

Utilizing World Bank Loans

*--- A Pilot Demonstration Project of Industrial Poverty
Reduction in Poverty-stricken Concatenated Areas*

Social Assessment Report

**Foreign Capital Project Management Center of State Council
Leading Group Office of Poverty Alleviation and Development**

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Abstract

The Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas sponsored by World Bank loans (World Bank Poverty Reduction Project Phase VI) is the sixth large-scale integrated poverty reduction project under cooperation of the Chinese government and the World Bank in the field of poverty reduction. The project area covers 537 project villages, 135 towns, 27 counties (districts/municipalities), 10 cities (prefectures) in Wumeng Mountain and Liupan Mountain ruled by Sichuan, Guizhou and Gansu. The poverty incidence in the project area is up to 44% and the per capita net income of farmers is RMB 3,510. The building blocks include 4 sub-projects of development of modern industrial value chain, public infrastructure and service support, study and promotion of industrial poverty reduction mechanism, project management, monitoring and evaluation. The project is committed to developing and demonstrating representative development models of rural pillar industries in poor areas to enhance sustainable agricultural production systems, improve organizational arrangements and increase rural incomes.

A. Purposes and Process of Social Assessment

The main purpose of this social assessment is to help improve the design and implementation of the proposed project so that those individuals and groups that are most likely to be influenced by the project activities will support the project and effectively participate in those activities.

Under the strong support and cooperation of project offices at all levels, the social assessment was carried out from October 27 to November 29, 2013. Field investigation that lasted for 34 days was organized by the Social Assessment Group in 69 villages, 63 townships (towns), 27 counties (districts/municipalities), 10 cities (prefectures) in 3 provinces. The main investigation and research methods included literature study, participant observation, key informant interview, in-depth interview, symposium, and survey.

B. Analysis on the Needs of Major Stakeholders

The main stakeholders in the project include rural households, enterprises related to the development cooperative industry chain, poverty reduction offices, members of established farmer cooperatives, rural agents, household of individual business, owners of small processing workshops, etc. Analysis on the needs of major stakeholders is as follows:

- (a) **Rural households:** Beneficiaries in the project areas cover 946,400 rural households, including 342,900 poor rural households (36.23%), 462,200 women (48.83%), and 240,900 minorities (25.45%). The main needs include: science and technology and management training on planting and breeding to high-yield and efficient agriculture and increase revenue; solutions to sales problems of agricultural and livestock products to broaden sources of household income and increase revenue; construction of their own organizations and improvement in the ability to resist market risks; improvement in infrastructure conditions to develop agricultural production, increase revenue and improve living standards.
- (b) **Members of established farmer cooperatives:** The cooperatives hope to meet the following needs

through the project: learning about advanced concepts on cooperative building and improve the current status of the established organizations; improving the software and hardware facilities of cooperatives and the construction level of farmer cooperatives; solving the infrastructure conditions that limit industrial development to lay a foundation for better operation of farmer cooperative organizations; fostering new cooperatives to form synergy with other farmer cooperative organizations to jointly facilitate the farmers to get rich.

- (c) **Enterprises related to the development cooperative industry chain:** their needs include: constructing public market facilities, providing public services like product transactions and quarantine testing, and reducing market transaction costs; establishing professional farmer cooperatives, improving and regulating the market behavior of cooperatives, stabilizing the service relationships between companies and rural households, and securing stable sources of cheap and fine raw materials or agricultural products; obtaining the technical support of domestic and international high-profile experts by participating in the project to improve the R&D capability of products and production processes and increase the added value of products and market share.
- (d) **Rural agents, household of individual business, owners of small processing workshops, etc.:** their needs include: improving the current status of water, roads, markets and other infrastructure to create a favorable environment and conditions for trade and marketing of agricultural products; joining cooperatives to integrate resources, improve market bargaining power, and enhance the ability to resist market risks through the platforms of cooperatives; reducing costs and improving added value of products through organizational and scale production, processing and sales.
- (e) **Poverty reduction offices:** their needs include: facilitating the project to be completed smoothly as soon as possible by communicating and coordinating with different partners; increasing the income of the poor and facilitating the poor to get rid of poverty; exploring ways and means appropriate to the local industrial poverty reduction and provide experience for the undertaking of domestic poverty reduction; improving the social images of the implementing agencies.

C. Analysis on the Current Operation and Problems of Cooperatives

- (a) **Current status of cooperatives:** basic conditions of professional farmer cooperatives: among the visited 40 cooperatives/associations, integrated farmer cooperatives are dominant ^①, accounting for 94.87%; the management of a cooperative generally consists of 5-10 persons, and cooperatives in Guizhou and Gansu are mainly driven by capable individuals and large households in Guizhou and Gansu, with ratios of 83.3% and 48%, respectively; in Sichuan Province, the cooperatives are mainly driven by village cadres, with a ratio of 62.5%. profit distribution and participation: among 39 cooperatives, 17 have established a profit distribution mechanism, accounting for 43.6%, but only 5 actually distributed profits to the participating rural households, accounting for 20%; the profit distribution mechanisms of cooperatives basically consist of returning by trading volume and dividend

^① Integreted cooperatives are cooperatives that are more or less engaged in providing seeds and other production means, technical training, standardized management, storage and sale of agricultural products, and other services.

sharing by contributed capital; rural households participate in cooperatives mainly by getting means of production free or purchasing it at a low price from cooperatives, leasing land to cooperatives for land rent, joining cooperatives with land and other means of production to get dividends, obtaining wages by working in production bases, participating in technical guidance and training in cooperatives, selling products to get profits through cooperatives, etc.

- (b) **Operational modes of cooperatives:** There are four main operational modes: 5 cooperatives follow the mode of “company + cooperative + base + rural household”, accounting for 12.82%; 4 follow the mode of “company + cooperative + rural household”, accounting for 10.26%; 12 follow the mode of “cooperative + base + rural household”; 19 (including an association) follow the mode of “cooperatives (association) + rural household”, accounting for 47.5%. Operating results: among 39 cooperatives, 12 (30.77%) operate well; 7 (17.95%) operate modestly; 9 (23.08%) operate poorly; 11 (20.2%) do not operate at all. Those that operate well mainly adopt the mode of “cooperative + base + rural household” while those that operate poorly mainly adopt the mode of “cooperative + rural household”.
- (c) **Farmers’ understanding of and attitudes towards cooperatives:** among the 1,507 surveyed rural households, 47.4 % and 22.8 % knew little or nothing about cooperatives, respectively; 95.6% of the rural households supported the building of cooperatives, 3.6 % showed an indifferent attitude, while 0.8% did not support the building of cooperatives, considering that cooperatives belong to capable individuals and large households only while not functioning for ordinary households; 71.1% of the households did not join any cooperative and 28.9% have joined. Of the rural households that did not join any cooperative, 95.6% of them were willing to be part of a cooperative. Of the services that the surveyed rural households expected cooperatives to provide, 72.6% voted for technical guidance on planting and breeding. The rural households mainly needed seed sowing and breeding technology, crop cultivation and field management, crop epidemic disease control, breeding stock cultivation and variety improvement, forage planting and concentrated feed configuration, prevention and control of livestock disease. 59.7% voted for sales services; 43.5% needed market information; 37.8% needed supply of preferential offering of production means; 33.8% hoped to join cooperatives and share dividends; 93.2% of the rural households considered it necessary to carry out training and other capacity-building activities in cooperatives; 67.8% believed that there was a need for technical training in the planting and breeding industry .
- (d) **Main existing problems in the operation of cooperatives:** few rural households understand cooperatives: The survey learned that 29.7% of the rural households “knew very well” or “knew” cooperatives, and 70.3% only heard of or simply never heard of cooperatives. Few rural households join cooperatives: in fact, the percent of rural households participating in cooperatives is 28.9 % , while that of rural households that did not join any cooperative is 71.1%, indicating a low percent of rural households participating in cooperatives; secondly, because most of the cooperatives in the villages stay dormant and the members are in name only without participating in actual activities of cooperatives; in part of the functioning cooperatives, it is common that the rural households simply sell agricultural products and participate in relevant technical guidance and training through cooperatives while ordinary farmers rarely participate in cooperative management or profit distribution. More dormant cooperatives but poor operation effects: according to the research information and data from the Agriculture Bureau, 179 cooperatives that operate well in the project counties of Guizhou Province

account for 17.96%; 572 operate moderately, accounted for 57.47%; and 245 operate poorly, accounting for 24.57%; in Gansu Province, there are totally 471 cooperatives in the project counties, including 71 that operate poorly or do not function, accounting for 15.07%; in Sichuan Province, there are totally 845 cooperatives in the project counties, including 702 that operate poorly or do not function, accounting for 83.08%. Of the 39 cooperatives, 12 (30.77 %) operate well, 7 (17.95%) operate moderately, 9 (23.08 %) operate poorly, and 11 that do not operate at all. Low development level and non-standardized management of cooperatives: most of the cooperatives have been established for a short time, with everything at the exploratory stage. Of the interviewed 39 cooperatives, 10 were established in 2013, accounting for 25.64%, and there are 7, 4 and 9 cooperatives that were registered in 2010, 2011, and 2012, accounting for 17.95%, 10.26% and 23.08%, respectively. Especially in terms of organization and management, cooperatives are mostly dominated and operated by capable individuals, large households, or village cadres, and hardly provide services for rural households; cooperatives generally lack professional talents that have management or technological knowledge or have marketing capability, and they also lack professional financial management personnel. Incomplete and non-transparent profit distribution mechanisms of cooperatives: there are no clear provisions about the withdrawal of surplus accumulation fund, public welfare fund, or dividends. Even if there are provisions about deciding the profit distribution based on the resolution proposed at the general assembly of members (representatives), in fact, cooperatives seldom convene a general assembly of members (representatives) for a vote; instead, decisions are made by several key members of the cooperative and the decisions about the ratios of income dividends to share and profits to return are highly arbitrary; basically each cooperative has a different way and standard of dividends sharing and profits returning, and the whole information about income distribution is not transparent and rarely published; there are various ways and standards of profit distribution and the mechanisms are not perfect.

D. Poverty Analysis

- (a) **Poverty situation in the project areas:** of the 98 project villages in Guizhou Province, 85 are poor villages, accounting for 86.7%; the poverty rate of 90,775 people in the 31,208 poor households is 28.14%; of the 199 project villages in Sichuan Province, 196 are poor villages, accounting for 98.5%; the poverty rate of 87,665 people in the 28,532 poor households is 33.62%; all of the 241 project villages in Gansu Province are poor villages, accounting for 100%; the poverty rate of 178,466 people in the 41,587 poor households is 49.68%.
- (b) **Understanding and needs of the poor groups for the project:** Of the 758 poor households that participated in the survey, 85.4% have heard of the project and 14.6% have not; secondly, 95.8% of the poor households expressed their support for the construction of the project, 93.7% said that they are willing to cooperate with the government in implementing the project, 95.3% of the poor households that have not joined any cooperatives expressed their willingness to join a cooperative, which indicated a high degree of willingness of poor rural households to join cooperatives. The needs of poor population for the project mainly include: joining cooperatives, access to employment opportunities, participating in skills training, improving local infrastructure, and access to loans.
- (c) **Participation of poor households:** of the 758 surveyed poor households, 67.4% have not joined any cooperatives was 67.4%, and 94.5% that have not joined any cooperatives expressed their willingness to

join a cooperative. The main difficulty for poor rural households to join cooperatives is lack of the capital to participate in cooperative activities, such as money, land, or labor; the purpose for them to join cooperatives is to obtain market information and agricultural sales channels and to improve planting and breeding technology. 21.1% of the poor rural households considered that they have mastered the professional skills in the local advantageous industries, 29.8% did not think so, and 49.1% thought that they have mastered part of the skills and there is space for improvement. 95.7% of the poor rural households considered it is necessary for them to receive professional and technical training in advantageous industries, and 94.3% expressed their willingness to be involved in the characteristics advantageous industries to be developed in the project.

E. Social Gender Analysis

- (a) **Development of the women population in the project areas:** according to the survey results, women aged from 30 to 59 take up the largest proportion in the survey sample, accounting for 82.8%, 2.1% higher than the proportion of men; the sum of the percents of women with primary school education or illiterate is 52.4%, 10% higher than those of men; most of the women are engaged in farming, with a percent of 89.2%, slightly higher than men (84.6%); women who earn between RMB 380-1000 every month take up the highest proportion (43.7%), and 72.5% of the women earn less than RMB 1,000 every month, higher than 66.4% of the men; judging from the information on education, employment and monthly income, the socio-economic status of women is slightly inferior to that of men.
- (b) **Women's participation in cooperatives:** women's cooperatives: there are few cooperatives initiated by women in the project areas, and of the 40 cooperatives/association visited by the Social Assessment Group, only one was initiated and established by women and is primarily managed and operated by women; there are one cooperative whose legal person is female but is actually managed and run by male;
women's participation in cooperatives: of the 40 cooperatives/association, 19 do not have any women in their management, accounting for 47.5 %; there are totally 297 management staff in the 40 cooperatives/association, including 37 women, which account for 12.46%; women mostly work as accounting, cashiers or office clerks, and are less involved in core business of cooperatives; cooperative members come in household, but in fact, generally the head of a household, who is usually a male in the family, such as the husband or the father-in-law (father of the husband), signs an admission agreement, and the membership is rarely registered in the name of women; women in households that participate in activities of cooperatives are mainly engaged in planting and breeding, technical training, picking and so on.
- (c) **Women's understanding of and attitudes towards cooperatives:** in the questionnaire survey, 22% said they had no idea of cooperatives, 48% revealed that they knew little about cooperatives, and 30.1% said they knew about cooperatives; 95.6% of women supported the construction of cooperatives, 95.5% of the women who have not joined cooperatives are willing to join one and 93.9% believed that it is necessary for them to receive training through cooperatives; this data analysis shows that women understand little about cooperatives but they show strong willingness to participate and strong support for cooperatives.
- (d) **Project impact on women:** the positive impact includes: reducing the burden on women, increasing women's income; enhancing women's development capacity; improving the quality of women's

survival and their living standards; improving women's status in the family and the external environment. The potential risks include: women's poor understanding of cooperatives and the project affects women's initiative in participating in the project and actual activities while low participation in cooperatives affects women's fair access to the benefit from the project.

F. Analysis on Minority Nationality

- (a) **Status of minority nationalities in the project areas:** Guizhou, Sichuan and Gansu are all provinces inhabited by multi-ethnic population. In the project counties in Guizhou, Miao nationality accounts for the largest population of 18,228 people, representing 5.62%, mainly distributed in Zhijin County and Dafang County in Bijie City. In the project counties in Sichuan, Yi and Miao nationalities represent most of the population. There are 160,660 Yi people, accounting for 61.62% and mainly distributed in Zhaojue County, Butuo County, Meigu County, and Jinyang County in Liangshan Autonomous Prefecture of Yi Nationality in Sichuan; there are 13,394 Miao people, accounting for 5.14 % and mainly distributed in Xuyong County. Hui and Dongxiang nationalities take up most of the population in the project counties in Gansu, with 19,928 Hui people, accounting for 5.62% and mainly distributed in Zhangjiachuan Hui Autonomous County and Yongjing County, and with 11,500 Dongxiang people, accounting for 3.25% and mainly distributed in Dongxiang Autonomous County.
- (b) **Differences in minority nationalities:** Miao, Yi , Hui and Dongxiang nationalities are the main minority nationalities in the project areas and the differences in these four nationalities are mainly reflected in: Language: Miao people speak their own language and 37.1% can speak mandarin, and the percent of women who can speak Mandarin is 18.2%, significantly lower than men (45.8%); Yi people speak their own language and 22.1% can speak Mandarin, and the percent of women who can speak Mandarin is slightly lower than that of men; the Hui people can speak Chinese and the percent is 65.1%; the Dongxiang people speak their own language and the percent of Dongxiang people who cannot speak Mandarin is 98.9%, with only 1.1% of the population that can speak Mandarin; overall, Dongxiang nationality has the lowest percent of Mandarin speakers, followed by Yi and Miao, while Hui nationality has the highest percent. In terms of traditional festivals, the main traditional festivals in Miao nationality are the New Year of Miao and the Dragon Boat Festival; those of Yi nationality are the Torch Festival and the New Year of Yi; the main traditional festivals of Hui and Dongxiang nationalities are Eid al-Fitr, Eid al-Adha, and Mawlid; except the similarity in the traditional festivals of Hui and Dongxiang nationalities, the other two nationalities show differences. In terms of traditional culture: Miao nationality mainly believes in nature worship and ancestor worship; Yi nationality has the tradition of secret branch worship and show strong tendency to family clan; Hui and Dongxiang nationalities have the common belief in Islam. In terms of livelihood patterns: Miao nationality lives on agriculture, mainly growing food, tobacco, sweet orange, walnut, bamboo, etc., and breeding pigs and cattle, with heavy reliance on the mercy of the elements and unstable agricultural sources of income; working as migrant workers becomes supplement to the agricultural income of families. Compared with the Han nationality in the same region, Miao nationality has a lower income level and is poorer. Yi nationality is dominated by agriculture, mainly growing maize, potatoes, buckwheat and other crops, mostly dependent on the mercy of the elements. In addition to farming, animal husbandry is also an important source of livelihood for the Yi people, especially cattle, sheep, horses and pigs. These animals are mostly bred outside cages in summer and in captivity in winter; a small part of the bred cattle and

sheep will be for sale, while most are save for reproduction and consumption. In addition, in recent years more and more young people from Yi nationality have turned to be migrant workers. Compared with other minority nationalities in the project areas, Yi people have a deeper level of poverty and encounter greater difficulty in getting rid of poverty. The Hui people mainly live on agriculture and animal husbandry as the main sources of livelihood, mostly planting wheat and corn, with the complements of alfalfa, oats, etc., and mainly raising cattle and sheep. Compared with Han and other nationalities, Muslims have more experience in rearing cattle and sheep and have more farmers who master rearing experience. In addition to planting and breeding industries, the sources of income for the Hui people also include running business and working as migrant workers. The businesses they run are dominated by catering, for example, the catering industry in Zhangjiachuan are dominated by Hui restaurants; the Hui migrant workers are generally engaged in seasonal jobs and the types of work they do are relatively simple. Dongxiang nationality mainly lives in Dongxiang County in the project areas and lives on the sources similar to those of the Hui people. Their main sources of livelihood include breeding, cultivating, and working as migrant workers. They generally raise sheep and planting corn, potato, and wheat, complemented by alfalfa, oats, etc. to feed livestock. Migrant workers are mostly young men, who seek jobs in Lanzhou, Xinjiang and Qinghai on short-term or seasonal basis. In terms of social organization: the Miao people mostly live together with the Han people, without social organizations specific to them but living together in the unit of administrative village. Family clan is the basic structure in the society of Yi nationality and is composed by paternal kinship. It is the basic unit for social mobilization and actions. Members in a family clan help each other and help the poor. Except praying in mosques at a fixed time each week, the Hui and Dongxiang nationalities in the project areas do not retain other traditional social organizations.

