and nearly 8,000 poor people were lifted out of poverty.

The afforestation work was carried out by 128 different implementing entities, namely state forest farms (38), private companies (16), entrepreneurs (66), farmer's cooperative (1) and individual farmers (7). State forest farms covered 60% of the area, private company 25% and entrepreneurs 13% respectively. More than 7,700 lease contracts with farmer households were signed to consolidate the land. These contracts included systematic price indexing clauses and benefit sharing mechanisms.

Implementing entities had to stringently follow the defined environmental safeguards. In order to avoid soil erosion, controlled burning for the clearing of forest land was strictly prohibited. During site preparation, the original vegetation had to be preserved and intensive terracing avoided. The tending of the young plants had to be carried out along the contour lines in order to avoid soil erosion. The use of pesticides was prohibited, except in emergency cases where pesticides on the list of chemicals approved by China and the EU could be utilised.

The project afforestation areas were at least 50 km away from the nearest nature reserves, thus no nature reserves or habitats of protected species were affected by the project.



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The Project promoted the China Forest Certification Scheme (CFCS), which is aligned with the internationally accredited Programme for the Endorsement of Forest Certification (PEFC) standard using two state forest farms and one private company as pilot. Progress towards forest certification was monitored based on a forest certification roadmap satisfactory to the EIB.

The environmental and social undertakings identified by the Bank services in the appraisal report and ESDS (e.g. restricted use of chemicals, promotion of internationally accredited certification system, database linked to forest map system) have been met by the promoter.

EIB notes the following key Environmental and Social aspects to be monitored during operations:

- The promoter shall deliver to the Bank a project completion report three years after project completion (PCR+3), i.e. in January 2024. It shall cover the afforested area by forest category, survival rate and viability of forest plantations, forest growth, carbon sequestered, employment effects, revenues and expenses, risks, legal actions, actual values of the project indicators.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion that based on reports from the promoter as well as following the physical monitoring mission conducted by EIB staff and independent consultants in June 2018, the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.