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Report No: RES57291

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

RESTRUCTURING PAPER

ON A

PROPOSED PROGRAM RESTRUCTURING

OF

YELLOW RIVER BASIN ECOLOGICAL PROTECTION AND ENVIRONMENTAL POLLUTION CONTROL PROGRAM

APPROVED ON MARCH 31, 2022

TO THE

PEOPLE'S REPUBLIC OF CHINA

Environment, Natural Resources & The Blue Economy Global Practice
East Asia And Pacific Region

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ABBREVIATIONS AND ACRONYMS

BPSG	Basin Program Steering Group
DLI	Disbursement-Linked Indicators
DLR	Disbursement-Linked Results
IBRD	International Bank for Reconstruction and Development
MOF	Ministry of Finance
NDRC	National Development and Reform Commission
PDO	Program Development Objective
PSG	Program Steering Group
PforRs	program-for-results
YRB	Yellow River Basin
YRCC	Yellow River Conservancy Commission



DATA SHEET (Yellow River Basin Ecological Protection and Environmental Pollution Control Program - P172806)

Project ID P172806	Financing Instrument Program-for-Results Financing	IPF Component No
Approval Date 31-Mar-2022	Current Closing Date 31-Dec-2027	

Organizations

Borrower People's Republic of China	Responsible Agency
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Program Development Objective(s)

To strengthen integrated water use efficiency, water pollution control, and ecosystem management, in selected regions of the Yellow River Basin

Summary Status of Financing (US\$, Millions)

Ln/Cr/TF	Approval Date	Signing Date	Effectiveness Date	Closing Date	Net Commitment	Disbursed	Undisbursed
IBRD-93540	31-Mar-2022			31-Dec-2027	380.00	0	380.00

Policy Waiver(s)

Does the Program require any waivers of Bank policies applicable to Program-for-Results operations?

No



The World Bank

Yellow River Basin Ecological Protection and Environmental Pollution Control Program (P172806)

I. PROGRAM STATUS AND RATIONALE FOR RESTRUCTURING



1. This restructuring paper proposes to make the following changes to the Yellow River Basin Ecological Protection and Environmental Pollution Control Program (the Program): changes to the basin-level program scope and reduction of the loan; closing date extension; implementation arrangements; Results Framework and Disbursement-Linked Results (DLRs). This is the first restructuring of the Program, as requested by a letter from the Ministry of Finance (MOF) of the People's Republic of China, dated August 25, 2023.

A. Program Status

2. **Background.** An International Bank for Reconstruction and Development (IBRD) loan for the Program in the amount of US\$380 million was approved by the Board of Executive Directors on March 31, 2022, with a closing date of December 31, 2027. The Program Development Objective (PDO) is to strengthen integrated water use efficiency, water pollution control, and ecosystem management, in selected regions of the Yellow River Basin (YRB). This Program is structured as a program-for-results (PforR) operation comprising provincial programs to be implemented by Henan Province and Shaanxi Province, as well as a basin-level program to be implemented by YRCC under the guidance of the Program Steering Group (PSG) hosted in the Regional Development Department of the National Development and Reform Commission (NDRC), which is required to be established within 3 months after effectiveness. The Program has four results areas: (a) Results Area 1: Improving water use efficiency; (b) Results Area 2: Improving water quality; (c) Results Area 3: Improving ecosystem management; and (d) Results Area 4: Strengthening integration of ecosystem and water resources management into strategic planning.
3. **Implementation Status.** There have been delays in completing government approval procedures to enable the signing of the legal agreements and implementation has not started. Henan Province and Shaanxi Province, as well as the Yellow River Conservancy Commission (YRCC), have established relevant entities responsible for the implementation of the Program, at both the provincial level and sub-provincial level (except the Basin Program Steering Group (BPSG), which is proposed to be removed). The Foreign Capital Utilization Reports of Henan Province and Shaanxi Province have been approved by NDRC. Henan Province and Shaanxi Province are preparing their provincial Program Implementation Plans. YRCC is preparing the basin-level Program Implementation Plan incorporating changes reflected in this Restructuring Paper, which will be submitted to the NDRC for approval, upon their acceptance by the Bank. The legal agreements are thus expected to be signed following the approval of the proposed restructuring; the loan is expected to become effective soon thereafter.
4. **Program Compliance and Loan Covenants**
 - **Environmental and Social Aspects.** Implementation of Program activities has not yet started. There will be no legacy issues associated with the proposed changes in Program scope and reduction of the loan amount.
 - **Fiduciary.** There have not been any procurements or financial transactions at either the basin-level or the provincial level. There will be no legacy issues associated with the proposed changes in Program scope and the reduction of the loan amount for the Program.
 - **Legal Covenants.** None of the legal covenants is due.