- (c) **Identification and screening of minority nationalities:** there 209 project villages that have minority collectives relying on the project areas, mainly including Miao, Yi, Hui and Dongxiang nationalities. Of the 601 minority population that participated in the survey, 93% acknowledged importance of the project, 96.4% supported the project, and 96.5% were willing to participate in the project. In order to facilitate the minority nationalities to participate in the project in a way that adapts to their culture and benefit from the project, a development plan of minority nationalities is prepared for the project.

G. Social Impact Analysis

(1) Project Opportunities

- (a) **Improving the organizational degree of farmers through standardized construction of cooperatives:** cooperative is an important carrier and platform to improve the organizational degree of farmers in poor areas. The Social Assessment Group found in the survey that the current organizational degree of farmers in the project areas is relatively low and the main problems are: the cooperative structure is not standardized; the cooperatives are poorly operated; few rural households actually join cooperatives; there is low involvement of rural households in cooperatives.

It seemed to the rural households that in spite of the many problems in the operation of cooperatives, construction of the project will indeed bring many opportunities for the development of cooperatives and farmers' organization: first, by building office space and providing office equipment of cooperatives, and offering supporting facilities and equipment for processing, storage, sales and other industrial chain

extension services, the project will lay a good hardware basis for the institutional settings of cooperatives and development of advantageous industries and regulate the external conditions of cooperatives; second, the project will standardize the organizational structure and operation system of cooperatives by staffing cooperatives with counselors and establishing joint-stock cooperatives that rural households (especially most of the poor ones) join to form small and micro enterprises; third, the project will enhance the operation ability of cooperatives and increase the competitiveness of cooperatives as small and micro enterprises in the market through training; fourth, the project will not only increase the involvement of poor rural households in the economic and industrial value chain but also encourage them to consciously apply the organizational practice experience they learn from cooperatives in other social and economic activities in the villages and constantly improve their self-development awareness by promoting poor rural households to join cooperatives and increase their organizational practice experience and ability. The project will provide training on establishment, management, technology, and marketing of cooperatives and exchange visits. Specialized training will be conducted for demonstration households on crop cultivation technology. The training will be conducted in a variety of ways and multiple categories to improve the involvement and practice of rural households in cooperatives; various measures will be taken to improve the organizational degree of farmers.

- (b) **Taking cooperatives as carriers to improve the subject consciousness and self-development ability of farmers by empowering them:** judging from the understanding of farmers about themselves and their family development, the Social Assessment Group learned that the rural households in the project areas believed the most important reasons for their poverty are their lack of skills, technology, capital, and knowledge and their outdated ideas and concepts, in addition to harsh climate and poor infrastructure conditions like water and electricity lines. When asked “Have you ever thought about how to live a better life in the future”, most of the villagers just smiled, saying that “I may plant or raise something.” Basically they would continue the original way of production and lifestyle; younger people choose to go out to work, which will help them make some money.

Concerning expectations and suggestions for the project, they hoped to receive some training on, for example, planting techniques, scientific breeding, pest control and agricultural product marketing, and have access to market information and other knowledge and technology. They believed they would develop the planting and breeding industries well once they mastered this knowledge and technology. They would slowly accumulate experience and capital, and life would get better when they or their families have improved their ability and changed their concepts.

For the construction and development of cooperatives, the villagers hoped to build cooperatives that can incorporate more villagers instead of being monopolized by large households or capable individuals; in their view, the development of cooperatives needs the demonstration of capable individuals and large households, who are expected take the initiative and lay the foundation for villagers; addition to access to training, the villagers hoped the cooperatives could get everyone involved to purchase seeds, pesticides, fertilizers and other production materials, so as to get more favorable prices and guarantee the quality and prevent the problem that some rural households may purchase fake seeds, fake fertilizers, or fake pesticides; the villagers may sell their agricultural products collectively at prices higher than the prices sold individually, and the agricultural products may be sold through multiple means such as

negotiations, opening up sales channels, and developing contract farming. Rural households in cooperatives can learn experience and technology from each other, consult and discuss together, and any questions can be answered anytime and anywhere. The ability of rural households will also be improved. While the self-development ability of villagers is being improved, the development ability and level of the whole village is constantly improved and enhanced.

The construction of village roads, hardening and construction of services roads for production, farmland irrigation and water conservancy facilities, and trading markets of agricultural products in the project will create conditions for the industrial development of project villages; the facilities to construct will be decided by the villagers, and the village committees and villagers will participate in the construction of most of this public infrastructure, which will help develop the self-organization, self-management, independent decision-making and independent implementation capacities of villagers.

- (c) **Changing the agricultural production and operation modes, improving product quality and standards, improving the ability of farmers to withstand market risks, and increasing the income of poor rural households through the project construction:** interviews in the project areas showed that individual rural households generally sell their agricultural products through the following channels:

the rural households sell the products to the local vendors, who then resell the products to wholesale markets or traders from other places; traders from other places directly purchase the products from the rural households. The rural households sell their agricultural products locally at prices lower than the prices they sell in market towns or markets in the county, but they will encounter various problems such as inconvenient transportation, lack of transportation vehicles and high transportation costs if they want to sell the products beyond the local place. As a result, most of the rural households choose to sell their agricultural products to small local vendors or traders who visit them for a purchase at lower prices and the prices are forced down from one link to another. Individual rural households do not have the ability to negotiate or price advantages. Therefore, the rural households hope:

First, the training on the establishment and management of cooperatives and capacity building in the project allow rural households in the project areas to be organized through the carrier and platform of cooperatives and change the original small decentralized production mode practiced by single household into industrialized, large-scale and standardized large production mode; second, farmers are organized through cooperatives and take collective actions resist market risks like market information asymmetry and poor negotiating capacity that may be faced by individual rural households; third, the use of good seedlings/breeding stocks and adoption of unified production means, unified production standard, unified field management, unified harvest, unified sales or processing to provide agricultural products that meet the market demand will provide rural households with easier access to markets and increase the competitiveness and negotiation ability of rural households, and the subproject of industry chain development can increase the added value of products and improve the quality and yield of agricultural products; fourth, improvement in the quality of agricultural products and scale operations can enhance the market competitiveness of agricultural product, extend the industrial value chain, improve farmers' perception of market and resilience, improve the ability of rural households to withstand market risks, and ultimately increase the income of farmers, especially the income of the majority of poor rural households.

- (d) **Improving infrastructure to create conditions for local agricultural production and livelihood of**

rural households: the Social Assessment Group visited the project areas and found that some villagers mentioned the roads, water and other agricultural infrastructure are in poor conditions, of which water and road (mainly service roads for production) shortages are the main problems that restricts the development of local industries and affect the lives of villagers. Therefore, the villagers hope:

First, the project will improve the agricultural production materials such as seeds, pesticides, fertilizers and farming equipment and the transportation conditions to sell agricultural products to other places through construction of village roads and service roads for production; second, the project will prevent or mitigate the impact of natural disasters like drought on the growth and harvest of crops and gradually solve the drinking problems of men and animals in some villages by improving irrigation facilities, irrigation techniques and conditions, and by constructing water cellars for men, water tanks and drinking water project facilities; third, the construction of distribution and sale facilities and equipment like trading venues of agricultural products and livestock, product storage and processing facilities can create conditions for rural households to carry out production. Agriculture is an important source of livelihood for rural households in poverty-stricken areas, while poor infrastructure is the key issue that constrains the agricultural production and development in poor areas. Therefore, improving infrastructure can help improve the production and livelihood of rural households.

- (e) **Increasing the chances for rural households to fairly share benefit and promoting the sustainable development of poor rural households:** based on the benefits that rural households get from cooperatives, the general problems are no benefit or narrow benefit ranges, single benefit channels and lack of the right to speak in sharing benefits. After being implemented, the project will increase the chance for rural households to fairly share benefits through a variety of channels: first, the project will establish cooperatives that uphold shared benefits among villagers and shared responsibilities to ensure a wide range of rural households, especially the poor ones, are involved in cooperatives; second, the project will establish joint-stock farmer cooperatives that the majority of rural households join with collective investment and that are collectively owned to ensure member rural households have equitable access to dividends and rebates; third, the project will increase the ability of rural households to obtain profits by enhancing their involvement in cooperatives, such as through providing training, employment and management opportunities.
- (f) **Increasing employment opportunities, especially for the poor and women, improving employment conditions, and increasing the unit value of labor force:** first, villagers in the project areas will be preferred to volunteer to work with payment in the construction of infrastructure, such as hardening or new construction of roads, drinking water tank for men and animals/cellar trimming, and building of trading markets; second, the scale development of local advantageous industries will increase the demand for local labor and drive some idle labor force to join the industries, while capable individuals and large households may continue to develop through the development of advantageous industries and the platforms of cooperatives and gradually grow into owners of small or micro enterprises; third, improvement in infrastructure conditions, and scale development and agglomeration of competitive industries can improve the local investment environment and create better employment conditions; four, the labor skills and productivity of rural households in the development of advantageous industries will be improved, the unit labor value will be increased, the income of rural households will be increased, and women and poor households will have more job opportunities and higher income.

(2) Potential Risks

Meanwhile, the Social Assessment Group believes that the following potential risks may exist in the construction and operation process of the project:

- (a) **Risks in land acquisition and land management:** there are mainly three ways of land occupancy: land lease, land donation and land acquisition.

Land for bases of planting and breeding. Generally, the planting and breeding bases will be equipped with certain standardized facilities, and as they cover large areas, the land is mostly acquired through lease or pooling of land as shares. The acquired land will be collectively operated, managed and maintained by cooperatives.

General public infrastructure and agricultural supporting facilities. The project involves the construction of public infrastructure and agricultural supporting facilities such as production roads, farm tracks, farmland facilities, irrigation and drainage facilities. As they usually take up small areas in linear trends and are mostly facilities needed or urgently needed by rural households to develop agriculture, the villagers are willing to provide land through land donation.

Land for cooperatives. The land for construction of new cooperatives in the project is usually from the land owned by the village collectives. Village committees in the project villages will hold a general assembly of villagers to listen to the views of the villagers, and sign agreements on the use of collective construction land with cooperatives; some cooperatives may acquire land through leases.

Land for trading markets. Trading markets to be constructed under the project will need to occupy large areas of land and are generally located in places where there are convenient transportation and high flows of people like town centers. The Social Assessment Group learned that the land for trading markets under the project comes from three main sources: state-owned land, collective construction land, and villagers' collective land.

State-owned land: The trading market that is built on state-owned land is the trading market of livestock in Zhangjiachuan County, Tianshui City, Gansu Province. The market is constructed in the existing Golden Comprehensive Agricultural Market in Zhangjiachuan Hui Autonomous County; the Golden Comprehensive Agricultural Market covers 25 mu and the certificate of land use right was issued by the Land and Resources Bureau of Zhangjiachuan in September 2010. The Poverty Reduction Office of Zhangjiachuan County consulted with the legal person of the company on renting a 10-mu idle land in the market as the construction land for a trading market of livestock under the World Bank Project (Phase VI) for a term of 10 years. Upon expiration, the two sides may agree on renewal.

Collective construction land: the trading markets to be constructed on collective construction land are generally divided into two types. The first one is reconstruction of the original trading markets, such as the trading market in Shubo Village, Nanwa Township, Jinyang County, whose construction site is in the market of Nanwa Township; the trading market in Zhuanchengzi Village, Maojing Township, Huanxian County in the original collection-distribution point of livestock, where there is a lack of basic market infrastructure and whose land belongs to the village collective, covering about 10 mu, while the proposed new standard trading market will be equipped with the necessary trading venues, booths, parking space and security facilities; trading market of livestock in Shuangcheng Village and

Xieguozhui Village, which will be constructed with land contributed as shares and will not involve land acquisition or resettlement. The other type is construction of new trading markets. The newly constructed trading markets will mostly be at village or township levels (except in Huachi County). The construction sites of the trading markets are coordinated by the county poverty reduction offices and county governments with village committees and decided at the general assemblies of villagers.

villagers' collective land. The "Construction Project of Livestock Trading Market" in Huachi County covers 107 mu and is located in Xinbao Grass and Animal Industry Demonstration Zone in Yuele Town of the county. It is constructed on the collective land of Xinbao Village by the county government through renting the collective contracted land in September 2002. The first lease period is 20 years and the rent is disbursed by the county finance. The land does not belong to state-owned land. The Animal Husbandry and Veterinary Bureau of the county provided supporting documents of construction land use and the land lease agreement. (For details, please refer to Table 3-2 in Chapter 3).

As the specific locations and effects of some construction projects in the project cannot be determined, the following risks may exist in the construction and industrial development of the project: firstly, both the project construction and industrial development requires availability of land, the development and construction of project in concatenated areas may be affected if the rural households are not willing to contribute their land; second, in addition to the small amount of land used for the construction of cooperative offices, colony houses, feed stores, epidemic prevention rooms, trading markets, warehousing collection and distribution points, processing sites and other civil works will inevitably involve land occupation. Most rural households in the project areas live on agriculture, with farming and harvesting grain and other agricultural products as their main livelihood. Once the project involves land acquisition and resettlement, it may have a negative impact on the production, lives and livelihoods of rural households, leading to reduction in the land resources of rural households and decline in agricultural income. Some rural households may be faced with the risks of falling into poverty, re-poverty or worsened poverty.

Secondly, some of the cooperatives under the support of the project may need to set up or expand production bases. Such construction or expansion may be carried out through transfer of land or joining cooperatives by contributing land as shares. This could lead to the following risks in land management: rural households involved in such arrangements may not be entirely voluntary and vulnerable rural households may not share benefits equitably.

- (b) **Ecological migration and Relocation from place to place:** the Social Assessment Group learned through field investigation and from the supplemental information obtained by communicating with the project offices in the three provinces that there is no ecological migration in Sichuan and Gansu Provinces while 329 people in 66 households have been relocated as ecological migrants in Wenge Township, Dafang County, Guizhou Province, and 708 people in 150 households have been relocated as ecological migrants in Shibao Township, Chishui City.

Interviews with villagers showed that the ecological migrants, like other villagers, show strong willingness to participate in the project. They expected to participate in the cooperative construction and industrial development project and have the equal rights of participation and benefit sharing as local villagers. However, as some of the migrants are separated from their land, for example, ecological

migrants living in the villages of destination while leaving their land in the villages of origin, they may be faced with risks of rejecting the villages of destination and origin, insufficient resources or assets, and passivity or being marginalized when participating in the construction of cooperatives and industry development.

- (c) **Equal benefiting from conditional grants to cooperatives:** The Social Assessment Group learned that rural households in the project areas generally reflect a lack of funds for development and production, for example, lack of funds to buy seedlings, livestock, fertilizers, pesticides, mulches, chaff cutters and other production materials. Due to lack of production funds, poor rural households can not buy better seeds or use organic fertilizers, and the effects of their industrial development are affected; rural households in the project areas held strong demand and expectation for the conditional grants to cooperatives. Thus, the equitable distribution of conditional grants to cooperatives in the implementation of the project and how to ensure poor rural households can fairly benefit from them may affect the implementation of the project and realization of the goal for the project contribute to the sustainable income of poor rural households.
- (d) **Risks in shortage of labor needed for the development of cooperatives and industrial chain and poor management skills of the labor force:** risks in the labor force are mainly reflected in satisfaction of the demand for labor in the construction of infrastructure and of the demand for talents in the establishment of cooperatives in the project. Most of the young and strong labor force in the project areas chooses to work in other places, leaving the elderly, children and women behind. The infrastructure construction in the project requires the participation of labor force, one that has certain strength and relatively abundant time. The women, elderly, and children who are left in rural areas hoped that the completion of project will provide better economic benefits to attract the outflow family member to return to develop local industries and take care of the families.

Establishment, management and maintenance of cooperatives, industrial planning and implementation, and management of production bases all require labor force and raise some requirements on the education levels, social skills and technical skill levels of the labor force. Thus, how to attract the labor force back through the project construction to ensure sufficient labor force for the operation of cooperatives and industrial development has a great impact on the smooth implementation and development of the project and realization of the goal to develop efficient, ecological, and high value-added industries.

- (e) **Risk in the operation and management of public infrastructure in rural areas:** newly constructed or renovated production roads, terraces, irrigation facilities, electricity facilities and other infrastructure are aimed to lay a foundation for adjustment in the agricultural industrial structure and development of modern industry value chain by improving infrastructure and public services.

In views of the villagers, these infrastructure facilities can provide convenience for their production and lives and are also an important problem that they are eager to improve through the project as it cannot be solved by a single village or several individuals. Villagers are particularly concerned about water shortage and lack of flat or hardened roads. In their opinions, without water, crops cannot be grown and cattle or sheep will not live; without good roads, pesticides and fertilizers can not be transported into the village while crops, cattle and sheep cannot be sold out. Interviews with the persons in charge of

cooperatives revealed that infrastructure has become an important factor limiting the development of cooperatives, especially water sources for irrigation, farm tracks, access roads and trading markets.

Because this public infrastructure is public undertakings, it is difficult to solve by single effort. They hoped the government can help solve this problem; but at the same time, the villagers also fear that this public infrastructure may lose their functions for constant use and wear if nobody maintains or manages them. In that case, their production and live will become inconvenient again. In the interviews with some of the township and village cadres, they considered that management of infrastructure is more important than construction. Without management after construction, the infrastructure will soon wear out.

