

---

**President's report**

**Proposed loan**

**People's Republic of China**

**Hunan Specialized Forestry Industry Development  
Project**

**Addendum**

Project ID: 2000003847

---

Document: EB 2024/142/R.3/Rev.1/Add.1

Agenda: 3(a)(i)(a)(ii)

Date: 17 September 2024

Distribution: Public

Original: English

**FOR: APPROVAL**

---

## Addendum

The Executive Board is hereby invited to consider the amendments to document EB 2024/142/R.3/Rev.1 further to the technical discussions on the financing agreement negotiations, which were concluded on 13 September 2024 in order to finalize the negotiated text of such agreement. The changes to the document are reflected as follows: deleted text with strikethrough, added text underlined.

**Cover page and throughout the document**, the project name should read:

"Hunan Specialized Forestry Industry Development Project ~~Hunan Green Development Project~~"

**Throughout the document**, the **acronym** of the project should read:

"HuSFID HGDP"

Page ii, **amounts** in the **financing summary** should read:

<b>Total project cost:</b>	<u>EUR 213.5</u> <del>US\$235.2</del> million
<b>Amount of IFAD loan:</b>	<u>EUR 72.6</u> <del>US\$80.0</del> million (Borrowed Resource Access Mechanism [BRAM])
<b>Contribution of borrower/recipient:</b>	<u>EUR 23.6</u> <del>US\$27.8</del> million (in-kind and input incentives and support)
<b>Contribution of beneficiaries:</b>	<u>EUR 14.9</u> <del>US\$16.4</del> million
<b>Contribution of private sector:</b>	<u>EUR 102.4</u> <del>US\$111.0</del> million
<b>Amount of IFAD climate finance:</b>	<u>EUR 55.9</u> <del>US\$61.583</del> million

Page 4, paragraph 25 should read:

"As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this project is estimated at EUR 55.9 ~~US\$61.583~~ million (EUR 22.2 ~~US\$24.485~~ million for adaptation and EUR 33.7 ~~US\$37.098~~ million for mitigation)."

Page 4, paragraph 26 should read:

"**Project costs.** The total project cost is estimated at EUR 213.5 ~~US\$235.2~~ million over the six-year period."

Page 5, table 1 should read:

Table 1

**Project costs by component and financier**

(Thousands of euros)

Component	IFAD loan		Other cofinanciers		Beneficiaries			Borrower/recipient			Total	
	Amount	%	Amount	%	Cash	In kind	%	Cash	In kind	%	Amount	%
1. Smallholder integration in value chains	39 952	32.5	52 660	42.9	-	14 898	12.1	15 291	-	12.5	122 801	57.5
2. Enterprise-led inclusive business development	30 489	36.2	49 722	59.0	-	-	-	4 029	-	4.8	84 240	39.5
3. Project management and capacity-building	2 179	33.7	-	-	-	-	-	4 280	-	66.3	6 459	3.0
<b>Total</b>	<b>72 620</b>	<b>34.0</b>	<b>102 382</b>	<b>48.0</b>	<b>-</b>	<b>14 898</b>	<b>7.0</b>	<b>23 600</b>	<b>-</b>	<b>11.1</b>	<b>213 500</b>	<b>100.0</b>

Table 1

**Project costs by component and financier**

(Thousands of United States dollars)

Component	IFAD loan		Other cofinanciers		Beneficiaries			Borrower/recipient			Total	
	Amount	%	Amount	%	Cash	In kind	%	Cash	In kind	%	Amount	%
1. Smallholder integration in value chains	44 013	32.5	56 909	42.1	-	16 412	12.1	17 946	-	13.3	135 279	57.5
2. Enterprise-led inclusive business development	33 587	36.2	54 125	58.3	-	-	-	5 094	-	5.5	92 806	39.5
3. Project management and capacity-building	2 400	33.7	-	-	-	-	-	4 715	-	66.3	7 115	3
<b>Total</b>	<b>80 000</b>	<b>34.0</b>	<b>111 034</b>	<b>47.2</b>	<b>-</b>	<b>16 412</b>	<b>7.0</b>	<b>27 755</b>	<b>-</b>	<b>11.8</b>	<b>235 200</b>	<b>100</b>

Page 5, table 2 should read:

Table 2

**Project costs by expenditure category and financier**

(Thousands of euros)

Expenditure category	IFAD loan		Other cofinanciers		Beneficiaries			Borrower/recipient			Total	
	Amount	%	Amount	%	Cash	In kind	%	Cash	In kind	%	Amount	%
<b>Investment costs</b>												
1. Operation and maintenance	-	-	759	81.24	-	-	-	175	-	18.8	934	0.4
2. Goods, services and inputs (IFAD)	26 831	100	-	-	-	-	-	-	-	-	26 831	12.6
3. Counterpart funding (Government)	-	-	-	-	-	-	-	21 860	-	100.0	21 860	10.2
4. Works (IFAD)	16 692	100	-	-	-	-	-	-	-	-	16 692	7.8
5. Equipment and material (IFAD)	29 097	100	-	-	-	-	-	-	-	-	29 097	13.7
6. Beneficiaries	-	-	-	-	-	14 898	100	-	-	-	14 898	7.0
7. Private sector	-	-	96 971	100	-	-	-	-	-	-	96 971	45.4
<b>Total investment costs</b>	<b>72 620</b>	<b>34.0</b>	<b>97 730</b>	<b>50.8</b>	<b>-</b>	<b>14 898</b>	<b>7.2</b>	<b>22 035</b>	<b>-</b>	<b>11.5</b>	<b>207 283</b>	<b>97.1</b>
<b>Recurrent costs</b>												
1. Operating costs	-	-	4 652	74.8	-	-	-	1 565	-	25.2	6 217	2.9
<b>Total recurrent costs</b>	<b>-</b>	<b>-</b>	<b>4 652</b>	<b>74.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 565</b>	<b>-</b>	<b>25.2</b>	<b>6 217</b>	<b>2.9</b>
<b>Total</b>	<b>72 620</b>	<b>34.0</b>	<b>102 382</b>	<b>48.0</b>	<b>-</b>	<b>14 898</b>	<b>7.0</b>	<b>23 600</b>	<b>-</b>	<b>11.1</b>	<b>213 500</b>	<b>100.0</b>