B. Rationale for Restructuring and Risk Assessment

5. The proposed restructuring will adjust the Program scope, implementation arrangements, the loan closing date, DLRs at the basin-level, and the Results Framework, as summarized below.
6. **Program Scope, Loan Amount, DLRs, and Results Framework.** The Program scope and the allocated loan amount for the basin-level program are proposed to be reduced. YRCC was to carry out the following activities under the Program: (a) developing a monitoring system supported by a consumption-based water resources assessment in a pilot interprovincial sub-basin; (b) developing an integrated ecosystem and water resources management model for the YRB; (c) preparing a technical guideline for integrated ecosystem and water resources management in the YRB; and (d) training and capacity building on ecosystem and water resources management at the provincial and basin levels. Three changes to the basin-level program scope are proposed: (a) adjust the geographical scope of activity (a) above from an inter-provincial sub-basin to a selected large-scale irrigation scheme, as irrigation is the single largest water user in the YRB (i.e., accounting for nearly 70 percent of its total water use) to enhance the technical robustness of the monitoring system for consumption based water resource management; (b) drop activities (b) and (c) above from the Program because their results are associated with complex water allocation issues among provinces. The national government decided to exclude them from the anchored government program and postpone these two activities to beyond the Program's implementation period; (c) include a new activity on 'developing a technical guideline for evaluating water consumption based on remote sensing in the YRB' under the Program, whose results would provide critical technical inputs to the integrated ecosystem and water resources management model for the YRB. Accordingly, it is proposed to reduce the loan financing for the basin-level results from US\$6.5 million to US\$1.5 million. The total loan amount is proposed to be reduced accordingly. Results indicators for the basin-level program and corresponding DLRs are proposed to be changed accordingly.
7. **Program Implementation Arrangements.** A BPSG was to be established under the YRCC to provide overall coordination and guidance on Program implementation. However, the MOF requested to remove BPSG from Program implementation arrangements for the following reasons: (a) a BPSG is not considered necessary for Program coordination due to the reduced program scope and loan amount for the basin-level program; and (b) the national PSG, which includes leaders from YRCC and Ministry of Water Resources (MWR), will be maintained to provide overall coordination and guidance for implementing the Program, including the two provincial programs and the basin-level program. The Basin Program Management Office within YRCC has been established and will be maintained and continue to be responsible for supporting the coordination, management, reporting, and supervision of the basin-level program activities. In addition, given the reduced scope of basin-level program activities, it is not considered necessary for the YRCC to consolidate the provincial Program Reports before their submission to the World Bank.
8. **Loan Closing Date, Implementation Schedule, and Disbursement Schedule.** The signing and effectiveness delays experienced to-date require the loan closing date be extended to ensure that all Program activities are completed with a five-year implementation schedule. The Program implementing agencies will provide the Bank with revised



Program implementation schedules that are consistent with the revised loan closing date; these will be reviewed and confirmed by the Bank. In addition, the Program disbursement schedule will need to be revised to be consistent with the revised implementation schedule.

9. **Program Risks.** The overall risk of the Program is currently rated Substantial. The following individual risks are rated Substantial: Sector Strategies and Policies; Technical Design of Program; Institutional Capacity for Implementation and Sustainability; Fiduciary; Environmental and Social; and Stakeholders. Program implementation towards achievement of the PDO will not be affected by the proposed changes to Program scope and loan reduction, as activities to improve water use efficiency, reduce water pollution, and improve ecosystem management in the two Program provinces remain unchanged. The proposed changes to the Program will not impact Program risks; as such, the current risk ratings are proposed to be maintained unchanged.

II. DESCRIPTION OF PROPOSED CHANGES

10. **Change in Program Scope.** The following activities that were to be carried out by YRCC will be dropped from the Program: (a) developing a monitoring system supported by a consumption-based water resources assessment in a pilot interprovincial sub-basin; (b) developing an integrated ecosystem and water resources management model for the YRB; and (c) preparing a technical guideline for integrated ecosystem and water resources management in the YRB. The following activities are proposed to be included in the basin-level program: (a) developing a monitoring system supported by a consumption-based water resources assessment in a selected large-scale irrigation scheme; and (b) preparing a technical guideline for monitoring water consumption based on remote sensing in the Yellow River Basin.
11. **Reduction of the Loan Amount.** The loan amount is proposed to be changed from US\$380 million to US\$375 million in view of the changes to the Program Scope.