H. Major Suggestions from Social Assessment

(1) Suggestions to Enhance the Social Benefits of the Project

- (a) Improving the organizational degree of farmers, including: focusing on the establishment of joint-stock cooperatives that uphold shared benefits and shared responsibilities among farmers to ensure that the proportion of registered poor households in cooperatives gradually reaches 80% or more; providing technical and management training for cooperative members and strengthening the organizational and standardized management, including developing guidance/guideline on the construction of cooperatives in the project areas; offering demonstration and guidance of production bases or demonstration households and organizing extensive rural households to participate in industrial development; establishing an open and transparent profit sharing mechanism and enhancing farmers' sense of belonging to cooperatives.
- (b) **Enhancing the subject consciousness and self-development ability of farmers:** including developing information disclosure, publicity and training programs that run throughout the pre-, mid- and late phases of the project, especially about community mobilization and publicity in the preparatory phase; adopting multiple publicity and participatory methods such as convening villager representative assemblies and villager group meeting to democratically elect members of director boards and supervisory boards of cooperatives and select cooperative members on the informed and voluntary basis of villagers, especially allowing for the needs and thoughts of women, minority nationalities, and poor households; establishing joint-stock cooperatives that uphold broad participation of villagers and democratic management to focally solve the problem of insufficient funds that poor households are faced in when joining cooperatives; conducting technical and skill training related to industrial development and operation and management of cooperatives according to the urgency of villagers needing different trainings and, if possible, allowing for the characteristics and needs of agricultural activities carried out by the villagers in all seasons; the project training should not be done during ethnic festivals, busy seasons, housework time of women, and, if possible, should be arranged with full consideration to the schedule throughout the year; the location of training should be near settlements and easily accessible places of villagers and allow for rural households in remote areas; the training methods vary by region and by people, and the training should be provided in local language or easy to understand and may be complemented by videos, posters, brochures, etc.; on the basis of respecting the wishes of women, minority nationalities, poor households and other vulnerable groups, the publicity of project information should ensure that 80% of households are informed and the training should

ensure 30% of the participants are women, 80% are poor rural households, and 30% are minority nationalities (in minority nationality areas); conducting random inspection on the publicity and training effects on a regular basis of 2 times/year in the early phase of the project and 1time/year in other phases.

- (c) **Improving the ability of farmers to withstand market risks:** a comprehensive assessment of the project, including village agricultural situation and the needs of public infrastructure, on-demand production of sidewalk construction, irrigation and other facilities, to avoid repeated use of funds to improve infrastructure in industrial development; strengthen cooperative management and industrial development-related training to improve the capacity for sustainable development of cooperatives, such as the management of the organization on a regular basis, management training, standardization of production training, efficient agricultural technology training, technical training, marketing and processing of agricultural products, etc.; targeted establishment of the acquisition of agricultural point, storage distribution points, agricultural market, agricultural market information release platform, agricultural product tracing system and other supporting facilities and systems necessary to the market development of industries; constructing bases of stock breeding as technology and capital permit to practice standardized construction of unified seedling/breeding, unified cultivation, unified field management, unified sale or processing.
- (d) **Improving the adaptability of the infrastructure construction to the production and livelihood development and demands of rural households,** including: convening villager representative assemblies, villager group meetings, and adopting participatory methods like problem tree to discuss about the infrastructure needed by the production and livelihood development of villagers and determine the infrastructure planned to construct; handing over the completed infrastructure facilities like village roads, service roads for production, and irrigation facilities to the village collectives, and exercise supervision, management and maintenance; handing over facilities and equipment of storage, processing and marketing that involve the industry value chain to the collective cooperatives, and assuming supervision, management and maintenance responsibilities.
- (e) **Promoting equitable benefit sharing and sustainable development of rural households:** including convening general assemblies of cooperative members to discuss about the development of cooperative profit distribution mechanism and publishing the result, clarifying the ratio and order of profit distribution, determining the percents of public accumulations that are withdrawn aside, such as public accumulation funds, public welfare funds, relief funds, venture funds and development funds, and determining the specific way of profit distribution in the cooperative; transforming the old ownership structure of cooperatives and establishing stock-joint cooperatives that are commonly owned by broad rural households; regularly publishing the results of profit distribution, filing and archiving financial records of cooperatives, and accepting the supervision and questioning of members; establishing sound and easily operated appeal and complaint channel and mechanism; conducting research on equitable benefit sharing mechanism for rural households in cooperatives.
- (f) **Increasing employment opportunities for rural households, improving the employment environment, increasing labor unit value, and increasing the income of rural households:** include: conducting training on sowing and seedling cultivation, crop cultivation and field management, crop disease prevention and control, stock breeding and varieties improvement, forage planting and scientific

farming methods, prevention and control of livestock diseases, and training on efficient agricultural science and technology, product processing, marketing and other links in the industry value chain according to the situation of the industries and the wishes and demands of villagers in the project villages, ensuring that more than 30% of women and more than 30% of the minority population (in minority nationality areas), and more than 80% of poor households participate in the training; organizing the villagers to participate in infrastructure construction on the basis of respecting the wishes of villagers, and vulnerable groups like women, minority nationalities (in minority nationality areas), and poor households enjoy priority in being provided with 30% of the employment opportunities.

(2) Suggestions on Mitigating or Preventing Social Risks:

- (a) **Avoiding the risks in land acquisition and land management:** include: carrying out publicity and mobilization so that the farmers can know about cooperatives, learn the opportunities and advantages in rural industrial development, and voluntarily join cooperatives with their land; joining cooperatives with land at convertible prices and joining the production bases of cooperatives with land as shares needs to comprehensively consider the quality and location of the land and assess the expected benefits and avoid forcing down the land price evaluated in terms of shares; minimizing or avoiding land acquisition in the project implementation process; if it is unavoidable, the land acquisition and resettlement activities should be carried out in strict accordance with *Policy Framework of Resettlement*. Making sure that the cooperatives supported by the project follow the principles of allowing rural households to participate in the project voluntarily and have equal access to the rights of land management and equity arrangements; **Making sure that the cooperatives supported by the project follow the principles of allowing rural households to participate in the project voluntarily and have equal access to the rights of land management and equity arrangements** (与第 点的最后一句内容重复); making sure that rural households has the right to voluntarily choose whether to join a production base, without being affected by adjacency to it; using clear written contracts and promoting short-term, transparent land lease rather than long-term one, so that poor rural households can freely choose to withdraw from cooperatives, especially when the migrant household members return; during project implementation, when cooperatives need to integrate land to build production bases , the world Bank/the provincial project office of Guizhou should review all the land leasing and management programs together in advance; confirming that equity arrangements that require rural households to provide or transfer their land to cooperatives as shares will not be supported by the project .
- (b) **Avoiding the risks the existing ecological migrants and relocated migrants in the project areas being marginalized:** migrants moving into the project villages should enjoy equal rights to join cooperatives, participate in the industrial development, and benefiting from the opportunities and rights as the original rural households; migrants who move out of the project villages but leaving their land there should also enjoy equal rights to join cooperatives, participate in the industrial development, and benefiting from the opportunities and rights; project villages that develop planting industry need to make land adjustments with ecological migrants so that they can participate in the project; if adjustments can not be made, the village will not be supported in the project.
- (c) **Avoiding the risk of unequal benefit sharing with the conditional grants to cooperatives:** convening general assemblies of members to develop the methods to use and manage grants through full

discussion and consultation of cooperative members; cooperatives that capitalize the grants as shares to their members need to ensure support for 20-30% more poor households than ordinary ones; cooperatives should have a sound internal organizational structure, dedicated person responsible for management and use of grants, regularly publish the use of grants, and accept the supervision and questioning of members.

- (d) **Avoiding the risk of labor shortage:** strengthening publicity for the project and conducting the publicity at the time when massive streams of migrant workers return; creating a preparatory group for the establishment of cooperative, supporting and encouraging college students and migrant workers to participate in the preparation and establishment of cooperative, making sure that at least one minority representative (in places where minority nationalities live together), one female representative, and one representative of poor households assist in rural households in the project villages to carry out preparation and establishment activities of cooperative; providing specialized training for the cooperative management elected by villagers about the operation and management of cooperatives, and actively carrying out visiting and research activities in excellent cooperative bases; establishing a cooperative counselor system, selecting counselors who understand policies, have strong organizational skills, and are familiar with the local language, workable and willing to reside in the villages for work, and establishing a counselor management and assessment system which regards the comments of cooperatives on the work of counselors as assessment basis.
- (e) **Avoiding the risks in operation and management of rural public infrastructure:** incorporating the property right, operation, and management responsibilities of rural infrastructure into the operating manual and clearly defining them; developing operation and management methods of village-level public infrastructure.

(3) Suggestions on promoting social gender development:

- (a) **Promoting women's participation in the project,** including: paying attention to and listening to the needs and ideas of women in the project areas during the establishment of cooperatives and selection of industries for development; making sure that 30% of the attendees at the meetings of the cooperative preparatory group, the procurement group, and about cooperative establishment and industrial development planning are women; making sure that 30% of the participants in the training carried out under the project are women.
- (b) **Improving the understanding of women towards cooperatives and the project:** making sure that 30% of the participants in the whole process of information disclosure, publicity and training under the project are women, determining the training time and location with priority consideration to the time and convenience of women, and using local language whenever possible, especially in ethnic minority settlements of Yi, Miao and other minority nationalities; tapping into the advantages of women federations in information dissemination and training and working with women federations to carry out information dissemination and training.

I. Public Participation Framework and Complaint and Appeal Mechanism

During the project preparation stage, the social assessment process involves conducting free prior informed participation and consultation with key stakeholders and launching a series of information disclosure and public

participation activities. In order to encourage various stakeholders, particularly key ones, to effectively participate in the project and improve their awareness and participation, or ensure the rights of target groups and affected stakeholders at the village level to be informed of, participate, supervise, express and make decisions in the project, and to promote the smooth realization of the project and minimize the social costs in the implementation and operation process, this report prepares a public participation framework which proposes the contents that should be included in the project implementation manual (see Chapter 8 of Social Assessment Report).

This project proposes a complaint and appeal mechanism, whose specific procedures are detailed in Section 8.4.

J. Monitoring and Evaluation

Monitoring indicators are developed according to the needs of information disclosure, public participation, and contents and activities in the action plan, and they are listed into the terms of loans. The monitoring and evaluation consists of internal and external monitoring and evaluation. Internal monitoring and evaluation will be done by the central, provincial, city and county project offices on the implementation progress, public participation progress, implementation of the action plan, use of project funds, and implementation of rules and regulations. The internal monitoring report for one phase is submitted every six months. External monitoring and evaluation will engage a third-party monitoring agency to complete the work, and the agency is required to submit a monitoring report for one phase to the World Bank annually. The summary and report of social assessment for one phase will be submitted within half a year after the project is completed.

1 Foreword

1.1 Project Profile

Led by the State Council Poverty Reduction Office and applied by the Foreign Capital Project Management Center of LGOP, “A Pilot Demonstration Project of Industrial Poverty Reduction in Chinese Poverty-stricken Concatenated Areas” was officially listed into the planning of applying World Bank loans by the National Development and Reform Commission (Fa Gai Wai Zi No.[2012] No. 2208) and the Ministry of Finance, and has been approved by the State Council. It is the sixth poverty reduction project sponsored by World Bank loans (World Bank Poverty Reduction Project Phase VI) following the previous five integrated poverty reduction project with loans in the Southwest and Qinba regions.

The building blocks of the project include five subprojects of development of modern industry value chain, public infrastructure and support services, poverty reduction in poverty-stricken areas (training and learning), and project management, monitoring and evaluation. According to the requirements in the 2011 *Outline for Development-oriented Poverty Reduction for China's Rural Areas (2011-2020)*, the concatenated poor areas will be regarded as the main battlefield to develop efficient, ecological, and high value-added industries in 27 counties of 10 cities (prefectures) in the three provinces of Guizhou, Sichuan and Gansu in Liupan Mountain and Wumeng Mountain concatenated areas to provide development models for developing and demonstrating rural pillar industries in representative concatenated poor areas, enhance sustainable agricultural production systems, improve organizational arrangements and increase rural incomes.

The total investment of the project is RMB 1.8 billion, of which: the World Bank loan accounts for \$ 150 million, equivalent to RMB 900 million (U.S. \$ 1 = RMB 6), accounting for 50% of the total; RMB 900 million will be contributed by domestic supporting fund, accounting for 50% of the total. The investments in different provinces are as follows: the total investment in Guizhou Province is RMB 480 million, including \$ 60 million from the World Bank loan; the total investment in Sichuan Province is RMB 600 million, including \$ 50 million from the World Bank loan; the total investment in Gansu Province is RMB 720 million, including \$ 60 million from the World Bank loan.

1.2 Social Assessment Tasks

The social assessment in this project is aimed to investigate about agricultural production systems, the current status of professional farmer cooperatives, and the wishes and demands of stakeholders in the 27 counties of 10 cities (prefectures) in Guizhou, Sichuan and Gansu Provinces, to identify social risks of the project, to avoid or mitigate the social risks of the project by developing action plan, to improve the project design, and to promote the feasibility and sustainability of the development models of demonstration industries. Thus, the main tasks of this social assessment are:

- (1) To identify the main stakeholders in the project and to understand the understanding, demands and suggestions of various stakeholders on the possible impacts and risks of the project;
- (2) To learn about the construction and development of professional farmer cooperatives in project

counties, including the current status of professional farmer cooperatives, the main modes of operation as well as the advantages and disadvantages, and evaluation of the organization, capacity and sustainability of the existing cooperatives;

(3) To learn about the current development of project areas and counties, main types and sources of livelihood, sustainable development, main problems and risks of local farmers, and impacts and risks that the implementation of the project may have on the livelihood of farmers;

(4) To understand the demands and attitudes of the poor population and women towards the project, especially their views and attitudes on the demonstration industries and cooperatives, and to identify the project's impact on these groups;

(5) To develop an action plan, to enhance positive social benefits, to avoid project risks, and to promote the realization of the project objectives.

1.3 Objects/Scope of Social Assessment

The scope of this social assessment includes the entire beneficiary range covered under the construction of the project, namely: 547 project villages in 27 counties of three provinces --- Guizhou, Sichuan and Gansu, as well as cooperatives related to industrial development; the objects of social assessment are mainly affected rural households in the project villages, especially the poor ones.

1.4 Main Contents of Social Assessment

The main contents of this social assessment include: socio-economic development, stakeholder analysis, cooperatives analysis, poverty analysis, social gender analysis, minority analysis, information disclosure and public participation analysis, development and implementation of action plan.

(1) Socio-economic development: defining the beneficiary scope and population in the project areas, defining the project areas, introducing the social-economic status including populations, land, income and planting and breeding industries in the project areas.

(2) Stakeholder analysis: identifying major stakeholders involved in the project, such as the affected villagers, professional farmer cooperatives, and leading enterprises in the demonstration industries, especially women, the elderly, the poor and other vulnerable groups, identifying the demands and attitudes of key stakeholders towards the project, analyzing the positive and negative effects of the project implementation on the key stakeholders.

(3) Cooperative analysis: analyzing the organizational and operation modes as well as the advantages and disadvantages of the existing cooperatives in the project areas and proposing suggestions on improving the cooperative development according to the requirements of the demonstration industries, in combination with the understanding and attitudes of villagers in the project areas towards cooperatives.

(4) Poverty analysis: analyzing the impact of the project on the poor groups based on the poverty conditions in the project areas and the understanding and attitudes of the poor groups towards the project, and establishing profit mechanisms for the poor groups.

(5) Social gender analysis: introducing the development status of women and the activities carried out

for women in the project areas, and analyzing the impact of the project implementation on women.

(6) Minority analysis: introducing the basic situation of minority nationalities in the project area, the attitudes and views of minority nationalities towards the project implementation, and analyzing the impact of the project on minority nationalities.

(7) Information disclosure and public participation analysis: identifying the public demand for project information disclosure, establishing and improving an information disclosure mechanism, optimizing the project design, ensuring that different stakeholders can fully and fairly participate in the planning, design and implementation of the project.

(8) Action plans and implementation: proposing targeted policy recommendations and action plans by identifying and analyzing the project risks, avoiding or reducing the social risks in the project, and proposing action suggestions on the design of project information disclosure.

1.5 Social Assessment Methods

From October 27 to November 29, 2013, the Social Assessment Group conducted a 34-day field investigation in Guizhou, Sichuan and Gansu Provinces under the strong support and cooperative of project offices at all levels, mainly using social research methods like literature study, participant observation, key informant interview, in-depth interview, symposium, and survey, with the purpose to make the materials and data obtained through all kinds of methods can complement and support each other, achieving more accurate social assessment result. The specific process of social assessment was as follows:

(1) Literature Study

From October to November, 2013, the preparation unit of social assessment searched for information about the project mainly from the secondary literature data provided by the project offices and through Internet. The information includes project background, basic information about the provinces, cities (prefectures), counties and towns where the project is implemented, and project progress. The main information that was collected include: study reports about project feasibility from the project provinces and counties; The “Twelfth Five Year Plan” of the provinces, cities and counties, as well as the relevant departments; latest statistical yearbooks and statistical bulletins for 2013 and 2012 of the provinces, cities and counties; poverty reduction and development planning, industrial development planning, and implementation plans of key projects of the provinces, cities and counties; research reports about the basic information of minority nationalities in the cities and counties where the project is implemented; land transfer and consolidation, relocation and resettlement and planning of ecological migrants in the cities and counties where the project is implemented; development planning of women and research reports about women development in the cities and counties where the project is implemented; development planning of characteristic advantageous industries, management programs of pest control and prevention, agricultural training records, and relevant statistical materials about rural cooperatives in the cities and counties where the project is implemented; materials about the development conditions, management, operational modes and other experience of professional farmer cooperatives in the project counties and other places in other provinces.

(2) Participant Observation

From October 27 to November 29, 2013, the Social Assessment Group carried out participant observation in the project villages and communicated with leaders at all levels and residents in the towns and villages through field exploration to further understand the social and economical lives of residents, the impact scope of the project, the possible impact on the villagers and the existing and potential problems, so as to provide objective basis for optimizing the project design.

(3) Key Informant Interview

Interviews were conducted with key informants in relevant departments such as poverty reduction offices, Bureau of Agriculture, Animal Husbandry Bureau, Bureau of Ethnic and Religious Affairs, and Women's Federation at city and county/district levels, as well with key informants such as leaders at township/town and village levels, leaders of cooperatives, leaders of associations, and agricultural technology staff. The main purpose of the interviews was to learn the comments and suggestions of stakeholders on the project, with the focus on providing better suggestions on the design and implementation of the project. In the survey, 171 key informants were interviewed.

(4) In-depth Interview

From October 27 to November 29, 2013, the Social Assessment Group and project offices organized in-depth face-to-face interviews with major stakeholders in the project villages to learn about the production and lives of the affected population, the impact and potential risks brought by the project, and their comments and suggestions on the design and implementation of the project. The social assessment survey involved a total of 69 village collectives in 63 towns in the project areas and conducted 206 in-depth interviews with villager representatives, including 98 women (47.6%); 65 minority people (31.6%), and 87 poor representatives (42.2%).

(5) Institutional Seminars

From October, 27 to November, 29, 2013, the Social Assessment Group held 37 institutional seminars with relevant government functional departments including the poverty reduction offices, Women's Federation, the Civil Administration, Bureau of Ethnic and Religious Affairs, Bureau of Human Resources and Social Security, Bureau of Agriculture and Animal Husbandry, Land and Resources Bureau, and demolition offices at city (prefecture) and county levels in 27 counties, 10 cities (prefectures) to understand the basic information, development of minority nationalities and women, relevant policies and projects of departments, and comments or suggestions on the project in the project areas.