Table 2

**Project costs by expenditure category and financier**  
(Thousands of United States dollars)

Expenditure category	IFAD loan		Other cofinanciers		Beneficiaries			Borrower/recipient			Total	
	Amount	%	Amount	%	Cash	In-kind	%	Cash	In-kind	%	Amount	%
<b>Investment costs</b>												
1. Operation and maintenance	-	-	836	81.3	-	-	-	193	-	18.7	1 028	0.4
2. Goods, services and inputs (IFAD)	29 558	100	-	-	-	-	-	-	-	-	29 558	12.6
3. Counterpart funding (Government)	-	-	-	-	-	-	-	25 838	-	100	25 838	11.0
4. Works (IFAD)	18 388	100	-	-	-	-	-	-	-	-	18 388	7.8
5. Equipment and material (IFAD)	32 053	100	-	-	-	-	-	-	-	-	32 053	13.6
6. Beneficiaries	-	-	-	-	-	16 412	100	-	-	-	16 412	7.0
7. Private sector	-	-	105 073	100	-	-	-	-	-	-	105 073	44.7
<b>Total investment costs</b>	<b>80 000</b>	<b>34.0</b>	<b>105 909</b>	<b>46.4</b>	-	<b>16 412</b>	<b>7.2</b>	<b>26 031</b>	-	<b>11.4</b>	<b>228 351</b>	<b>97.1</b>
<b>Recurrent costs</b>												
1. Operating costs	-	-	5 125	74.8	-	-	-	1 724	-	25.2	6 849	2.9
<b>Total recurrent costs</b>	-	-	5 125	74.8	-	-	-	1 724	-	25.2	6 849	2.9
<b>Total</b>	<b>80 000</b>	<b>34.0</b>	<b>111 034</b>	<b>47.2</b>	-	<b>16 412</b>	<b>7.0</b>	<b>27 755</b>	-	<b>11.8</b>	<b>235 200</b>	<b>100</b>

Page 6, table 3 should read:

Table 3

**Project costs by component and project year (PY)**  
(Thousands of euros)

Component	PY1		PY2		PY3		PY4		PY5		PY6		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Smallholder integration in value chains	12 514	10.19	30 573	24.9	42 805	34.86	24 487	19.94	12 360	10.07	62	0.05	122 801
2. Enterprise-led inclusive business development	19 483	23.13	15 835	18.8	21 973	26.08	15 499	18.4	7 719	9.16	3 731	4.43	84 241
3. Project management and capacity-building	1 658	25.68	861	13.32	861	13.32	861	13.32	861	13.32	1 358	21.03	6 459
<b>Total</b>	<b>33 655</b>	<b>15.77</b>	<b>47 269</b>	<b>22.14</b>	<b>65 639</b>	<b>30.74</b>	<b>40 847</b>	<b>19.13</b>	<b>20 940</b>	<b>9.81</b>	<b>5 151</b>	<b>2.41</b>	<b>213 500</b>

Table 3

**Project costs by component and project year (PY)**  
(Thousands of United States dollars)

Component	PY1		PY2		PY3		PY4		PY5		PY6		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Smallholder integration in value chains	13 787	10.19	33 679	24.90	47 154	34.86	26 975	19.94	13 616	10.07	68	0.05	135 279
2. Enterprise-led inclusive business development	21 470	23.13	17 444	18.80	24 206	26.08	17 074	18.40	8 503	9.16	4 110	4.43	92 806
3. Project management and capacity-building	1 827	25.68	948	13.32	948	13.32	948	13.32	948	13.32	1 496	21.03	7 115
<b>Total</b>	<b>37 085</b>	<b>15.77</b>	<b>52 071</b>	<b>22.14</b>	<b>72 309</b>	<b>30.74</b>	<b>44 997</b>	<b>19.13</b>	<b>23 066</b>	<b>9.81</b>	<b>5 674</b>	<b>2.41</b>	<b>235 200</b>

Page 7, paragraph 27 should read:

**“Financing and cofinancing strategy and plan.** The Government has requested a loan of EUR 72.6 ~~US\$80~~ million from IFAD, to be provided under the Borrowed Resource Access Mechanism (BRAM) on ordinary terms. There is no international cofinancing. The Government will contribute EUR 23.6 ~~US\$27.7~~ million ~~in-kind and input incentives and support~~, the private sector will contribute EUR 102.4 ~~US\$111~~ million and smallholder beneficiaries will contribute EUR 14.9 ~~US\$16.4~~ million.”

Page 11, paragraph 69 should read:

“I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on ordinary terms to the People’s Republic of China in an amount of seventy-two million six hundred and twenty thousand euros ~~eighty million United States dollars (EUR 72,620,000 US\$80,000,000)~~ and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.”