12. **Change in Implementation Arrangements.** Two changes are proposed to the Program implementation arrangements: (a) removal of the BPSG; and (b) revision of the responsibilities of the Basin Program Management Office within YRCC to not include the consolidation of provincial Program Reports, which will be submitted directly to the World Bank by each of Henan Province and Shaanxi Province.
13. **Change to Results Framework.** Corresponding to abovementioned changes to the basin-level program activities, the end target for PDO indicator 4 is proposed to be revised from 'YRCC issues a technical guideline for integrated ecosystem and water resources management in the YRB based on consumption-based water balance assessment and modeling' to 'YRCC has developed and adopted a technical guideline for evaluating water consumption based on remote sensing in the Yellow River Basin'. The latter, i.e., water consumption monitoring, will provide critical technical inputs to the former, i.e., water consumption based integrated ecosystem and water resources management. Changes to the Results Framework are reflected in Annex 1.
14. **Change to the DLRs.** The target values of the Disbursement-Linked Indicator (DLI)#4.2: Capacity of YRCC to support integrated ecosystem and water resources management of the Yellow River Basin are proposed to be revised to: (a) Year 2: YRCC has carried out an evaluation of the relationship among water withdrawal, water drainage and water consumption of a selected large-scale irrigation scheme and assessed the water consumption's impacts on the mainstream of the Yellow River (Allocated Amount of US\$1 million); and (b) Year 4: YRCC has developed and adopted a technical guideline for evaluating water consumption based on remote sensing in the Yellow River Basin (Allocated Amount of US\$0.5 million). Achievement of the targets will be verified based on: (a) a technical assessment report that will evaluate the relationship among water withdrawal, drainage and water consumption by a large-scale irrigation scheme and assess the impact of water consumption on the Yellow River, based on a monitoring system developed during Program implementation, will be prepared by the YRCC and made available to the third-party verification agency; and (b) the technical guideline being reviewed and accepted by an Expert Panel organized by YRCC (through an acceptance letter) and is made available to the third-party verification agency. The Terms of Reference for these tasks, will also need to be acceptable to the Bank in form and substance. The completion time is indicative, and disbursements will be made to YRCC upon completion of each result.
15. **Extension of the Closing Date.** It is proposed to extend the closing date of the IBRD loan from December 31, 2027 to June 30, 2029. This will be the first extension of the closing date. The proposed deadline for withdrawal applications will be December 31, 2029.
16. **Other Changes.** Other changes include: (a) changes to the legal covenants in the legal agreements to reflect the revised implementation arrangements and the revised due date for the mid-term review from March 1, 2025, to December 31, 2026 (see Section IV Detailed Changes); and (b) changes to implementation schedule and disbursement estimates (see Section IV Detailed Changes).
17. **Program Assessments.** The existing Environmental and Social Systems Assessment, which was prepared and disclosed by appraisal, has been verified against the proposed changes to the Program and confirmed for its validity



since these changes will not bring substantive impacts to the assessment scope and risk rating. No additional update is needed. The Technical Assessment and the Fiduciary Systems Assessment for the Program remain unchanged.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Program Scope	✓	
Change in Results Framework	✓	
Change in Loan Closing Date(s)	✓	
Change in Disbursement Estimates	✓	
Change in Legal Covenants	✓	
Change in Institutional Arrangements	✓	
Change in Implementation Schedule	✓	
Change in Implementing Agency		✓
Change in Program's Development Objectives		✓
Change in Cancellations Proposed		✓
Reallocation between and/or Change in DLI		✓
Change in Disbursements Arrangements		✓
Change in Systematic Operations Risk-Rating Tool (SORT)		✓
Change in Safeguard Policies Triggered		✓
Change in Technical Method		✓
Change in Fiduciary		✓
Change in Environmental and Social Aspects		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)



LOAN CLOSING DATE(S)

Ln/Cr/TF	Status	Original Closing Date	Revised Closing(s) Date	Proposed Closing Date	Proposed Deadline for Withdrawal Applications
IBRD-93540	Not Effective	31-Dec-2027		30-Jun-2029	31-Dec-2029

DISBURSEMENT ESTIMATES

Year	Current	Proposed
2022	0.00	0.00
2023	95,000,000.00	0.00
2024	80,000,000.00	136,639,326.00
2025	70,000,000.00	82,105,378.00
2026	70,000,000.00	79,635,603.00
2027	60,000,000.00	76,619,693.00
2028	5,000,000.00	0.00