(6) Focus Group Symposium

From October, 27 to November, 29, 2013, the Social Assessment Group convened representatives of rural households in the project villages (including poor rural households, women and other vulnerable groups) for symposiums to learn about the production and livelihood of villagers, their participation and practice in the operation of cooperatives and agricultural industrialization, their understanding about the project, and their willingness, attitudes, needs, comments and suggestions about the project. This social assessment held a total of 69 focus group symposiums, with a total of 958 participants, including 201 poor people, accounting for 21.0%; there were 69 women symposiums, with a total of 447 participants.

(7) Questionnaire Survey

The questionnaire survey adopted a multi-stage random sampling method and the samples covered all

the project cities (prefectures). Combining the characteristics of project contents and project counties, with reference to the situation of areas inhabited and not inhabited by minority nationalities, operational modes of different professional farmer cooperatives, and characteristics of different advantageous industries (classified into the planting industry, the breeding industry and the tourism), sample counties were selected for the survey. A total of 20 counties in 10 cities (prefectures) were selected, accounting for 74.1% of the project counties.

The total samples selected in this Social Assessment Group were 1,600. There were 1,507 valid questionnaires collected, accounting for 94.2%. Among them, 788 were from men, accounting for 52.3%; 719 were from women, accounting for 47.7%; 758 were from poor households, accounting for 51.3%. After statistics, the basic profile of the samples was shown in Table 1-1:

Table 1-1 Distribution of Questionnaire Surveys among Rural Households

Region			Sample Questionnaire	Valid Questionnaire		Remarks
Province	City (Prefecture)	County (Municipality, District)	Quantity	Quantity	Percent (%)	
Guizhou Province	Bijie City	Dafang County	60	60	100.0	
		Zhijin County	60	60	100.0	
	Zunyi City	Tongzi County	60	53	88.3	
		Xishui County	60	60	100.0	
		Chishui Municipality	60	60	100.0	
Sichuan Province	Luzhou City	Gulin County	60	55	91.7	
		Xuyong County	60	53	88.3	
	Liangshan Autonomous Prefecture of Yi Nationality	Zhaojue County	120	120	100.0	County of Yi Nationality
		Meigu County	120	106	88.3	County of Yi Nationality
		Jinyang County	120	104	86.7	County of Yi Nationality
		Butuo County	120	95	79.2	County of Yi Nationality
	Gansu Province	Tianshui City	Zhangjiachuan County	90	90	100.0
Wuwei City		Gulang	60	60	100.0	

		County				
	Dingxi City	Tongwei County	60	60	100.0	
		Minxian County	60	58	96.7	Village of Hui Nationality
		Anding District	60	47	78.3	Town of Hui Nationality
	Qingyang City	Huanxian County	100	100	100.0	Village of Hui Nationality
	Linxia Prefecture	Dongxiang County	90	90	100.0	Dongxiang Nationality
		Yongjing County	90	90	100.0	Dongxiang Nationality and Hui Nationality
	Pingliang City	Jingning County	90	86	95.6	
Total	10	20	1600	1507	94.2	

The establishment and analysis of the questionnaire database were done using the IBM SPSS 20.0 software. Basic information about valid samples after statistics is shown in Table 1-2.

Table 1-2 Basic Information about Valid Samples

Statistical Indicators	Statistical Values
Gender	Male, accounting for 52.3%; female, accounting for 47.7%.
Age	The average age was 40, with the minimum age at 18 and the maximum at 80.
Nationality	Han (59.1%); Miao (2.3%); Bai (0.2%); Yi (27.3%); Tujia (0.3%); Hui (4.2%); Dongxiang (6.1%) Chuanqing (0.5%)。
Educational Level	College degree or above (5.1%); High school/technical secondary school (8.6%); Junior school (39.2%); Primary school (40.5%); Illiterate (6.6%).
Marital Status	Married (92.7%); single (6.0%); widowed (1.2%); divorced (0.1%).
Occupation	Farmer (86.7%); Migrant worker (10.4%); Private business owners (1.1%); civil servants/workers in public institutions (0.1%); Self-employed (0.6%); Enterprise employees (0.4%); Housewives (0.5%); Students (0.1%); Others (0.1%).
Mandarin	Yes (26.7%); No (73.3%).
Poor Household	Poor household (50.3%); Ordinary household (46.3%); Affluent household (3.4%).

2 Socio-Economic Development in Project Areas

2.1. Definition of Project Areas

The project mainly involves concatenated destitute areas in Guizhou, Sichuan, and Gansu in Wumengshan and Liupan Mountains, with a total of 538 project villages (including 359 key villages for poverty reduction), 135 towns, 27 counties (districts), 10 cities (prefectures). The direct beneficiary area is 77764km² and the direct beneficiary population is 946,400, including 342,900 poor people, accounting for 36.23% of the total beneficiary population; 240,900 minority population, accounting for 25.45% of the total; 462,200 women, accounting for 48.83% of the total.

Table 2-1 Direct Beneficiary Scope and Population

Building Blocks of Project	Beneficiary Areas						Beneficiary Area (km ²)	Beneficiary Population			
	Province	City/Prefecture	County/District	Township/Town	Administrative Villages	Key Villages for Poverty Reduction		Total (10,000 persons)	Poor (10,000 persons, %)	Minority (10,000 persons, %)	Women (10,000 persons, %)
Development of modern industry value chain, public infrastructure and services	Guizhou	2	5	30	98	76	14,504	32.68	7.93(24.27)	4.38(13.4)	15.80(48.33)
	Sichuan	2	6	49	199	42	14,862	26.07	8.77(33.64)	16.67(63.94)	12.75(48.92)
	Gansu	6	16	56	241	241	48,398	35.89	17.59(49.01)	3.04(8.47)	17.67(49.23)
Total	10	27	135	538	359	77,764	94.64	34.29(36.23)	24.09(25.45)	46.22(48.83)	

Source: Statistical yearbooks (2013) and research reports of Guizhou, Sichuan and Gansu Provinces

2.2. Social and Economic Profile

2.2.1. POPULATION

By the end of 2012, the total registered population in the project areas in Guizhou, Sichuan and Gansu was 946,400, including 223,221 households. Among them, 240,900 were minorities, accounting for 25.5%; the labor force totaled 572,400 people and 240,700 were migrant workers, accounting for

42.1%.

There were totally 81,273 households in the project areas in Guizhou Province, and the total population was 326,800, including 43,800 minorities, accounting for 13.4%; the labor force totaled 197,400 people, including 101,800 migrant workers, accounting for 51.6%. There were totally 60,874 households in the project areas in Sichuan Province, and the total population was 260,700, including 166,700 minorities, accounting for 63.9%; the labor force totaled 153,200 people, including 4,4500 migrant workers, accounting for 29.1%. There were totally 81,074 households in the project areas in Sichuan Province, and the total population was 358,900, including 30,400 minorities, accounting for 8.5%; the labor force totaled 221,800 people, including 94,400 migrant workers, accounting for 42.6%.

According to the statistics in each province, Sichuan had the largest percent (63.9%) of minority population in the total population in the project areas of the province, followed by Guizhou (13.4%), and then by Gansu (8.5%). Guizhou had the largest percent (51.6%) of migrant workers in the total number of labor force in the province and Sichuan had the smaller percent (29.1%).

Table 2-2 Populations in Project Counties (Cities, Districts) (2012)

Region		Total Number of Households	Total Population (10,000 people)	Population of Minority Nationality (10,000 people)	Total Labor Force (10,000 people)	Number of Migrant Workers (10,000 people)	
Guizhou Province	Bijie City	Dafang County	21849	7.89	2.42	4.7	2.11
		Zhijin County	11872	4.6044	1.91	2.78	1.64
	Zunyi City	Tongzi County	8174	3.56	/	2.52	1.04
		Xishui County	24159	11	/	4	2
		Chishui Municipality	15219	5.6237	0.0468	5.7415	3.389
	Subtotal		81273	32.68	4.38	19.74	10.18
Sichuan Province	Luzhou City	Gulin County	12282	5.67	0.23	3.49	1
		Xuyong County	10613	4.56	1.2	2.4	1.16
	Liangshan Autonomous Prefecture of Yi Nationality	Zhaojue County	9864	4.79	4.79	3.11	0.19
		Meigu County	11779	4.58	4.58	2.39	0.43
		Jinyang County	8595	3.53	2.93	2.09	0.72
	Butuo County	7741	2.94	2.94	1.84	0.95	
Subtotal		60874	26.07	16.67	15.32	4.45	
Gansu Province	Tianshui	Zhangjiachuan County	2982	1.39	0.74	0.74	0.34

City							
Wuwei City	Gulang County	5243	2.33	0.02	1.31	0.54	
Dingxi City	Tongwei County	3349	1.82	0.0045	0.96	0.498	
	Longxi County	5275	2.3418	/	1.39	0.41	
	Qingyang City	Weiyuan County	9410	3.96	/	2.38	0.74
	Linxia Prefecture	Minxian County	6858	3.15	0.0453	1.87	0.62
		Anding District	6046	2.4	0.49	1.6	0.44
		Lintao County	4640	1.9933	/	0.996	0.63
	Pingliang City	Huanxian County	8144	3.77	0.04	2.56	2.08
Tianshui City		Huachi County	3762	1.5048	/	0.8711	0.5394
Wuwei City	Zhengning County	8280	3.6062	/	2.39	0.83	
	Dingxi City	Heshui County	5977	2.33	/	1.63	0.48
	Dongxiang County	2241	1.15	1.15	0.59	0.29	
		Yongjing County	3411	1.56	0.55	0.91	0.33
Qingyang City	Jingning County	2452	1.156	/	1.08	0.2549	
		Zhuanglang County	3004	1.4321	/	0.91	0.42
Subtotal		81074	35.89	3.04	22.18	9.44	
Total		223221	94.64	24.09	57.24	24.07	

Source: Research reports of Guizhou, Sichuan and Gansu Provinces

2.2.2. INCOME

According to statistics, measured by county, the per capita net income of farmers in the project areas in Guizhou Province in 2012 was RMB 4,544, 462 lower than the average level (5006). The net income of farmers in the project areas mainly came from family business income and wage income, accounting for 45.7% and 42.7% of per capita net income, respectively. This indicated that rural households in the project areas mainly lived on planting and breeding industries and seeking jobs in other places.

The per capita net income of farmers in the project areas in Sichuan Province in 2012 was RMB 3,303, 1,299 lower than the average level (4,602). In terms of the income composition, farmers in the project

areas mainly lived on family business income, which accounted for 64.3%. This indicated that villagers in the project areas mainly lived on planting and breeding industries.

The per capita net income of farmers in the project areas in Gansu Province in 2012 was RMB 2,714.07, 870.88 lower than the average level (3,584.95). In the family income of farmers in the project areas, family business income and wage income accounted for large shares. Rural households mainly lived on planting industry and seeking jobs in other places.

Generally, the per capita net income of farmers in the 27 project counties (cities, districts) was lower than that at the county level. The main income sources of farmers were family business income and wage income.

Table 2-3 Per Capita Net Income of Farmers in Project Counties (Cities, Districts) (2012)

Region			Per Capita Net Income of Farmers in the County (RMB)	Per Capita Net Income of Farmers in the Project Counties (Cities, Districts) (%)				
				Total (RMB)	Family Business Income	Wage Income	Transfer Income	Property Income
Guizhou Province	Bijie City	Dafang County	4943	4316	52.1	34.2	10.0	3.7
		Zhijin County	4714	4680	55.5	37.6	4.1	2.8
	Zunyi City	Tongzi County	4263	3946	20.0	60.0	10.0	10.0
		Xishui County	4572	4368	57.5	33.2	4.2	5.0
		Chishui Municipality	6537	5408	41.2	49.0	6.3	3.5
Subtotal			5006	4544	45.7	42.7	6.8	4.8
Sichuan Province	Luzhou City	Gulin County	5734.69	3563	45.1	53.0	1.7	0.2
		Xuyong County	5413	4318	42.8	38.9	14.4	3.8
	Liangshan Autonomous Prefecture of Yi Nationality	Zhaojue County	4297	2965	81.4	12.9	5.4	0.3
		Meigu County	3981	3872	65.0	20.0	14.0	1.0
		Jinyang County	4075	2796	89.4	8.6	2.0	0.0
		Butuo County	4112	2307	80.6	0.0	19.4	0.0
Subtotal			4602	3303	64.3	25.0	9.5	1.1
Gansu Province	Tianshui City	Zhangjiachuan County	3343	1964.78	35.2	55.2	8.9	0.6
	Wuwei City	Gulang County	3559	2610	40.5	47.2	10.6	1.8
	Dingxi City	Tongwei County	3365.12	3294	41.6	40.7	0.0	17.6

Qingyang City Linxia Prefecture	Longxi County	3924	2727	60.5	30.3	1.0	8.2
	Weiyuan County	3517	2282	55.0	35.0	10.0	0.0
	Minxian County	3384	2805	61.3	37.2	0.4	1.1
	Anding District	3632	3625	56.9	42.2	0.9	0.0
	Lintao County	3841	3129	83.5	15.0	1.3	0.2
Pingliang City	Huanxian County	3636	3536.28	57.6	32.1	8.3	2.0
	Huachi County	4154.5	2440	25.4	37.3	20.9	16.4
Tianshui City	Zhengning County	4624	3819	46.9	24.1	14.8	14.2
Wuwei City	Heshui County	4120	3200	75.2	17.2	6.0	1.6
Dingxi City	Dongxiang County	2413	1875	49.4	25.5	23.1	1.9
	Yongjing County	3160.7	2230	46.7	23.2	29.5	0.6
Qingyang City	Jingning County	3642	1652	34.0	40.4	14.4	11.2
	Zhuanglang County	3529.6	2236	38.0	52.9	1.4	7.7
Total		3584.95	2714.07	52.2	33.8	8.6	5.5

Source: Research reports of Guizhou, Sichuan and Gansu Provinces.

2.2.3. LAND

(1) Land Resources

The total land area in the project areas in Guizhou Province is 104,824 hectares, of which forest land takes up the largest proportion (54.9%), followed by arable land (23.8%); in addition, grass land, waters and other types of land cover an area of 7.1%, 1.2% and 13.1%, respectively. The per capita farmland area is 2.4 mu.

The total land area in the project areas in Sichuan Province is 184,803 hectares, of which forest land takes up the largest proportion (40.5%), followed by grass land (29.2%) and then by arable land (12.6%); in addition, waters and other types of land cover an area of 1.2% and 16.5%, respectively. The per capita farmland area is 1.32 mu.

The total land area in the project areas in Gansu Province is 766,356.61 hectares, of which other types of land take up the largest proportion (69.2%); followed by arable land (12.9%) and then grass land (10.6%); in addition, forest land and waters account for 6.9% and 0.3% of the total land area, respectively. The per capita farmland area is 3 mu.

Generally, Gansu Province has the largest per capita farmland area (3 mu) while Sichuan Province has the smallest, 1.32 mu. The forest land in the project areas in Guizhou and Sichuan Provinces take up the largest proportions in the total land area of the province. In Gansu, the other types of land take up the largest proportion of the total land area.

Table 2-4 Land Resources in Project Counties (Cities, Districts)

Region			Basic Farmland Per Capita (mu)	Land Resources in Project Counties (Cities, Districts)					
				Total Area (hectare)	Arable Land	Forest Land	Grass Land	Waters	Others
Guizhou Province	Bijie City	Dafang County	1	13333	32.9	28.3	12.6	2.1	24.0
		Zhijin County	1.2	16141	24.0	46.8	9.8	1.7	17.7
	Zunyi City	Tongzi County	4.2	8015	30.4	53.8	10.3	3.2	2.3
		Xishui County	5.1	42917	24.5	52.9	7.7	0.4	14.4
		Chishui Municipality	0.6	24418.15	15.1	78.5	0.2	1.0	5.2
Subtotal			2.4	104824	23.8	54.9	7.1	1.2	13.1
Sichuan Province	Luzhou City	Gulin County	1.08	25543	16.5	56.6	0.0	0.4	26.4
		Xuyong County	1.05	20151	16.0	57.9	0.8	1.3	24.1
	Liangshan Autonomous Prefecture of Yi Nationality	Zhaojue County	1.35	55211	7.6	45.7	44.6	0.3	1.8
		Meigu County	0.7	41010	8.2	38.5	34.1	0.2	19.0
		Jinyang County	1.8	18969	24.6	28.0	39.7	1.1	6.6
		Butuo County	1.95	23919	15.4	10.2	32.2	5.4	36.7
Subtotal			1.32	184803	12.6	40.5	29.2	1.2	16.5
Gansu Province	Tianshui City	Zhangjiachuan County	1.7	11203	29.9	38.9	20.7	0.0	10.4
	Wuwei City	Gulang County	3	20313	24.9	0.8	46.8	2.2	25.3
	Dingxi City	Tongwei County	4	6675.6	72.5	0.7	13.0	0.0	13.8
		Longxi County	2.8	20520.45	24.0	16.1	9.5	7.3	43.1
		Weiyuan County	2.47	454568	1.2	2.0	1.6	0.0	95.1
		Minxian County	1.35	35298	14.5	27.1	49.9	0.0	8.5
		Anding District	4	24184	36.2	18.3	25.2	0.0	20.3
		Lintao County	2.17	11080	46.5	7.6	8.7	0.0	37.2

Qingyang City	Huanxian County	4	86400	21.8	0.0	15.6	0.0	62.6
	Huachi County	7.4	41764.96	39.3	9.2	29.7	0.0	21.8
	Zhengning County	2	10644	42.6	35.7	19.6	0.2	1.9
	Heshui County	1.76	17969	25.3	58.2	15.2	0.0	1.2
Linxia Prefecture	Dongxiang County	1.26	4836.8	45.7	9.6	2.1	0.2	42.3
	Yongjing County	2.5	10366.7	37.3	0.7	35.8	0.9	25.3
Pingliang City	Jingning County	3	5824.1	55.4	30.8	2.6	1.1	10.0
	Zhuanglang County	2	3709	78.3	13.9	2.3	1.2	4.2
Subtotal		3	766356.61	12.9	6.9	10.6	0.3	69.2

Source: Research reports of Guizhou, Sichuan and Gansu Provinces.

(2) Land Transfer and Land Consolidation

Land transfer: There are different levels of land transfer made in the project areas. The common ways of land transfer in the project areas are land lease and pooling of land as shares. The former is dominant. Land lease is adopted in cattle raising, sheep raising, and potato planting industries. The lease price is determined according to the geographical location, quality of soil, and leveling degree of land through negotiation, usually ranging from 30 yuan/mu - 3000 yuan/mu. Pooling of land as shares is mainly used in Chinese medicinal herbs and white konjac planting industries. The land is evaluated by both parties in terms of shares through negotiation and shareholders will participate in year-end dividend sharing of cooperatives.

Land consolidation: Guizhou Province is currently implementing some land consolidation projects. The consolidated wasteland is assigned by the village committee to households. Anyone who is capable and willing to share the land can participate in the project and the candidates will finally be determined at the general assembly of villagers. As most of the land is Rocky Mountains, there is little land consolidation in Sichuan Province. For example, the area of land consolidated is about 25 mu in Meigu County. Land consolidation began in Gansu Province as early as 30 years ago. Mostly barren hills and slopes or slope-to-terrace were consolidated into farmland. The work was mainly state-funded while rural households only needed to contribute a small part of the funds, and all the consolidated land was allocated to households; as there were large scales of land consolidation in early days, now there is little large-scale land consolidation in the project areas in Gansu Province, and there are mostly sporadic small-scale one. For example, Jingning County in Pingliang City mainly develops apple industry. Flat land is suitable to plant apples. As the project villages are largely dominated by steep slopes, to develop apple industry with this project, the local government is developing land leveling project; Huanxian County and Huachi County in Qingyang City develop sheep raising industry and cooperatives are renting cheap wasteland (RMB 30-50 yuan/mu) to self-level and improve land to plant forage.

2.2.4. PLANTING

By the end of 2012, the total sown area of crops in the project areas of Guizhou was 55,015 hectares, including 48,441 hectares of food crops, accounting for 88.1%. The total sown area of cash crops was 3,371 hectares.

The total sown area of crops in the project areas of Sichuan was 38,888 hectares, including 26,644 hectares of food crops, accounting for 68.5%. The total sown area of cash crops was 9,805 hectares.

The total sown area of crops in the project areas of Gansu was 165,816.4 hectares, including 129,209.79 hectares of food crops, accounting for 77.9%. The total sown area of cash crops was 17,025.23 hectares.

According to the field survey, the planting industry in the project areas is dominated by food crops. The main food crops in the project areas in Guizhou are corn, potato, soybean, and sorghum, and the main cash crops are mainly medicinal herb, tobacco, etc.; the main food crops in the project areas in Sichuan are buckwheat, potato, corn, oat, and bean, and the main cash crops are konjac, green pepper, walnut, sweet orange, etc.; the main food crops in the project areas in Gansu Province are corn, potato, wheat, and bean, and cash crops are mainly apple, tobacco, medicinal herb, vegetable, and alfalfa.

Table 2-5 Planting Industry in the Project Counties (Cities, Districts)

Region			Sown Area of Crops (hectare)			Sown Area of Cash Crop (hectare)
			Area	Food Crop	Percent	
Guizhou Province	Bijie City	Dafang County	6992	5569	79.6	1135
		Zhijin County	2702	2378	88.0	480
	Zunyi City	Tongzi County	2884	2188	75.9	606
		Xishui County	38817	35020	90.2	860
		Chishui Municipality	3619.55	3286.2	90.8	289.81
Subtotal			55015	48441	88.1	3371
Sichuan Province	Luzhou City	Gulin County	7947	6199	78.0	1747.55
		Xuyong County	8437	4834	57.3	3602.9
	Liangshan Autonomous Prefecture of Yi Nationality	Zhaojue County	8046	4091	50.8	3656
		Meigu County	4757	3622	76.1	436
		Jinyang County	4872	4441	91.2	190.63
		Butuo County	4830	3457	71.6	172.23
Subtotal			38888	26644	68.5	9805
Gansu Province	Tianshui City	Zhangjiachuan County	3354.42	2802.35	83.5	388.75

Wuwei City	Gulang County	4900.7	3069.6	62.6	372.2
Dingxi City	Tongwei County	4007	3606	90.0	1885
	Longxi County	18900	4700	24.9	1500
	Weiyuan County	4913	4268	86.9	210
	Minxian County	4694	3495	74.5	2605
	Anding District	7450.33	6495.86	87.2	664.1
	Lintao County	4265	3953	92.7	201
Qingyang City	Huanxian County	61261	53413	87.2	965.64
	Huachi County	7538.23	4605.22	61.1	3353.06
	Zhengning County	5392	2497	46.3	3029
	Heshui County	28781	27889	96.9	892
Linxia Prefecture	Dongxiang County	2213	2213	100.0	0
	Yongjing County	3399.12	2633.86	77.5	250.88
Pingliang City	Jingning County	2778.6	2259.9	81.3	628.6
	Zhuanglang County	1969	1309	66.5	80
Subtotal		165816.4	129209.79	77.9	17025.23

Source: Research reports of Guizhou, Sichuan and Gansu Provinces

2.2.5. BREEDING

By the end of 2012, the inventories of large livestock in the project areas in Guizhou were 42,895; the inventories of live pigs were 123,027; the inventories of sheep were 35,582; the forage area was 20,082.54 hectares. The inventories of large livestock in the project areas in Sichuan were 83,000; the

inventories of live pigs were 248,000; the inventories of sheep were 303,000; the forage area was 22,920 hectares. The inventories of large livestock in the project areas in Gansu were 89,240; the inventories of live pigs were 104,670; the inventories of sheep were 320,450; the forage area was 41,397.41 hectares.

Table 2-6 Breeding Industry in the Project Counties (Cities, Districts)

Region			Inventories of Large Livestock by the End of 2012 (in 1,000)	Inventories of Pigs by the End of 2012 (in 1,000)	Inventories of Sheep by the End of 2012 (in 1,000)	Forage Area (hectare)
Guizhou Province	Bijie City	Dafang County	19	22	2	278
		Zhijin County	1.4	12	1.2	56
	Zunyi City	Tongzi County	12	15	7	6000
		Xishui County	10.495	38.745	24.240	13692
		Chishui Municipality	0.308	35.282	1.142	56.54
Subtotal			42.895	123.027	35.582	20082.54
Sichuan Province	Luzhou City	Gulin County	10.98	41.44	5.12	0
		Xuyong County	9.44	40.34	0.83	1750
	Liangshan Autonomous Prefecture of Yi Nationality	Zhaojue County	25.86	51.8	122.78	5618
		Meigu County	8.39	70.99	85.66	2274
		Jinyang County	23.61	28.63	77.6	4073.39
		Butuo County	4.23	15.25	11.43	9204.27
Subtotal			83	248	303	22920
Gansu Province	Tianshui City	Zhangjiachuan County	9.11	0.66	5.08	163.32
	Wuwei City	Gulang County	7.49	13.57	37.19	1458.83
	Dingxi City	Tongwei County	4.109	2.045	2.788	275
		Longxi County	5	8.8	6.5	1710
		Weiyuan County	4.09	11.14	6.5	57.06
Minxian		21	18.8	27	4218	

	County				
	Anding District	7.9	9.8	24.44	6367.19
	Lintao County	1.94	7.03	14.77	79.47
Qingyang City	Huanxian County	10.29	5.09	142	22043
	Huachi County	4.575	5.094	22.633	2988.94
	Zhengning County	0.937	8.017	1.968	0
	Heshui County	1.693	3.2	11.91	980
Linxia Prefecture	Dongxiang County	0.23	0	1.96	173
	Yongjing County	5.21	4.52	15	672
Pingliang City	Jingning County	2.38	3.56	0.4	159.4
	Zhuanglang County	3.29	3.34	0.31	42.2
Subtotal		89.24	104.67	320.45	41387.41

Source: Research reports of Guizhou, Sichuan and Gansu Provinces

2.3. Current Status of Professional Farmer Cooperatives

(1) Guizhou Province

There are 997 professional farmer cooperatives in the project counties (cities) in Guizhou Province, and there are 82 cooperatives within the scope of the project, accounting for 8.22% of the total. Among them: there are 130 cooperatives of Chinese medicines, 26 potato cooperatives, 170 sheep cooperatives, 5 tea cooperatives, 67 chicken raising cooperatives, 25 pepper cooperatives, 43 rural tourism cooperatives, 12 fruit cooperatives, 13 bamboo fungus cooperatives, and 397 other cooperatives. In terms of operation, 179 cooperatives are well-run, accounting for 17.96%; 573 are moderately run, accounting for 57.47%; 245 are poorly run, accounting for 24.57%.

Table 2-7 Basic Information about Professional Cooperatives in the Project Counties (Cities) in Guizhou Province

Region	Professional Cooperative		Main Industries that Professional Cooperatives are Engaged in										Operation		
	Project County	Project Area	Chinese Medicinal Herb	Potato	Sheep	Tea	Chicken Raising	Pepper	Rural Tourism	Fruit	Bamboo fungus	Others	Well	Moderately	Poorly
Xishui County	120	22	26	6	35	1	17	1	1	6	0	27	7	63	50
Chishui City	98	34	16	1	1	0	5	0	2	2	0	71	6	82	10
Tongzi County	129	4	11	1	4	2	3	0	38	0	0	70	12	69	48
Dafang County	298	12	35	10	63	2	18	9	0	4	0	157	23	187	88
Zhijin County	352	10	42	8	67	0	24	15	2	0	13	181	131	172	49
Total	997	82	130	26	170	5	67	25	43	12	13	506	179	573	245

Source: Research report of Guizhou Province, and Data from Agricultural Bureau and project offices of the counties

Note: About operation of professional cooperatives, “well” means the cooperative operates independently and is profitable; “moderately” means the cooperative functions and makes ends meet; “poorly” means the cooperative does not function and is stagnant.

(2) Sichuan Province

There are 842 cooperatives in the project counties in Sichuan Province, and there are 63 cooperatives within the scope of the project, accounting for 7.48% of the total. Among them: there are 119 fruit cooperatives, 60 potato cooperatives, 84 sheep cooperatives, 72 dried fruit cooperatives, 3 white konjac cooperatives, 14 green pepper cooperatives, and 493 other cooperatives. In terms of operation, 42 cooperatives are well-run, accounting for 5%; 101 are moderately run, accounting for 11.9%; 702 are

poorly run, accounting for 83.1%.

Table 2-8 Basic Information about Professional Cooperatives in the Project Counties in Sichuan Province

Region	Professional Cooperative		Main Industries that Professional Cooperatives are Engaged in							Operation		
	Project County	Project Area	Fruit	Potato	Sheep	Dried Fruit	White Konjac	Green Pepper	Others	Well	Moderately	Poorly
Xuyong County	262	12	29	3	3	0	0	0	227	42	53	167
Gulin County	527	24	85	47	61	72	0	12	250	0	29	498
Butuo County	8	3	0	2	0	0	0	0	6	0	0	8
Jinyang County	20	11	5	0	10	0	3	2	0	0	6	14
Zhaojue County	15	6	0	8	7	0	0	0	0	0	0	15
Meigu County	13	7	0	0	3	0	0	0	10	0	13	0
Total	845	63	119	60	84	72	3	14	493	42	101	702

Source: Research Report of Sichuan Province

(3) Gansu Province

There are 4,502 professional farmer cooperatives in the project counties (districts) in Gansu Province, and there are 835 cooperatives within the scope of the project, accounting for 18.55% of the total. Among them: there are 658 potato cooperatives, 255 apple cooperatives, 526 cooperatives of Chinese medicines, 947 sheep cooperatives, 445 cattle raising cooperatives, 441 pig raising cooperatives, and 1,230 other cooperatives. In terms of operation, 1,444 cooperatives are well-run, accounting for 32.07%; 1,780 are moderately run, accounting for 39.54%; 1,278 are poorly run, accounting for 28.39%.

Table 2-9 Basic Information about Professional Cooperatives in the Project Counties (Districts) in Gansu Province

Region	Professional Cooperative		Main Industries that Professional Cooperatives are Engaged in							Operation		
	Project County	Project Area	Potato	Apple	Chinese Medicines	Sheep Raising	Cattle Raising	Pig Raising	Others	Well	Moderately	Poorly
Zhangjiachuan County	494	52	138	0	118	55	57	15	111	143	164	187

Guliang County	760	13	11	0	16	192	181	186	174	469	158	133
Tongwei County	279	91	33	5	29	57	26	0	129	76	109	94
Longxi County	303	119	106	0	43	68	15	12	59	32	167	104
Weiyuan County	408	68	134	0	145	70	10	4	45	128	200	80
Minxian County	232	6	16	0	116	35	22	43	0	0	232	0
Anding District	247	15	92	0	0	73	7	6	69	101	57	89
Lintao County	377	76	54	0	17	79	68	28	131	120	135	122
Huanxian County	295	209	8	5	1	195	7	6	73	65	130	100
Huachi County	126	44	4	0	5	44	1	16	56	25	50	51
Zhengning County	216	1	3	32	17	3	5	54	102	38	92	86
Heshui County	125	23	2	21	2	27	14	6	53	43	27	55
Dongxiang County	43	0	6	0	1	15	3	0	18	9	21	13
Yongjing County	122	6	14	0	5	32	0	0	71	20	40	62
Jingning County	272	57	8	128	7	2	26	27	74	92	143	37
Zhuanglang County	203	55	29	64	4	0	3	38	65	83	55	65
Total	4502	835	658	255	526	947	445	441	1230	144 4	1780	1278

Source: Research report of Gansu Province, and Data from Agricultural Bureau and project offices of some counties

2.4. Current Development of Advantageous Industries

(1) Guizhou Province

Planting industry: Guizhou Province is developing 7 characteristic planting industries, including gastrodia elata, pepper, Chinese medicinal herb and potato in Dafang County, bamboo fungus, potato and tea in Zhijin County, and dendrobe in Chishui City.

Table 2-10 Current Status of Planting Industry Development in the Project Counties (Cities) in Guizhou Province

Region	Developing Industry	Current Planting Area (mu)	Yield (kg)	Average Yield per Unit (kg/mu)	Average Sales Price per Unit (yuan/kg)	Increasable Planting Area (mu)	Planned Planting Area (mu)	Scale to be Improved (mu)
Dafang County	Gastrodia elata	25000	75000	30.2	230	25000	11000	11000
	Pepper	180000	54000000	300	18	150000	28847	28847
	Chinese medicinal herb	2000	872000	436.3	12	20000	2500	/
	Potato	500000	410000	820	2.4	100000	4358.33	4358.33
Zhijin County	Bamboo fungus	5500	550000	100	500	5000	2000	2000
	Potato	434808	500000000	1149	2.4	300000	300000	256000
	Tea	50800	11700	15	260	50000	7000	5000
Chishui City	Dendrobe	43227	1500000	187.5	40	56773	100000	/

Source: Research Report of Sichuan Province

Breeding industry: Guizhou Province is developing 3 characteristic breeding industries, including Huaqiu chicken in Tongzi County, Qianbei goat in Xishui County, and black-bone chicken in Chishui City.

Table 2-11 Current Status of Breeding Industry Development in the Project Counties (Cities) in Guizhou Province

Region	Developing Industry	Existing Inventory (head)	Slaughter	Average Selling Price (RMB/head)	Increasable Breeding Amount with Existing Resources (head)	Planned Additional Breeding Amount (head)
Tongzi County	Huaqiu Chicken	350000	400000	15	450000	300000
Xishui County	Qianbei Goat	53041	37468	1500	176614	89700
Chishui City	Black-bone Chicken	3089000	5205000	55	5000000	5000000

Source: Research Report of Guizhou Province

Tourism: Tourism is developed in Xishui and Tongzi County. By the end of 2012, there were 248 country inns in Xishui County, having received 120,000 visitors who came for the summer holidays, fishing and other purposes and having created revenue of RMB 54,900,000 for the rural households; Tongzi County had received 3,000 tourists who came for the summer holidays, fishing and other purposes, having created revenue of RMB 5,550,000 for the rural households.

(2) Sichuan Province

Planting: Sichuan Province is developing 5 characteristic planting industries, including sweet orange and walnut in Gulin and Xuyong County, potato in Zhaojue and Butuo County, walnut in Meigu County, and white konjac in Jinyang County.

Table 2-12 Current Status of Planting Industry Development in the Project Counties in Sichuan Province

Region	Developing Industry	Existing Planting Area (hectare)	Yield (kg)	Average Yield per Unit (kg/mu)	Average Sales Price per Unit (yuan/kg)	Increasable Planting Area (mu)	Planned Planting Area (mu)	Scale to be Improved (mu)
Gulin County	Sweet orange	353.33	500175	1415.6	4	733.33	533.33	/
	Walnut	761.13	153540	201.73	30	2133.33	1800	/
Xuyong County	Sweet orange	2700	12176560	4509.84	3.5	1600	900	100
	Walnut	2000	684750	342.38	30	1300	933	25
Zhaojue County	Potato	3169	18888000	5960	1.4	1500	1200	/
Meigu County	Walnut	12000	1563720	130.31	30	24600	20000	7000
Jinyang County	White konjac	100	750000	7500	7	1667	1333	/
Butuo County	Potato	2098	55072500	26250	1.5	1000	/	/

Source: Research Report of Sichuan Province

Breeding: Sichuan Province is developing 3 characteristic breeding industries, including cattle in Xuyong and Butuo County, semi-fine wool sheep in Zhaojue and Jinyang County, and Meigu goat in Meigu County.

Table 2-13 Current Status of Breeding Industry Development in the Project Counties in Sichuan Province

Region	Developing Industry	Existing Inventory (head)	Slaughter	Average Selling Price (RMB/head)	Increasable Breeding Amount with Existing Resources (head)	Planned Additional Breeding Amount (head)
Xuyong County	Cattle	9045	4380	12000	20000	10000
Zhaojue County	Semi-fine wool goat	84061	58842	1000	120000	100000
Meigu	Meigu goat	13641	9783	1200	37640	30000

County						
Jinyang County	Semi-fine wool goat	62720	37307	1200	62579	60000
Butuo County	Cattle	4230	1734	12000	8319	3821

Source: Research Report of Sichuan Province.

(3) Gansu Province

Planting: Gansu Province is developing 3 characteristic planting industries, including potato in Gulang, Tongwei, Weiyuan, and Yongjing County, apply in Zhengning, Heshui, Jingning and Zhuanglang County, and Chinese medicinal herb in Longxi County.

Table 2-14 Current Status of Planting Industry Development in the Project Counties in Gansu Province

Region	Developing Industry	Existing Planting Area (hectare)	Yield (t)	Average Yield per Unit (t/mu)	Average Sales Price per Unit (yuan/t)	Increasable Planting Area (mu)	Planned Planting Area (mu)	Scale to be Improved (mu)
Guliang County	Potato	14135.27	265000	18.75	1100	2000	/	320
Tongwei County	Potato	25526.67	37524.2	1.47	700	8000	30000	14000
Longxi County	Chinese medicinal herb	20000	76755.3	3.84	19532	0	1333	1333
Weiyuan County	Potato	9045.5333	35297	2	1200	3000	1000	1000
Zhengning County	Apple	13213	67358.5	5.1	1160	4000	4000	800
Heshui County	Apple	3137	24800	14.74	2000	200	200	333.33
Yongjing County	Potato	5353.3	17417.5	3.25	1800	2500	8500	8200
Jingning County	Apple	34973.33	400000	11.44	3000	10000	1000	/
Zhuanglang County	Apple	23733	160000	16.5	2998	6000	1600	5000

Source: Research Report of Gansu Province

Breeding: Gansu Province is developing 3 characteristic breeding industries, including cattle in Zhangjiachuan and Tongwei County, sheep in Gulang, Weiyuan, Anding, Lintao, Huanxian, Dongxiang, and Yongjing County, and Juema pig in Minxian County.