LEGAL COVENANTS

Loan/Credit/TF	Description	Status	Action
IBRD-93540	<p>Program Institutions (Program Steering Group at national level)</p> <p>Loan Agreement (LA), Schedule 2, Section I.B.1 (a): The Borrower shall by no later than three (3) months after the Effective Date, and thereafter maintain, and cause to be maintained the following entity with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank: (i) the Program Steering Group chaired by NDRC and comprising</p>	Not yet due	No Change



	<p>representatives of MWR, YRCC, other relevant agencies, Henan Province and Shaanxi Province, responsible for reviewing Program progress and results, and providing guidance on Program implementation.</p>		
IBRD-93540	<p>Program Institutions (Basin Program Steering Group and Basin Program Management Office)</p> <p>LA, Schedule 2, Section I.B.1 (b): The Borrower shall maintain, through MWR, the following entities with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank: (i) the Basin Program Steering Group within YRCC responsible for guidance of the Borrower’s Respective Part of the Program; and (ii) the Basin Program Management Office within YRCC, responsible for supporting the coordination, management, reporting, and supervision of the Borrower’s Respective Part of the Program, and consolidating reporting to the Bank.</p>	Not yet due	Revised
Proposed	<p>Program Institutions (Basin PMO) LA, Schedule 2, Section I.B.1 (b): The Borrower shall maintain, through MWR, the following entity with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank: the Basin PMO within YRCC, responsible for supporting the coordination, management, reporting, and supervision of the Borrower's Respective Part of the Program.</p>	NYD	
IBRD-93540	<p>Mid-term Review</p> <p>LA, Schedule 2, Section III.2; PA, Schedule, Section III.2 : The Borrower, through YRCC, and the Program Implementing Entities, shall prepare, under terms of reference acceptable to the Bank, and furnish to the Bank no later than March 1, 2025, a consolidated mid-term review report for the</p>	Not yet due	Revised



	<p>Program, summarizing the results of the monitoring and evaluation activities carried out from the inception of the Program, and setting out the measures recommended to ensure the efficient completion of the Program and to further the objectives thereof.</p>		
Proposed	<p>Mid-term Review LA, Schedule 2, Section III.2; PA, Schedule, Section III.2 : The Borrower, through YRCC, and the Program Implementing Entities, shall prepare, under terms of reference acceptable to the Bank, and furnish to the Bank no later than December 31, 2026, a consolidated mid-term review report for the Program.</p>	NYD	
IBRD-93540	<p>Program Implementation Plan</p> <p>LA, Schedule 2, Section I.B.4; PA, Schedule, Section I.B.3: The Borrower, through YRCC, and the Program Implementing Entities, shall apply, throughout the period of implementation of their Respective Parts of the Program, their respective Program Implementation Plan in a timely and efficient manner acceptable to the Bank.</p>	Expected soon	No Change
IBRD-93540	<p>Program Action Plan</p> <p>LA, Schedule 2, Section I.B.2; PA, Schedule, Section I.B.2: The Borrower and the Program Implementing Entities shall: (a) undertake the actions set forth in the Program Action Plan; (b) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Program Action Plan, or any provision thereof, without the prior written agreement of the Bank; and (c) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Program Action Plan.</p>	Not yet due	No Change



IBRD-93540	<p>Program Institutions (provincial level)</p> <p>Program Agreement (PA), Schedule, Section I.B.1: The Program Implementing Entities shall maintain, and cause to be maintained, the following entities, with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank: (a) the Provincial Program Steering Group; (b) the Provincial Program Management Office; (c) a leading group in each of the Demonstration Sub-provincial Entities; (d) a management office in each of the Demonstration Sub-provincial Entities; and (e) an expert group.</p>	Not yet due	No Change
IBRD-93540	<p>Verification Agencies</p> <p>LA, Schedule 2, Section III.3; PA, Schedule, Section III.4: The Borrower, through YRCC, and the Program Implementing Entities, shall, not later than three (3) months after the Effective Date, hire, and thereafter maintain, throughout the period of Program implementation, verification agent(s) having experience and qualifications in the relevant technical fields, acceptable to the Bank, and under terms of reference, including a timetable and adequate budget for its activities, acceptable to the Bank, to monitor and verify the achievement of the DLRs.</p>	Not yet due	No Change



ANNEX 1: RESULTS FRAMEWORK

Results framework

Program Development Objectives(s)