Table 2-15 Current Status of Breeding Industry Development in the Project Counties (Districts) in Gansu Province

Region	Developing Industry	Existing Inventory (head)	Slaughter	Average Selling Price (RMB/head)	Increasable Breeding Amount with Existing Resources (head)	Planned Additional Breeding Amount (head)
Zhangjiachuan County	Cattle raising	8126	2840	11000	2566	4332
Guliang County	Sheep raising	510227	252027	840	77940	12120
Tongwei County	Cattle raising	66000	12000	8500	400000	380000
Weiyuan County	Sheep raising	73156	23059	1500	18945	3100
Minxian County	Juema pig raising	152740	135410	2000	12000	4000
Anding District	Sheep	152850	98647	860	298825	8441
Lintao County	Sheep	148700	93000	1100	141734	14350
Huanxian County	Sheep	189050	113600	650	58795	5133
Huachi County	Sheep	176385	64105	900	832510	9300
Dongxiang County	Sheep	446470	515410	1200	600000	500000
Yongjing County	Sheep	144200	84600	1000	10000	30000

Source: Research Report of Gansu Province

3 Stakeholder Analysis

3.1 Identification of Stakeholders

Stakeholders are individuals or groups that can affect or are affected by the realization of project objectives. Stakeholders can be divided into major and minor stakeholders.

According to field surveys and interviews with relevant agencies, the major stakeholders in this project include:

- Rural households in the project areas, especially poor households, women, minority groups, and the elderly;
- Enterprises related to the development cooperative industry chain
- Rural agents, household of individual business, owners of small processing workshops, etc.;
- Poverty reduction offices;
- Existing farmer cooperatives;

Minor stakeholders include:

- Other relevant government departments, such as Agricultural Bureau, Animal Husbandry Bureau, Forestry Bureau, Tourism Bureau, Bureau of Chinese Herbal Medicine Industry.

3.2 DEMANDS OF THE STAKEHOLDERS FOR THE PROJECT

Different stakeholders have different demands for the project. Therefore, it is required to analyze the specific demands of different major stakeholders, which is favorable to identify the major social activities, avoid the potential social risks, and ensure the smooth implementation of the project. The Social Assessment Group organized a series of activities for the stakeholder groups in the project areas, such as project information publication and propaganda as well as public participation, and conducted the following analysis on the demands of the major stakeholder:

3.3.1. RURAL HOUSEHOLDS

The project areas cover 946,400 rural households that are directly affected populations, as well as the major beneficiaries of the project; the direct beneficiaries include the rural poor households (342,900), women (462,200) and minorities (240,900). The attitudes and behaviors of the rural households in the project areas have a direct influence on the progress of the project. Therefore, whether the demands of the rural households are met is one of the criteria to evaluate the achievement of the project objectives. According to the survey and interviews, the rural households in the project areas have the following expectations:

- (1) To provide technical and management training on planting and breeding to promote agricultural high yield and efficiency and increase revenue**

According to the survey on 1,507 rural households that hope the cooperatives can provide technical guidance on planting and breeding made up the largest proportion, accounting for 72.6%; this showed the wish of the rural households to improve planting and breeding technology through this project; in the survey, when asking about the sources of seedlings, 42.2% said that they reserved seed for planting;

42.5% said that they bought seeds in the market, and sometimes they bought seeds and pesticide of poor quality; when asking about the “main reason of low agricultural income”, 38.4% said that it was caused by low output of agricultural products. The field interviews revealed that they used traditional seedlings and technology in the local agricultural industry, which failed to meet or hardly reached the requirements of the market, thus greatly affecting the market value and marketing of the products. For instance, in Xinghe Village of Huaqiu Town, the local Huaqiu chicken were mostly hatched and bred by local chicken without purification treatment. As a result, most of the chickens were hybrid ones that were priced lowly. Therefore, the rural households hoped to promote the additional value of products and increase income by learning scientific and advanced agricultural technology and management training.

 **Villager Symposium in Rijiu Village, Butuo County, Liangshan Prefecture:**

We mainly plant potatoes. Potatoes cover the largest area and provide the largest yield in the village. They are sold at large quantities. Usually private business owners would come to the village to purchase our products. This year, yellow potatoes are sold at 0.5 yuan / kg, while white potatoes 0.3-0.4 yuan/kg, both are unsatisfactory prices. If villagers transport the products to the county, the prices will be about 0.8-1 yuan/kg. The main reasons (for the large price difference) are: a. the village is located in remote mountainous area and entails high transport costs; b. there are few purchasers from other places and the villagers have few transport vehicles; c. villagers who sell their products locally do not understand about the market quotations.

The cattle raised in the village are local variety, with small sizes and long fattening period. The profits are poor, making the villagers consider improving the variety. But the calves of Simmental beef cattle are highly priced, the villagers do not have the capital for variety improvement and have to rely on breeding of self-raised old cattle.

(2) To solve the sales problem of agricultural products and livestock to broaden sources of household income

According to the survey on 1,507 rural households, those that hoped to boost product sales through cooperatives accounted for 59.7%, which was the second largest proportion among all options. The rural households in Guizhou Province expressed the strongest demand in this regard; when asked “what is the main cause of the low agricultural income?”, 21.1% said that few dealers were willing to come due to the remote location and inconvenient transportation. The rural households generally transported the agricultural products to the market. However, most project villages are remote and poor, and are far away from the township market. For example, the average distance from Hongxing Village, Chishui City, Guizhou Province, to the township is 4 km, and the distance from a farther village community to the township is more than 10km; Tongxin Village in Miao Township of Masi of Gulin County in Sichuan Province is more than 10km away from the township. Due to the high transportation cost, most rural households are unwilling to transport the agricultural products to the township market. In this case, they chose to sell their products at a low price to the rural agents (two-way merchants) who acquired the agricultural products in the villages. With this money, they bought some daily necessities, such as cooking oil and salt. The rural households hoped to improve the local transportation conditions to open the way for marketing the agricultural and animal products through construction of cooperatives and infrastructure.

 **Interview with the Leader of Sanyou Village, Zhangjiachuan County, Gansu**

Difficulties and problems in the development of cattle raising: a. lack of money, no access to loans as banks require collateral, and there is no mutual aid money in the village; b. the breeding techniques and raising methods are poor: free-ranging cattle need a long growth cycle but have good quality, cattle raised in captivity need a short growth cycle but have less satisfactory quality; c. in terms of sales, two-way merchants earn more money while farmers have to lower their price by a few hundred because we are too far away from markets and it is inconvenient for us to drive the cattle out for sale, the nearest market is in Gongmen Town, over 20 miles away. Some may sell cattle in Malu Township, but there is no market there. In the future if our village is developed and get bigger, we can transport our products out together and earn more money. d. We need to collect water with buckets. There are several pressure wells in the village, but sometimes we are out of water and have to carry water from the opposite side of the village. We usually drive the cattle to drink water outside the village.

(3) To build organizations that belong to rural households themselves to improve the ability to resist market risks

According to the survey on 1,507 rural households, those that sold their products in the market account for 62% (among which, about 50% had their products purchased by buyers who came from the market); those whose products were purchased by vendors from other places accounts for 31.4%; enterprise order accounts for 1%; collective sales by cooperatives accounts for 10.1%. In the project areas, the rural households mainly sold their products to acquaintances or in the local township market at low prices. Because of the single structure of agricultural products, small-scale market, limited marketing channel, along with the low bargaining skills of the rural households, the price and demands were always dominated by the buyers. What's more, the rural households knew little about the supply and demand condition in the market, it is easy for them to blindly follow suit. For example, in Gulin County, the farmers have ever raised pigs or given up raising pigs on a large scale. They plant agricultural products depending on their living needs and local tradition, rather than the market fluctuation. As a whole, they have a very low ability to withstand risks. As a result, they hoped to work together to develop the industry, to understand the market price through cooperatives, and to sell the products at a good price according to the market conditions.

 **Villager Symposium in Tangjiawuji Village, Jinyang County, Liangshan Prefecture:**

We have begun planting white konjac since 1997, but were confined in a small scale and the market price was not stable. From 2012, more and more people began to plant white konjac. More than 100 households carved out a patch of 2- to 4-mu land for the planting. Intercropping konjac with corn and pepper provide better benefits. There is no large grower and every household sells fresh products, selling them as soon as they are harvested. Now there are many difficulties: a. good seeds are not easy to get and they can be bought in the market that is accessed with a few hours of walking, and good seeds are expensive; b. planting white konjac needs phosphate fertilizer which can only be bought in the county; c. there is no irrigation equipment and water can only be carried on back with buckets; d. the seed nurturing and planting techniques are still poor. At the beginning, we did not know how to plant it and consulted the old growers in the village. White konjac could suffer from soft rot easily, and the incidence was 10%. In the previous year, the yield was cut more than 20% due to soft rot; e. the prices of konjac are instable, sometimes high and sometimes low; f. due to the poor road conditions, purchasers do not want to come in the village for a deal and products are transported by van or motorcycle for vendors down the mountain.

(4) To improve infrastructure conditions, develop agricultural production, increase income and improve living standards

Among the 1,507 surveyed rural households, 52.3% and 35.3% respectively thought that the inadequate and poor infrastructure including irrigation, roads etc. is an important factor that holds back the development of cooperatives. Interviews with villagers showed that they have a strong demand for both the necessary infrastructure and the infrastructure used for the advantageous agricultural industries and cooperatives.

Major issues concerning the infrastructure include: a. drinking water. In the project areas, the villagers irrigate their crops depending largely on the rainfall. They get their domestic water by dividing it from mountains nearby. The shortage of drinking water is extremely urgent, especially in dry weather. Some villages suffer from shortage of irrigation water and domestic water, such as Haiba Village, Bijiao Village in Guizhou Province, Yulin Village, Tongxin Village, Tianba Village and Tangjiawuji Village in Sichuan Province. b. Lack of farm land infrastructure such as farm track and service roads for production. The rural households said that the lack of farmland infrastructure can cause the following inconvenience to production: a. The output and benefit of crops is affected. For instance, in Yulin Village, Tianba Village and Yantang Village in Sichuan Province, the agricultural production mainly relies on rainfall due to none or lack of irrigation facility; as a result, the crop production and output will be greatly affected in case no sufficient irrigation water is supplied; b. The burden of productive labor is increased and the production is time-consuming. For example, since there are no service roads for production, farmers have to carry the pesticides, fertilizers and seeds up the hill by manual labor; c. Transportation cost is increased. Since the rural households have to transport the agricultural products to the township market, (the village is too far away from the market and it will spend more than one day to transport the agricultural products to the market and travel the round trip), there is very little profit left excluding the transportation cost and accommodation cost; considering the high transportation cost and dangerous traffic factors, vendors from other places are generally reluctant to come to the village to purchase the agricultural products. As a result, the rural households urgently hope to improve the service roads for production, farm track, irrigation facility and other infrastructure and build agricultural trading markets and processing points to improve the conditions for agricultural development, reduce cost, increase income, and finally improve the living standards.

Villager Symposium in Moci Village, Butuo County, Sichuan:

The biggest difficulty for the village to develop the purple potato industry is infrastructure. The village is located in a remote mountainous area and the roads are bad dirt roads or mountainous roads. It is dangerous to transport the products with vehicles of purchasers who come from other places, and the transport costs are high. So they are reluctant to come here. The products can only be transported by cooperatives.

Women Symposium in Yulin Village, Jiaoyuan Township, Gulin County, Sichuan:

Now we have to spray pesticides manually and often get sore hands after doing this work at night. We hope to improve that. In busy times, the farmers will help each other with the spraying. But we need to carry the pesticides to the mountain. It's a long way to go and the load is heavy. There is no road leading to the mountain and the mountain is not accessible by vehicle. The difficulty in planting sweet orange is that: the sites are inaccessible and there is a lack of water; there are hardly roads leading to the mountain; there is serious shortage of water for irrigation.

3.3.2. ENTERPRISES RELATED TO THE DEVELOPMENT COOPERATIVE INDUSTRY CHAIN

According to the 1,507 rural households surveyed, only 1% of them sold their products through enterprise order and most of them sold their products through the market and dealers. Currently, there are enterprises that are related to the development of local competitive industries in the project counties. Some of them have built marketing relationship with the existing cooperatives to increase agricultural order. For example, the integrated operation of production, processing and marketing has been established among Shunfeng Ecological Agriculture Development Cooperative in Dafang County of Guizhou Province, rural households in Haiba Village, and Jiulong Gastrodia Elata Company in Dafang County; in addition, similar operational relationship of agricultural order has also been created by Tiandi Jinghua Green Pepper and White Konjac Farmer Cooperative in Jingyang County of Sichuan Province, Baibao Farmer Cooperative of Organic Agricultural Products in Kezhai Township, Longxi County, Gansu.

Enterprises established relationship with the rural households in the following two ways: one is to sign production and marketing agreement directly with rural households, while the other one is to build cooperative relationships with them through cooperatives or other intermediary organizations. Enterprises are mainly responsible for purchasing, processing, storing, transporting and selling the agricultural products from the rural households in the project areas. Some enterprises may also provide seedlings, breeding stock and other means of production and technical trainings for the rural households through existing cooperatives. In general, the number of enterprises is relatively limited and they provide very limited training and technical services. They are mainly focused on acquisition of agricultural products. Therefore, the enterprises have the following demands for the project:

(1) To construct public market facilities, provide product trading, quarantine testing, and other public services, and reduce market transaction costs

Some enterprises that collaborate with the rural households in the project areas said that they seldom purchased agricultural products in the project villages or homes of rural households because it needed high transportation cost and human cost. There are two reasons behind this: one is the long distance between the project areas and the market. The roads are winding and rugged in some areas, where there are many hilly roads, which are dangerous, especially in winter and spring when the roads are covered with snow, causing inconvenience to the vehicle driving. The other reason is that the enterprises usually chose to purchase agricultural products in the concentrated and concatenated production origins of raw materials, rather than from individual farmers. If they purchase the raw materials from individual producers, they will need to entrust local personnel to do the work from house to house, which will increase human cost. Thus, the enterprises hoped to build special agricultural and animal products trading markets in the towns or villages in the project areas to facilitate the acquisition of raw material of agricultural products. When necessary, quarantine testing service of agricultural products should be provided to complete products acquisition and package in the production sites to increase the sales efficiency of agricultural products.

(2) To establish professional farmer cooperatives, improve and regulate market behavior of cooperatives, stabilize the service relations between businesses and rural households, and

In order to reduce transportation and human costs, the enterprises always purchase agricultural products

by establishing relationships with cooperatives or intermediary partners in the origin areas. Thus they can reduce the risks and costs caused by communication and cooperation with individual local rural households. In addition, the enterprises can establish remote, long-term and stable relationships with the cooperatives and intermediary organizations, etc. Therefore, the enterprises hoped to sign contracts with cooperatives constructed in the project. Enterprises sign contracts with cooperatives while cooperatives sign purchasing and marketing agreements and contracts with rural households. This can reduce the transaction cost and the risk of unstable raw material supply caused by purchasing agricultural products in the market. The enterprises can standardize the planting and breeding behavior of rural households through cooperatives, manage the standardized production of the products, and reduce their operating costs. The enterprises and cooperatives often sign short-term contracts, once per year. They will establish protective prices when signing the contract and adjust it once a year based on the market information. Therefore, the enterprises can adjust the price of the products and control the raw material cost relying on the advantage of mastering the market information.

Manager Wen in Jiulongtian Gastrodia Elata Company in Dafang County, Guizhou

Founded in 2001, Jiulongtian Gastrodia Elata Company is mainly engaged in the processing and trade of gastrodia elata products, including trade of fresh gastrodia elata, gastrodia elata drying, gastrodia elata capsules, gastrodia elata wine and other deep-processing products. The raw materials of gastrodia elata all come from the county, and some are grown by the rural households in the surrounding counties or cities. The seedlings cultivated by the villagers generally do not meet the requirements of the company. The company usually cooperates with cooperatives and provides seedlings to these cooperatives, which further distribute the seedlings to rural households. The households will grow the seedlings and the company will send technical personnel to provide them with guidance. The company usually signs a contract with cooperatives. The gastrodia elata harvested by the contracted cooperatives will be purchased collectively by the company, and the company will offer a minimum guaranteed price to the cooperatives (the price difference between contracted and non-contracted cooperatives is 2 yuan/kg). This year the minimum guaranteed price for red gastrodia elata is 10 yuan/kg and for black gastrodia elata is 20 yuan/kg. The prices may vary annually.

The company trains the rural households in two main ways: backbones of cooperatives and large growers come to the company for specialized knowledge training; or, technical personnel are sent to the village and provide field guidance for villagers. The planting technology of gastrodia elata is not complicated and the farmers grasp it very quickly and are very happy to accept it.

(3) To obtain technical support of domestic and international high-level experts, improve the R&D ability of products and production technology, and increase the added value and market share of the products

The cooperatives and enterprises in the project areas suffer from weak technical force, which significantly limits the development of enterprises. The cooperatives are mainly engaged in specific planting and breeding activities. Planting activities include seeding, cultivating, field management, crop

harvesting and sale of primary products. The breeding activities include raising, management and sales of the livestock. Due to the shortages of capital and talent, the cooperatives are rarely engaged in technical innovation and product upgrading activities. As a result, the cooperatives place much emphasis on the needs for practical agricultural technique. The enterprises are mainly responsible for the activities that are related to the industrial development, that have high technical requirements and that are more competitive in the market, such as seedling/breeding stock cultivation, variety improvement, product research and product quarantine testing. During the interview, Jiulong Gastrodia Elata Company in Dafang County of Guizhou Province mentioned that the major problem in the operation of the company is weak technological strength, embodied in seedling, research and development, as well as product testing. Therefore, the enterprises hoped to get support and guidance of advanced technology through the project construction,. They considered this an important condition for them to improve the R&D capability of products and production processes, increase the added value of products and market share and enhance core competitiveness. This is also one of the preconditions for the development of the enterprise.

3.3.3. RURAL AGENTS, HOUSEHOLD OF INDIVIDUAL BUSINESS, AND OWNERS OF SMALL PROCESSING WORKSHOPS

The industry chain consists of the following groups: rural agents, households of individual business, owners of small processing workshops, etc. In fact, there are many rural agents (commonly known as two-way merchants) widely spread in the project areas. They purchase the agricultural products directly from rural households and resell them to enterprises and other operators to take advantage of the price gap. Some rural agents become promoters, organizers and management personnel of cooperatives. In addition, there are some industry-related households of individual business and owners of small processing workshops, such as individual household slaughters and small-scale processing workshops of medicinal herbs. They acquire small amount of agricultural products from the rural households in the project areas and process the products to increase the added value of the products and added profits. The demands of these groups in the industry chain for the project are as follows:

to improve the status of water infrastructure, roads and markets to create a favorable environment and conditions for trading and marketing of agricultural products; to join cooperatives, integrating resources through the platform of cooperatives, improve market bargaining power, and enhance the ability to withstand market risks; to reduce costs and improve added value of products through organizational and scale production, processing and sales.

3.3.4. POVERTY REDUCTION OFFICE

In order to organize and lead the preparation and implementation of the project, and considering the management needs of the project and the innovative feature of increasing the organizational degree of farmers, the organization and management agencies of the project are set according to the leadership system, execution system, and technical support system of the project. The leadership agency of the project is led by the leaders of responsible departments or responsible government leaders at all levels and composed of members who are leaders of the development and reform department, the finance department, the poverty reduction office, the audit department, and other business departments. The execution agency is set at the poverty reduction offices at all levels, specifically responsible for

management and implementation of the project. The technical support service system is composed of staff from different business departments and experts at home and abroad. Each project county has set up a project leading group and a project management office, which is staffed with full-time managers responsible for coordination and specific tasks under the project. The implementation agency of the project is the subject of responsibility throughout the operation stages of the project. It not only needs to exercise rights and obligations agreed in the contract as principal of the project, but also is responsible for coordinating and addressing technical, economic, financial, environmental and all the other issues related to the project. During the implementation and follow-up regulatory process, they are the most relevant stakeholders in the project. Therefore, the implementing agencies of the project hope to:

contribute to early and successful completion of the project through communication and coordination among the partners; increase the income of the poor and promoting the poor to get rid of poverty; explore ways and means suitable for the local poverty reduction through industrialization; improve the social images of the implementing agencies.

3.3.5. MEMBERS OF EXISTING FARMER COOPERATIVES

Since *Law of the People's Republic of China on Professional Farmer Cooperatives* was introduced in 2007, the State has encouraged and guided professional farmer cooperatives to develop through financial support, tax incentives, financial, technological and talent support and industry policies. Currently, farmer cooperatives have been gradually spread across the country. Some of the project villages have established or are planning to build a variety of farmer cooperatives. The questionnaire survey on 1507 rural households showed that 27.2% of them have joined one cooperative, 1.3% have joined two, 0.4% have joined more than two, and 71.1% have not joined any. According to the field survey, some project villages have established cooperatives, but they are generally operated poorly. There are few cooperatives that are operated well. The detailed analysis is shown in section 4.2.

The relations between farmer cooperatives and rural communities are mainly reflected in the following aspects: 1) a farmer cooperative is a mutual economic organization, while administrative village is the most fundamental administrative unit; the activities of a farmer cooperative are carried out with reliance on the administrative village and the cooperative is a form of economic organization in the administrative village. 2) Their objectives are consistent. Farmer cooperatives follow the principle of serving for the common interests of all members while village committees are aimed to serve for the political, economic, cultural and social development. 3) Organizational and management structure: under normal circumstances, the management of farmer cooperatives and the management function of administrative village are independent of each other: farmer cooperatives have their independent charter and organizational structure, generally including the general assembly of members, board of directors and supervisory board; the general assembly of members is the organ of power in farmer cooperatives and is guided by the competent administrative department of agriculture; administrative village is managed by a group of leadership (the party branch and the village committee) and practices democratic management by villagers; the power rests in the village committee and the village is guided by the township government. 4) Management and members: rural households may join one or more cooperatives, but they belong only to one administrative village. The management of a farmer cooperative may or may not be members of a village committee. For example, the promoter of a farmer cooperative could be the leader or party secretary of a village. For instance, the farmer cooperative in

Xinzhai Village, Zhijin County, Guizhou Province, was initiated and built by the village committee, and the committee members are also management of the farmer cooperative. Some farmer cooperatives also include party branches, which assume supervisory duties that are usually performed by the village committee members. 5) There are several cases in the service range of farmer cooperatives and coverage of administrative villages: there are administrative villages that build a cooperative, and there are those that build two or more cooperatives. For example, Yulin Village in Gulin County in Sichuan created two cooperatives: sweet orange planting cooperative and walnut planting cooperative; there are cooperatives that serve a number of administrative villages. For example, the improved variety of Wuzhu Potato Breeding Cooperative in Weiyuan County in Gansu has members that cover Wuzhu Village, Shitougou Village, Luming Village, and Guojiagou Village.

Both the renovation of old cooperatives and establishment of new cooperatives in the project will affect the existing other farmer cooperatives in the project villages, while the current status, experience and lessons of existing farmer cooperatives will affect the project. Some villagers assume roles and function in a number of farmer cooperative organizations. Therefore, the existing farmer cooperative entities hope to:

learn about advanced concepts of building cooperatives and improve the current status of existing organizations; improve the hardware and software facilities of cooperatives and improving the organizational and construction levels of farmer cooperative organizations; overcome the limitations of infrastructure in the industrial development to lay the foundation for better operation of farmer cooperative organizations; cultivate new cooperatives and forming synergy with other farmer cooperative organizations to help farmers increase their income and get rich.

3.3.6. OTHER RELEVANT GOVERNMENT DEPARTMENTS

On one hand, the governmental and relevant departments guide, support and serve for the cooperatives and industrial development in the project areas; on the other hand, the development of cooperatives and industries in the project areas directly affects the political performance of governmental and relevant departments as well as the adjustment in agricultural structure, increase of farmers' income and improvement of living conditions, stability of local rural community, and the achievement of building a well-off society in rural areas. The governmental and other relevant departments related to the development of cooperatives and industrial development in the project mainly include Agricultural Bureau, Animal Husbandry Bureau, Bureau of Chinese Herbal Medicine Industry, Tourism Bureau, Bureau of Ethnic and Religious Affairs, Women's Federation at all levels and township governments. Therefore, the governmental and other relevant departments hope to:

avoid the negative effects and social risks brought by the project as much as possible to ensure social stability; improve the organizational degree of farmers; increase the income of rural households in the project areas, reduce poverty, drive the villagers in the project areas to get rich, and improve the production and living standards of rural households; improve the agricultural production and operation, adjust rural industrial structure, and promote the development of agricultural industrialization; achieve the objective of building a well-off society through economic development; promote economic and social development, achieve social and political stability, and improve the image of the government.

Table 3-1 Analysis on the Demands of Major Stakeholders Involved in the Project

Stakeholder	Interest Demand
Rural households in the project areas	<p>To provide technical and management training on planting and breeding to promote agricultural high yield and efficiency and increase revenue;</p> <p>To solve the sales problem of agricultural products and livestock to broaden sources of household income;</p> <p>To build organizations that belong to rural households themselves to improve the ability to resist market risks;</p> <p>To improve road, transport and water conditions, develop agricultural production, increase income and improve living standards.</p>
Enterprises	<p>To construct public market facilities, provide product trading, quarantine testing, and other public services, and reduce market transaction costs;</p> <p>To establish professional farmer cooperatives, improve and regulate market behavior of cooperatives, and stabilize the service relations between businesses and rural households.</p> <p>To obtain technical support of domestic and international high-level experts by participating in the project, improve the R&D ability of products and production technology, and increase the added value and market share of the products.</p>
Rural agents, household of individual business, owners of small processing workshops, etc.	<p>To improve the status of water infrastructure, roads and markets to create a favorable environment and conditions for trading and marketing of agricultural products;</p> <p>To join cooperatives, integrating resources through the platform of cooperatives, improve market bargaining power, and enhance the ability to withstand market risks;</p> <p>To reduce costs and improve added value of products through organizational and scale production, processing and sales.</p>
Poverty reduction offices	<p>To contribute to early and successful completion of the project through communication and coordination among the partners;</p> <p>To increase the income of the poor and promoting the poor to get rid of poverty;</p> <p>To explore ways and means suitable for the local poverty reduction through industrialization;</p> <p>To improve the social images of the implementing agencies.</p>
Existing farmer cooperatives	<p>To learn about advanced concepts of building cooperatives and improve the current status of existing organizations;</p> <p>To improve the hardware and software facilities of cooperatives and improving the organizational and construction levels of farmer cooperative organizations;</p> <p>To overcome the limitations of infrastructure in the industrial development to lay the foundation for better operation of farmer cooperative organizations;</p> <p>To cultivate new cooperatives and forming synergy with other farmer cooperative organizations to help farmers increase their income and get rich.</p>
Other relevant government departments	<p>To avoid the negative effects and social risks brought by the project as much as possible to ensure social stability;</p> <p>To improve the organizational degree of farmers;</p> <p>To increase the income of rural households in the project areas, reduce poverty, drive the villagers in the project areas to get rich, and improve the production and living standards of rural households;</p> <p>To improve the agricultural production and operation, adjust rural industrial structure, and promote the development of agricultural industrialization;</p> <p>To achieve the objective of building a well-off society through economic development;</p> <p>To promote economic and social development, achieve social and political stability, and improve the image of the government.</p>

3.3 Analysis on the Project Impact

3.3.1. OPPORTUNITIES

(1) Improving the organizational degree of farmers through standardized construction of cooperatives

Cooperative is an important carrier and platform to improve the organizational degree of farmers in poor areas. The Social Assessment Group found in the survey that the current organizational degree of farmers in the project areas is relatively low and the main problems are:

a. The cooperative structure is not standardized. Some of the interviewed responsible persons said that their cooperatives only need a person-in-charge and a bookkeeper, while some cooperatives still engage sales persons; although most of the cooperatives have a standard charter, which also states the name of members in the director board and the supervisory board, their division of labor actually remains unclear. Many members are in name only to make the charter and organizational structure seem standardized. In addition, most responsible persons of cooperatives believe that the development of cooperatives lack professional and technical personnel, marketing personnel, and accounting personnel. Responsible persons and members of existing cooperatives have expressed their hope to improve the current non-standardized organizational structure of cooperatives through cooperative building and training.

b. The cooperatives are poorly operated. According to the analysis result of the operation of cooperatives provided by the Agricultural Economics and Management Stations of Bureaus of Agriculture and project offices, there are 245 cooperatives that are operated poorly in Dafang, Zhijin, Tongzi, Xishui and Chishui Counties (Cities) in Guizhou Province, accounting for 24.57% of the total; only 179 cooperatives are operated well, accounting for 17.96%. There are 702 cooperatives that are operated poorly in Gulin, Xuyong, Jinyang, Butuo, Zhaojue, and Meigu Counties in Sichuan Province, accounting for 83.1% of the total, while only 42 are operated well, only accounting for 5%. There are 1,278 cooperatives that are operated poorly in Gulang, Tongwei, Longxi, Weiyuan, Minxian, Anding District, Lintao, Dongxiang, and Yongjing counties (districts) in Gansu Province, accounting for 28.39% of the total, and 1,444 are operated well, accounting for 32.07%. In addition, judging from the interviews with cooperative leaders and the evaluation of village committees and villagers towards cooperatives, 3 of the 6 interviewed cooperatives in Guizhou Province are operated well, accounting for 50% of the total; 3 are not officially operated or poorly operated, accounting for 50%. Of the 8 interviewed cooperatives in Sichuan Province, 3 are operated well, accounting for 37.5% and 3 are operated poorly, accounting for 37.5%. Of the 25 interviewed cooperatives in Gansu Province, 6 are operated well, accounting for 24% and 14 are not officially operated or poorly operated, accounting for 56%. Most of the cooperatives interviewed by the Social Assessment Group are those operated well or under operation. In fact, those that are dormant or that are operated poorly take up a larger share. Thus, on the whole, the cooperatives in the three provinces are poorly operated, and among them the cooperatives in the project areas of Sichuan Province are even more underdeveloped. However, most of the farmers interviewed hope that the cooperatives can be under better operation, so as to better sell local agricultural products and secure more promising industrial development.

c. Few rural households actually join cooperatives. According to the survey, only 6.4% and 23.3% of

the rural households knew cooperatives very well or knew something about them, and 28.9% of them join in cooperatives; the Social Assessment Group found in the interviews that the rural households actually knew less about cooperatives, and most of them do not join any cooperatives. But they showed strong willingness to join, for example, the questionnaire survey showed that about 95.6% of rural households are willing to join cooperatives.

d. There is low involvement of rural households in cooperatives. The interviewed rural households reported that members of cooperatives are large households among villagers, and few ordinary rural households join; according to the interviews with cooperative members, the main function of cooperatives is to sell agricultural products of members and there are few training or service activities. Most rural households do not join cooperatives as shareholders or are involved in getting profits from cooperatives. The member rural households obtain profits from the sales revenue.

It seemed to the rural households that in spite of the many problems in the operation of cooperatives, construction of the project will indeed bring many opportunities for the development of cooperatives and farmers' organization: **first**, by building office space and providing office equipment of cooperatives, and offering supporting facilities and equipment for processing, storage, sales and other industrial chain extension services, the project will lay a good hardware basis for the institutional settings of cooperatives and development of advantageous industries and regulate the external conditions of cooperatives; **second**, the project will standardize the organizational structure and operation system of cooperatives by staffing cooperatives with counselors and establishing joint-stock cooperatives that rural households (especially most of the poor ones) join to form small and micro enterprises; **third**, the project will enhance the operation ability of cooperatives and increase the competitiveness of cooperatives as small and micro enterprises in the market through training; four, the project will not only increase the involvement of poor rural households in the economic and industrial value chain but also encourage them to consciously apply the organizational practice experience they learn from cooperatives in other social and economic activities in the villages and constantly improve their self-development awareness by promoting poor rural households to join cooperatives and increase their organizational practice experience and ability. The project will provide training on establishment, management, technology, and marketing of cooperatives and exchange visits. Specialized training will be conducted for demonstration households on crop cultivation technology. The training will be conducted in a variety of ways and multiple categories to improve the involvement and practice of rural households in cooperatives; various measures will be taken to improve the organizational degree of farmers.

 **Person in charge of the Walnut Cooperative in Yulin Village, Jiaoyuan Township, Gulin County, Sichuan:**

I was engaged in supermarket running and was familiar with trading, but I have never involved in management; now our cooperative is not standardized enough. We don't have professional accountants and lack professional knowledge. We plan to build the cooperative with our partners and slowly explore in the days to come.

 **Leader of Futian Breeding Professional Cooperative in Shuangbao Village, Pingxiang Town, Tongwei County, Gansu:**

The leader of cooperative is a large breeder and leader of the village. This sheep breeding cooperative was just founded this year by 5 persons. Now, it is basically supported and operated by me only. I raise the most sheep and the other members are breeders in the village, but their business is in a small scale and they have little experience in running a cooperative. The cooperative is not standardized and does not define any division of labor.

(2) Taking cooperatives as carriers to improve the subject consciousness and self-development ability of farmers by empowering them

Judging from the understanding of farmers about themselves and their family development, the Social Assessment Group learned that the rural households in the project areas believed the most important reasons for their poverty are their lack of skills, technology, capital, and knowledge and their outdated ideas and concepts, in addition to harsh climate and poor infrastructure conditions like water and electricity lines. When asked “Have you ever thought about how to live a better life in the future”, most of the villagers just smiled, saying that “I may plant or raise something.” Basically they would continue the original way of production and lifestyle; younger people choose to go out to work, which will help them make some money.

Concerning expectations and suggestions for the project, they hoped to receive some training on, for example, planting techniques, scientific breeding, pest control and agricultural product marketing, and have access to market information and other knowledge and technology. They believed they would develop the planting and breeding industries well once they mastered this knowledge and technology. They would slowly accumulate experience and capital, and life would get better when they or their families have improved their ability and changed their concepts.

For the construction and development of cooperatives, the villagers hoped to build cooperatives that can incorporate more villagers instead of being monopolized by large households or capable individuals; in their view, the development of cooperatives needs the demonstration of capable individuals and large households, who are expected take the initiative and lay the foundation for villagers; addition to access to training, the villagers hoped the cooperatives could get everyone involved to purchase seeds, pesticides, fertilizers and other production materials, so as to get more favorable prices and guarantee the quality and prevent the problem that some rural households may purchase fake seeds, fake fertilizers, or fake pesticides; the villagers may sell their agricultural products collectively at prices higher than the prices sold individually, and the agricultural products may be sold through multiple means such as negotiations, opening up sales channels, and developing contract farming. Rural households in cooperatives can learn experience and technology from each other, consult and discuss together, and any questions can be answered anytime and anywhere. The ability of rural households will also be improved. While the self-development ability of villagers is being improved, the development ability and level of the whole village is constantly improved and enhanced.

The construction of village roads, hardening and construction of services roads for production, farmland irrigation and water conservancy facilities, and trading markets of agricultural products in the project will create conditions for the industrial development of project villages; the facilities to construct will be decided by the villagers, and the village committees and villagers will participate in the construction of most of this public infrastructure, which will help develop the self-organization, self-management, independent decision-making and independent implementation capacities of villagers.



Interview with Villager in Da'an Village, Xishui County, Guizhou

Mr. Li, aged 50, Han nationality: Currently I have joined the sheep raising cooperative in the village and the membership did not charge anything. But the cooperative has functioned now, so I do not have close contact with it. I bred or purchased my sheep, and the technical training was provided by the Bureau of Agriculture and Animal Husbandry. The grown sheep were purchased by vendors. I bargained with the sheep traders myself, without any assistance of the cooperative.

If the cooperative is well operated and really work in the interests of breeders, I'll still support it. After all, it is an advantage that we join together to bargain with sheep traders. I am also willing to assume the responsibility as a large breeder to drive and help other rural households to get rich and provide them with technical guidance.