To strengthen integrated water use efficiency, water pollution control, and ecosystem management, in selected regions of the Yellow River Basin

Program Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
To improve integrated water use efficiency, water pollution control, and ecosystem management							
1. Agricultural water productivity increased (Text)		Henan: 2.06; Shaanxi: 1.50	Henan: 2.14; Shaanxi: 1.60	Henan: 2.23; Shaanxi: 1.70	Henan: 2.31; Shaanxi: 1.90	Henan: 2.40; Shaanxi: 2.00	Henan: 2.49; Shaanxi: 2.20
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
In Henan (Metric ton)		2.06	2.14	2.23	2.31	2.40	2.49
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
In Shaanxi (Metric ton)		1.50	1.60	1.70	1.90	2.00	2.20



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
2. Pollutant loads reduced (Tons/year)	0.00	854.66	1,193.37	1,537.76	1,861.42	553.61	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
3. Reduction of soil erosion per km2 (Tons/year)	0.00	80.00	170.00	270.00	370.00	480.00	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
4. Capacity of YRCC to support integrated ecosystem and water resources management of the YRB (Text)	Capacity of YRCC to support integrated ecosystem and water resources management of the YRB not developed	YRCC has carried out an evaluation of the relationship among water withdrawal, water drainage and water consumption of a selected large-scale irrigation scheme and assessed the water consumption's impacts on the mainstream of the Yellow River			YRCC has developed and adopted a technical guideline for evaluating water consumption based on remote sensing in the Yellow River Basin	YRCC has developed and adopted a technical guideline for evaluating water consumption based on remote sensing in the Yellow River Basin	



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Action: This indicator has been Revised							
<p>Rationale: YRCC was to carry out the following activities under the Program: (a) developing a monitoring system supported by a consumption-based water resources assessment in a pilot interprovincial sub-basin; (b) developing an integrated ecosystem and water resources management model for the YRB; (c) preparing a technical guideline for integrated ecosystem and water resources management in the YRB; and (d) training and capacity building on ecosystem and water resources management at the provincial and basin levels. Three changes to the basin-level Program Scope are proposed: (a) adjust the geographical scope of activity (a) above from an inter-provincial sub-basin to a selected large-scale irrigation scheme, as irrigation is the single largest water user in the YRB (i.e., accounting for nearly 70 percent of its total water use) to enhance the technical robustness of the monitoring system for consumption based water resource management; (b) drop activities (b) and (c) above from the Program because their results are associated with complex water allocation issues among provinces. The national government decided to exclude them from the anchored government program and postpone these two activities to beyond the Program’s implementation period; (c) include a new activity on ‘developing a technical guideline for evaluating water consumption based on remote sensing in the YRB’ under the Program, whose results would provide critical technical inputs to the integrated ecosystem and water resources management model for the YRB. Furthermore, the end target date of this indicator will change from December 31, 2027 to December 31, 2028.</p>							

Intermediate Results Indicators by Result Areas

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Improving water use efficiency							
1. Areas with improved agricultural water management (Hectare(Ha))		0.00	13,600.00	28,850.00	44,100.00	55,600.00	62,000.00
Action: This indicator has been Revised							
<p>Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028</p>							



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
2. Target Value Allocation Plans agreed and implemented in demonstration sub-basins (Text)		Henan: 0 Shaanxi: 0	Henan: 0 Shaanxi: 0	Henan: 1 Shaanxi: 0	Henan: 2 Shaanxi: 1	Henan: 3 Shaanxi: 2	Henan: 3 Shaanxi: 2
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
3. Women leadership in WUAs (Percentage)		16.00	22.00	27.50	32.50	37.50	40.00
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
Improving water quality							
4. Wastewater treatment plants upgraded or built (Number)		0.00	4.00	11.00	15.00	19.00	21.00
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						
5. Rural households connected to decentralized wastewater treatment facilities (Number)		0.00	4,266.00	9,398.00	14,248.00	18,514.00	21,612.00
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028						



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
6. Medium and large livestock farms equipped with manure treatment facilities (Number)	0.00		46.00	96.00	145.00	191.00	238.00
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
Improving ecosystem management							
7. Area of ecosystems restored (forests, terracing, wetlands) (Hectare(Ha))	0.00		15,734.26	30,221.52	42,044.78	52,583.04	52,583.04
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
Area of forests restored (Hectare(Ha))	0.00		15,214.25	29,161.50	40,575.75	50,725.00	50,725.00
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
Area of terracing restored (Hectare(Ha))	0.00		329.51	641.02	917.53	1,177.04	1,177.04



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
Area of wetlands restored (Hectare(Ha))	0.00	190.50	419.00	551.50	681.00	681.00	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
8. CO2eq reduction by the forests restored through the Program (Metric ton)	0.00	54,771.00	104,981.00	147,358.00	182,610.00	182,610.00	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
Strengthening integration of ecosystem and water resources management into strategic planning							
9. Integrated ecosystem and water resources management process developed at the provincial level (Text)	Integrated ecosystem and water resources management plans do not exist	Sanmenxia Municipality approves three and each of Xianyang and Tongchuan Municipalities approve one integrated ecosystems and water resources management plan for demonstration sub-basins	N/A	The Provincial Departments of Water Resources at Henan and Shaanxi each approve one technical guideline for integrated ecosystem and water resources management at provincial level	The Provincial Departments of Water Resources at Henan and Shaanxi Provinces each approve one integrated ecosystem and water resources management plan (for the YRB in Henan, and the Wei River Basin in Shaanxi)	N/A	



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
10. Training and capacity building implemented at basin, provincial, municipal and county levels (Number)	0.00	800.00	1,600.00	2,400.00	3,200.00	4,000.00	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						
Among which women (Percentage)	0.00	45.00	45.00	45.00	45.00	45.00	
Action: This indicator has been Revised	Rationale: The end target date of this indicator will change from December 31, 2027 to December 31, 2028.						

Disbursement Linked Indicators Matrix				
DLI 1	1a. Areas with improved agricultural water management (Henan)			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Text	55,500,000.00	0.00
Period	Value	Allocated Amount (USD)	Formula	



Baseline	0 ha		
2024	7200 ha	13,320,000.00	US\$1,850 per hectare with improved agricultural water management
2025	8850 ha (accumulated: 16,050 ha)	16,372,500.00	US\$1,850 per hectare with improved agricultural water management
2026	8850 ha (accumulated: 24,900 ha)	16,372,500.00	US\$1,850 per hectare with improved agricultural water management
2027	5100 ha (accumulated: 30,000 ha)	9,435,000.00	US\$1,850 per hectare with improved agricultural water management
2028	0 ha (accumulated: 30,000 ha)	0.00	N/A
2029	0 ha (accumulated: 30,000 ha)	0.00	N/A

DLI 2	2a. Pollutant loads reduced (Henan)		
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Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Metric ton	30,297,300.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
2024	0.00		0.00	US\$15,000 per ton of COD reduced
2025	58.66		879,900.00	US\$15,000 per ton of COD reduced
2026	397.37		5,960,550.00	US\$15,000 per ton of COD reduced
2027	475.76		7,136,400.00	US\$15,000 per ton of COD reduced



2028	534.42		8,016,300.00	US\$15,000 per ton of COD reduced
2029	553.61		8,304,150.00	US\$15,000 per ton of COD reduced
DLI 3	3a. Area of ecosystems restored (forests, terracing, wetlands) (Henan)			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	74,031,900.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Forest: 0 ha; Terracing: 0 ha; Wetlands: 0 ha.			
2024	Forest: 8865 ha; Terracing: 123 ha; Wetlands: 75 ha		25,830,150.00	US\$2,250 per hectare of forest restored; US\$16,800 per hectare of terracing restored; US\$50,900 per hectare of wetland restored
2025	Forest: 7598 ha (Accumulated: 16463 ha); Terracing: 105 ha (Acc: 228 ha); Wetlands: 113 ha (Acc: 188 ha)		24,611,200.00	US\$2,250 per hectare of forest restored; US\$16,800 per hectare of terracing restored; US\$50,900 per hectare of wetland restored
2026	Forest: 5065 ha (Accumulated: 21528 ha); Terracing: 70 ha (Acc: 298 ha); Wetlands: 17 ha (Acc: 205 ha)		13,437,550.00	US\$2,250 per hectare of forest restored; US\$16,800 per hectare of terracing restored; US\$50,900 per hectare of wetland restored
2027	Forest: 3800 ha (Acc: 25328 ha); Terracing: 53 ha (Acc: 351 ha); Wetlands: 14 ha (Acc: 219 ha)		10,153,000.00	US\$2,250 per hectare of forest restored; US\$16,800 per hectare of terracing restored; US\$50,900 per hectare of wetland restored
2028	Forest: 0 ha (Acc: 25328 ha); Terracing: 0 ha (Acc: 351 ha); Wetlands: 0 ha (Acc: 219 ha)		0.00	N/A



2029	Forest: 0 ha (Acc: 25328 ha); Terracing: 0 ha (Acc: 351 ha); Wetlands: 0 ha (Acc: 219 ha)		0.00	N/A
DLI 4	4.1a Integrated ecosystem and water resources management process developed at the provincial level (Henan)			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	26,920,800.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Integrated ecosystem and water resources management plans do not exist			
2024	Sanmenxia Municipality has approved integrated ecosystem and water resources management plans for each of the three demonstration sub-basins		12,000,000.00	US\$4,000,000 per plan approved
2025	N/A		0.00	N/A
2026	Provincial Department of Water Resources has approved one technical guideline for integrated ecosystem and water resources management		4,000,000.00	Yes/No
2027	Provincial Department of Water Resources has approved one integrated ecosystem and water resources management plan for the Yellow River Basin in Henan province		10,920,800.00	Yes/No
2028	N/A		0.00	N/A
2029	N/A		0.00	N/A



DLI 5		4.2 Capacity of YRCC to support integrated ecosystem and water resources management of the YRB		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	No	Text	6,500,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Capacity of YRCC to support integrated ecosystem and water resources management of the YRB not developed			
2024	N/A		0.00	N/A
2025	YRCC has piloted an operational water resources management and real-time monitoring system supported by a consumption-based water resources assessment in a pilot interprovincial sub-basin		2,600,000.00	Yes/No
2026	YRCC has developed an integrated ecosystem and water resources management model for the YRB that optimizes water allocation for multiple purposes, including ecological flows, environment carrying capacity, and economic sectors		2,600,000.00	Yes/No
2027	N/A		0.00	N/A
2028	YRCC has issued a technical guideline for integrated ecosystem and water resources management in the YRB based on consumption based water balance assessment and modeling		1,300,000.00	Yes/No
2029	N/A		0.00	N/A
Action: This DLI has been Revised. See below.				



DLI 5				
<i>4.2 Capacity of YRCC to support integrated ecosystem and water resources management of the YRB</i>				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Outcome</i>	<i>No</i>	<i>Text</i>	<i>1,500,000.00</i>	<i>0.00</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>Capacity of YRCC to support integrated ecosystem and water resources management of the YRB not developed</i>			
<i>2024</i>	<i>N/A</i>		<i>0.00</i>	<i>N/A</i>
<i>2025</i>	<i>YRCC has carried out an evaluation of the relationship among water withdrawal, water drainage and water consumption of a selected large-scale irrigation scheme and assessed the water consumption's impacts on the mainstream of the Yellow River</i>		<i>1,000,000.00</i>	<i>Yes/No</i>
<i>2026</i>	<i>N/A</i>		<i>0.00</i>	<i>N/A</i>
<i>2027</i>	<i>YRCC has developed and adopted a technical guideline for evaluating water consumption based on remote sensing in the Yellow River Basin</i>		<i>500,000.00</i>	<i>Yes/No</i>
<i>2028</i>	<i>N/A</i>		<i>0.00</i>	<i>N/A</i>
<i>2029</i>	<i>N/A</i>		<i>0.00</i>	<i>N/A</i>



DLI 6		1b. Areas with improved agricultural water management (Shaanxi)		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Text	33,600,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	0 ha			
2024	6400 ha		6,720,000.00	US\$1,050 per hectare with improved agricultural water management
2025	6400 ha (accumulated: 12,800 ha)		6,720,000.00	US\$1,050 per hectare with improved agricultural water management
2026	6400 ha (accumulated: 19,200 ha)		6,720,000.00	US\$1,050 per hectare with improved agricultural water management
2027	6400 ha (accumulated: 25,600 ha)		6,720,000.00	US\$1,050 per hectare with improved agricultural water management
2028	6400 ha (accumulated: 32,000 ha)		6,720,000.00	US\$1,050 per hectare with improved agricultural water management
2029	0 ha (accumulated: 32,000 ha)		0.00	N/A
DLI 7		2b. Pollutant loads reduced (Shaanxi)		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Metric ton	59,715,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			



2024	100.00		1,500,000.00	US\$15,000 per ton of COD reduced
2025	696.00		10,440,000.00	US\$15,000 per ton of COD reduced
2026	796.00		11,940,000.00	US\$15,000 per ton of COD reduced
2027	1,062.00		15,930,000.00	US\$15,000 per ton of COD reduced
2028	1,327.00		19,905,000.00	US\$15,000 per ton of COD reduced
2029	0.00		0.00	N/A
DLI 8	3b. Area of ecosystems restored (forests, terracing, wetlands) (Shaanxi)			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	73,634,014.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	0 ha			
2024	Forest: 6349.25 ha; Terracing: 206.51 ha; Wetlands: 115.5 ha		18,408,503.50	US\$1,750 per hectare of forest restored; US\$16,600 per hectare of terracing restored; US\$33,500 per hectare of wetland restored
2025	Forest: 6349.25 ha (Accumulated: 12698.5 ha); Terracing: 206.51 ha (Acc: 413.02 ha); Wetlands: 115.5 ha (Acc: 231 ha)		18,408,503.50	US\$1,750 per hectare of forest restored; US\$16,600 per hectare of terracing restored; US\$33,500 per hectare of wetland restored
2026	Forest: 6349.25 ha (Accumulated: 19047.75 ha); Terracing: 206.51 ha (Acc: 619.53 ha); Wetlands: 115.5 ha (Acc: 346.5 ha)		18,408,503.50	US\$1,750 per hectare of forest restored; US\$16,600 per hectare of



				terracing restored; US\$33,500 per hectare of wetland restored
2027	Forest: 6349.25 ha (Accumulated: 25397 ha); Terracing: 206.51 ha (Acc: 826.04 ha); Wetlands: 115.5 ha (Acc: 462 ha)		18,408,503.50	US\$1,750 per hectare of forest restored; US\$16,600 per hectare of terracing restored; US\$33,500 per hectare of wetland restored
2028	Forest: 0 ha (Accumulated: 25397 ha); Terracing: 0 ha (Acc: 826.04 ha); Wetlands: 0 ha (Acc: 462 ha)		0.00	N/A
2029	Forest: 0 ha (Accumulated: 25397 ha); Terracing: 0 ha (Acc: 826.04 ha); Wetlands: 0 ha (Acc: 462 ha)		0.00	N/A
DLI 9	4.1b Integrated ecosystem and water resources management process developed at the provincial level (Shaanxi)			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	19,800,986.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	Integrated ecosystem and water resources management plans do not exist			
2024	Each of Xianyang Municipality and Tongchuan Municipality have approved an integrated ecosystem and water resources management plan for demonstration sub-basins within their respective jurisdiction.		8,000,000.00	US\$4,000,000 per plan approved
2025	N/A		0.00	N/A
2026	Provincial Department of Water Resources has approved one technical guideline for integrated ecosystem and water resources management.		4,000,000.00	Yes/No



2027	Provincial Department of Water Resources has approved one integrated ecosystem and water resources management plan for the Wei River Basin in Shaanxi.	7,800,986.00	Yes/No
2028	N/A	0.00	N/A
2029	N/A	0.00	N/A



ANNEX 2: PROGRAM ACTION PLAN

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement
Provide regular training for the staff maintaining the town and village sewage treatment facilities focusing on OHS and other E&S impacts associated with poor O&M	Environmental and Social Systems		Provincial and/or municipal PMOs	Recurrent	Semi-Annually	Semiannual progress reports are submitted to the Bank, including the implementation of related trainings
Establish monitoring and reporting mechanisms for meaningful public participation and GRM, and strengthen information and documentation management during the Program social risk management	Environmental and Social Systems		Provincial and/or municipal PMOs	Recurrent	Semi-Annually	Semi-annual reports are submitted to the Bank, including information on land selection/screening, or approvals, information disclosure records and public participation, GRM establishment and operation, and support to vulnerable groups
Prepare and issue guidance note on evaluation criteria and weightings for bid evaluation of contracts where comprehensive scoring method is used	Fiduciary Systems		BPMO, provincial and/or municipal PMOs	Other	Within six months from the date of effectiveness	Preparation and issuance of guidance on evaluation criteria
Provide detailed procurement related complaint handling procedures to supplement the general description in SBDs for preparation of procurement	Fiduciary Systems		BPMO, provincial and/or municipal PMOs	Other	Within six months from the date of effectiveness	Standard language on procurement related complaint handling procedures to be added into issued procurement documents



documents under the Program.						
Develop and issue a guideline about the preparation and presentation of Program financial statements	Fiduciary Systems		BPMO, provincial and/or municipal PMOs	Other	Before the first Program financial statements year end	Finalized official guideline provided to the Bank
Develop an audit Terms and Reference for the Program financial statements audit	Fiduciary Systems		BPMO, provincial and/or municipal PMOs	Other	Before the first Program financial statements audit	TORs shared and approved by the Bank.