<p> Mr. Wang in Tianba Village, Xuyong County, Sichuan: Never heard of this project and nor do I know what cooperatives are about, but I hope to set up an organization that allows us to buy and sell cattle together and raise more cattle.</p>
<p> Villager in Chenghao Village, Huachi County, Gansu: I have joined in a cooperative, but it was just created. I have no idea of what it is doing. I'll see how it goes.</p>
<p> Women symposium in Baima Village, Huachi County, Gansu: I know nothing about cooperative and I don't want to contribute my sheep. I can raise them myself, so I have the autonomous right. I can decide whether to practice fine breeding or not. If I give the sheep to a cooperative, it's like egalitarian and they will not be well taken care of. The dividends of cooperative are simply organic fertilizers.</p>

(3) Changing the agricultural production and operation modes, improving product quality and standards, improving the ability of farmers to withstand market risks, and increasing the income of poor rural households through the project construction

Interviews in the project areas showed that individual rural households generally sell their agricultural products through the following channels: A. the rural households sell the products to the local vendors, who then resell the products to wholesale markets or traders from other places; B. traders from other places directly purchase the products from the rural households. The rural households sell their agricultural products locally at prices lower than the prices they sell in market towns or markets in the county, but they will encounter various problems such as inconvenient transportation, lack of transportation vehicles and high transportation costs if they want to sell the products beyond the local place. As a result, most of the rural households choose to sell their agricultural products to small local vendors or traders who visit them for a purchase at lower prices and the prices are forced down from one link to another. Individual rural households do not have the ability to negotiate or price advantages. Therefore, the rural households hope:

First, the training on the establishment and management of cooperatives and capacity building in the project allow rural households in the project areas to be organized through the carrier and platform of cooperatives and change the original small decentralized production mode practiced by single household into industrialized, large-scale and standardized large production mode; **second**, farmers are organized through cooperatives and take collective actions resist market risks like market information asymmetry and poor negotiating capacity that may be faced by individual rural households; **third**, the use of good seedlings/breeding stocks and adoption of unified production means, unified production standard, unified field management, unified harvest, unified sales or processing to provide agricultural products that meet the market demand will provide rural households with easier access to markets and increase the competitiveness and negotiation ability of rural households, and the subproject of industry chain development can increase the added value of products and improve the quality and yield of agricultural products; **fourth**, improvement in the quality of agricultural products and scale operations can enhance the market competitiveness of agricultural product, extend the industrial value chain, improve farmers' perception of market and resilience, improve the ability of rural households to withstand market risks, and ultimately increase the income of farmers, especially the income of the majority of poor rural households.

 **Male Symposium in Longkou Village, Zhangjiachuan County, Gansu:**

I sold a cattle at RMB 8,000-10,000 in the county market, but if I sold it to a vendor locally, the price was about RMB 5,000. The cattle get be sold at higher prices through cooperative than in the county, but it is really inconvenient for me to travel so far away to the county.

 **Leader of Kangwang Village, Malu Township, Zhangjiachuan County, Gansu:**

The villagers now sell their cattle to vendors. Selling the cattle themselves and selling them to vendors has a price gap of RMB 500-1,000, very few people sell their cattle in the market as the transport costs are high. We are near Jinchuan, so it will be good if a livestock trading center can be built in Jinchuan. That will be very convenient for us to sell our cattle.

 **General Symposium in Sanyou Village, Zhangjiachuan County, Gansu:**

Vendors can earn more than 500 yuan from the price gap. After a cooperative is created, the earnings can be retained in the cooperative or given to villagers.

 **General Symposium in Hujiashan Village, Kezhai Township, Longxi County, Gansu:**

The main problem for rural households to sell Chinese medicinal herb is that the market information is not well-informed. Vendors have partnership with Shouyang Trading Center, which thus generally sell the herbs of these vendors and the products transported by the rural households themselves are less popular.

There are potato cooperatives in the village. They purchase the potatoes supplied by rural households at prices 0.01-0.02 yuan higher than the market prices, but for the products supplied by other producers, they follow the market prices.

(4) Improving infrastructure to create conditions for local agricultural production and livelihood of rural households

The Social Assessment Group visited the project areas and found that some villagers mentioned the roads, water and other agricultural infrastructure are in poor conditions, of which water and road (mainly service roads for production) shortages are the main problems that restrict the development of local industries and affect the lives of villagers. For example, because there is no service road leading to the mountain in Haiba Village, Wenge Township, Dafang County, Guizhou, the harvested gastrodia elata has to be transported down the mountain by manual labor or by horse, and seeds, mulch and other materials are transported in the same way; the trading of konjac in Youfang Village, Lugao Town, Jinyang County, Sichuan, was also transported by manual labor or by horse. Although roads were built in 2008, there are no service roads for production, and the roads in the village are all dirt roads, which are inconvenient for trading of materials and products in rainy days. The same cases are found in Ripai, Moci and other villages. In terms of water use, drought is frequent in the project areas due to harsh natural conditions and fragile ecological environment. For instance, as Bijiao Village in Maochang Town of Dafang County in Guizhou suffers water shortage due to climate, the farmers there have to spend more than one hour walking to the waterwheel by the roadside and carry the water to their field. They have to carry 15-20kg for a single trip. Lejing Village in Huaqiu Town of Tongzi County is faced with problems like lack of water sources (which are far away) and lack of electricity during peak

demand in developing rural tourism. Yulin Village in Jiaoyuan Town of Gulin County, Tongxin Village in Miao Township of Masi, Tianba Village in Yi Township of Shuiliao in Xuyong County, Yantang Village in Yi Township of Shiba in Sichuan all suffer seasonal water shortage due to the impact of drought. The old and backward water conservancy irrigation in these local places hardly meets the needs to develop planting and breeding industries. Thus, the villagers hope that:

First, the project will improve the agricultural production materials such as seeds, pesticides, fertilizers and farming equipment and the transportation conditions to sell agricultural products to other places through construction of village roads and service roads for production; **second**, the project will prevent or mitigate the impact of natural disasters like drought on the growth and harvest of crops and gradually solve the drinking problems of men and animals in some villages by improving irrigation facilities, irrigation techniques and conditions, and by constructing water cellars for men, water tanks and drinking water project facilities; **third**, the construction of distribution and sale facilities and equipment like trading venues of agricultural products and livestock, product storage and processing facilities can create conditions for rural households to carry out production. Agriculture is an important source of livelihood for rural households in poverty-stricken areas, while poor infrastructure is the key issue that constrains the agricultural production and development in poor areas. Therefore, improving infrastructure can help improve the production and livelihood of rural households.

 **Mr. Zhang, Leader of Wenge Township, Dafang County, Guizhou:**

Currently the most important factor that limits the development of cooperatives is poor infrastructure, especially serious shortage of irrigation water sources, farm track, access roads, processing equipment, plants and warehouses.

 **Women Symposium in Haiba Village, Dafang County, Guizhou:**

Suggestions on the project: 1) deep processing of *gastrodia elata* to get more economic income; 2) implementing the project as soon as possible; 3) building good infrastructure.

 **Leader of Shunfeng Ecological Agriculture Development Cooperative in Haiba Village, Dafang County, Guizhou:**

Current limitations in the development of cooperatives are: weak initial capital; the need for local experts in technology; inconvenience in transportation; lack of processing equipment. The processing is done manually, using water for washing or stove for drying.

 **Women Symposium in Tianba Village, Yi Township of Shuiliao, Xuyong County, Sichuan:**

The main difficulties are: lack of water for irrigation and domestic use. Generally the villagers have to get at five and walk for one hour to carry water. They have to carry 30-40 kg water for a trip and have to carry water twice a day. This is a burden on women.

(5) Increasing the chances for rural households to fairly share benefit and promoting the sustainable development of poor rural households

Based on the benefits that rural households get from cooperatives, the general problems are no benefit or narrow benefit ranges, single benefit channels and lack of the right to speak in sharing benefits. After being implemented, the project will increase the chance for rural households to fairly share benefits

through a variety of channels: **first**, the project will establish cooperatives that uphold shared benefits among villagers and shared responsibilities to ensure a wide range of rural households, especially the poor ones, are involved in cooperatives; **second**, the project will establish joint-stock farmer cooperatives that the majority of rural households join with collective investment and that are collectively owned to ensure member rural households have equitable access to dividends and rebates; **third**, the project will increase the ability of rural households to obtain profits by enhancing their involvement in cooperatives, such as through providing training, employment and management opportunities.

 **Leader of Jinmao Fruit Cooperative in Zhuanglang County, Gansu:**

The cooperative was built on a company. Local rural agents joined the cooperative to be responsible for sales and contacting dealers from other places for purchase. The apples of cooperative members are stored in the air-conditioned warehouse of the company at a charge of 0.17 yuan/kg. Those who are not members of the cooperative will not enjoy such favorable charge and they have to pay 0.2 yuan/kg to store their apples in the warehouse.

 **Wuzhu potato breeding cooperative in Weiyuan County, Gansu:**

Products of the cooperative are produced to order and purchased at the protection price. When the market price is lower than 0.5 yuan/250g, the purchase price will be 0.5 yuan/250g; when the market price is higher than 0.5 yuan/250g, the purchase price will be 0.5 yuan/250g.

(6) Increasing employment opportunities, especially for the poor and women, improving employment conditions, and increasing the unit value of labor force

First, villagers in the project areas will be preferred to volunteer to work with payment in the construction of infrastructure, such as hardening or new construction of roads, drinking water tank for men and animals/cellar trimming, and building of trading markets; **second**, the scale development of local advantageous industries will increase the demand for local labor and drive some idle labor force to join the industries, while capable individuals and large households may continue to develop through the development of advantageous industries and the platforms of cooperatives and gradually grow into owners of small or micro enterprises; **third**, improvement in infrastructure conditions, and scale development and agglomeration of competitive industries can improve the local investment environment and create better employment conditions; **fourth**, the labor skills and productivity of rural households in the development of advantageous industries will be improved, the unit labor value will be increased, the income of rural households will be increased, and women and poor households will have more job opportunities and higher income.

3.3.2. RISKS

(1) Risks in land acquisition and land management

In terms of land acquisition, according to the screening schedule of land use in the project provided by the project offices and the field sampling investigation of the Social Assessment Group, there are mainly three ways of land occupancy in the project: land lease, land donation and land acquisition.

Land for bases of planting and breeding. Generally, the planting and breeding bases will be equipped with certain standardized facilities, and as they cover large areas, the land is mostly acquired

through lease or pooling of land as shares. The acquired land will be collectively operated, managed and maintained by cooperatives.

General public infrastructure and agricultural supporting facilities. The project involves the construction of public infrastructure and agricultural supporting facilities such as production roads, farm tracks, farmland facilities, irrigation and drainage facilities. As they usually take up small areas in linear trends and are mostly facilities needed or urgently needed by rural households to develop agriculture, the villagers are willing to provide land through land donation.

Land for cooperatives. The land for construction of new cooperatives in the project is usually from the land owned by the village collectives. Village committees in the project villages will hold a general assembly of villagers to listen to the views of the villagers, and sign agreements on the use of collective construction land with cooperatives; some cooperatives may acquire land through leases.

Land for trading markets. Trading markets to be constructed under the project will need to occupy large areas of land and are generally located in places where there are convenient transportation and high flows of people like town centers. The Social Assessment Group learned that the land for trading markets under the project comes from three main sources: state-owned land, collective construction land, and villagers' collective land.

State-owned land: The trading market that is built on state-owned land is the trading market of livestock in Zhangjiachuan County, Tianshui City, Gansu Province. The market is constructed in the existing Golden Comprehensive Agricultural Market in Zhangjiachuan Hui Autonomous County; the Golden Comprehensive Agricultural Market covers 25 mu and the certificate of land use right was issued by the Land and Resources Bureau of Zhangjiachuan in September 2010. The Poverty Reduction Office of Zhangjiachuan County consulted with the legal person of the company on renting a 10-mu idle land in the market as the construction land for a trading market of livestock under the World Bank Project (Phase VI) for a term of 10 years. Upon expiration, the two sides may agree on renewal.

Collective construction land: the trading markets to be constructed on collective construction land are generally divided into two types. The first one is reconstruction of the original trading markets, such as the trading market in Shubo Village, Nanwa Township, Jinyang County, whose construction site is in the market of Nanwa Township; the trading market in Zhuanchengzi Village, Maojing Township, Huanxian County in the original collection-distribution point of livestock, where there is a lack of basic market infrastructure and whose land belongs to the village collective, covering about 10 mu, while the proposed new standard trading market will be equipped with the necessary trading venues, booths, parking space and security facilities; trading market of livestock in Shuangcheng Village and Xieguozhui Village, which will be constructed with land contributed as shares and will not involve land acquisition or resettlement. The other type is construction of new trading markets. The newly constructed trading markets will mostly be at village or township levels (except in Huachi County). The construction sites of the trading markets are coordinated by the county poverty reduction offices and county governments with village committees and decided at the general assemblies of villagers.

Villagers' collective land. The "Construction Project of Livestock Trading Market" in Huachi County covers 107 mu and is located in Xinbao Grass and Animal Industry Demonstration Zone in Yuele Town of the county. It is constructed on the collective land of Xinbao Village by the county government through renting the collective contracted land in September 2002. The first lease period is 20 years and

the rent is disbursed by the county finance. The land does not belong to state-owned land. The Animal Husbandry and Veterinary Bureau of the county provided supporting documents of construction land use and the land lease agreement.

Table 3-2 List of Construction Land for Trading Markets

Province	City	County	Quantity of Trading Markets to Construct	Construction Content	Area of Planned and for Use (m ²)		Planned Industry	Proposed Sites of Construction		Actual Area of Land Used (mu)	Land Nature	Time of Acquisition	Remarks
								Township/Town	Village				
Guizhou	Zunyi	Chishui	1	Trading market		3000	Dendrobium nobile	/	/	6	Collective construction land	/	Construction site not determined
	Bijie	Zhijin County	3	Farmers' market	A	500	Comprehensive trading market	/	/	1	Collective construction land	/	Construction site not determined
				Trading market at village level	B	500	Bamboo fungus	/	/	1	Collective construction land	/	Construction site not determined
				Trading market at village level	C	500	Bamboo fungus	/	/	1	Collective construction land	/	Construction site not determined
				Trading market at village level	D	500	Bamboo fungus	/	/	1	Collective construction land	/	Construction site not determined

Province	City	County	Quantity of Trading Markets to Construct	Construction Content	Area of Planned and for Use (m ²)	Planned Industry	Proposed Sites of Construction		Actual Area of Land Used (mu)	Land Nature	Time of Acquisition	Remarks
							Township/Town	Village				
Sichuan	Luzhou	Xuyong County	1	Trading market for agricultural products	1500	Fruit	Chishui Township	Xiekou Village	2.3	Collective construction land	/	Construction site not determined
	Liangshan	Jinyang	1	Trading market for livestock	3333	Semi-fine wool sheep	Nanwa Township	Shubo Village	5	State-owned land	/	Renovated from the original trading market
Gansu	Tianshui	Zhangjiachuan County	1	Trading market for livestock	6666	Beef cattle	Malu Township	Jinshan Village	10	State-owned land	September, 2010	
	Dingxi	Weiyuan County	1	Wholesale market of improved variety	9990	Potato	Wuzhu Town	Wuzhu Village	15	Collective construction land	/	Renovated from the waste old drama stage in the village
	Qingyan	Huachi County	1	Trading market for livestock	71262	Sheep raising	Yuele Town	Xinbao Grass and Animal Industry	107	Collective construction land	/	Constructed on the collective land of

Province	City	County	Quantity of Trading Markets to Construct	Construction Content	Area of Planned and for Use (m ²)	Planned Industry	Proposed Sites of Construction		Actual Area of Land Used (mu)	Land Nature	Time of Acquisition	Remarks
							Township/Town	Village				
								Demonstration Zone				Xinbao Village by the county government through renting the collective contracted land in September 2002. The first lease period is 20 years and the rent is disbursed by the

Province	City	County	Quantity of Trading Markets to Construct	Construction Content	Area of Planned and for Use (m ²)		Planned Industry	Proposed Sites of Construction		Actual Area of Land Used (mu)	Land Nature	Time of Acquisition	Remarks
								Township/Town	Village				
													county finance
		Huanxian County	3	Trading market for livestock	A	6666	Sheep raising	Maojing Township	Zhuanchengzi Village	10	Collective construction land	/	Original collection and distribution point of livestock
					B	6666	Sheep raising	Quzi Town	Shuangcheng Village	10	Collective construction land	/	
					C	6666	Sheep raising	Yanwu Township	Xieguozui Village	10	Collective construction land	/	

Source: Screening Schedules of Land Acquisition and Demolition, Research Reports and Data Provided by Project Offices of Guizhou, Sichuan and Gansu

As the specific locations and effects of some construction projects in the project cannot be determined, the following risks may exist in the construction and industrial development of the project: first, both the project construction and industrial development requires availability of land, the development and construction of project in concatenated areas may be affected if the rural households are not willing to contribute their land; second, in addition to the small amount of land used for the construction of cooperative offices, colony houses, feed stores, epidemic prevention rooms, trading markets, warehousing collection and distribution points, processing sites and other civil works will inevitably involve land occupation. Most rural households in the project areas live on agriculture, with farming and harvesting grain and other agricultural products as their main livelihood. Once the project involves land acquisition and resettlement, it may have a negative impact on the production, lives and livelihoods of rural households, leading to reduction in the land resources of rural households and decline in agricultural income. Some rural households may be faced with the risks of falling into poverty, re-poverty or worsened poverty.

Secondly, some of the cooperatives under the support of the project may need to set up or expand production bases. Such construction or expansion may be carried out through transfer of land or joining cooperatives by contributing land as shares. This could lead to the following risks in land management: rural households involved in such arrangements may not be entirely voluntary and vulnerable rural households may not share benefits equitably.

(2) Ecological migration and relocation from place to place

The Social Assessment Group learned through field investigation and from the supplemental information obtained by communicating with the project offices in the three provinces that the ecological migration in Guizhou, Sichuan and Gansu Provinces is:

1) Guizhou: The Social Assessment Group learned through field investigation that townships that involve ecological migration in the project areas of Guizhou Province are Wenge Township in Dafang County and Shibao Township in Chishui City in Guizhou. The specific information is as follows: Haiba, Zhongzhai and Anqing Villages in Wenge Township of Dafang County are project villages and they altogether have 66 households, including 328 people, moving from Tianba Community of Haiba Village. All of the migrant rural households are poor households and they applied for the migration voluntarily. The reason was that the place of origin was characterized by inconvenient transportation, backward infrastructure facilities, harsh natural environment, and poor living conditions. In order to improve the production and living conditions, the poor rural households moved to Haibai Village, where there are convenient transportation, better living conditions and better infrastructure. These villagers live in Haibai Village but leaving their land in Zhongzhai Village, place of their origin. The nearest distance between their new residence and their land is 1-2 km and the farthestmost is 8 km. Yiqun Village and Hongxi Village in Shibao Township in Chishui City are within the scope of the project. In 2014, they will have 150 households, including 708 people, moving to the settlement in Chaoyang Community

under the ecological migration project for poverty reduction in Shibao Township.^① It includes 15 poor households, which voluntarily move from Datan Village, Xingnong Village and Yiqun Village to the migrant settlement in Hongxing Village. The farm land of these migrants in their original village community will still belong to them and they will not be distributed with new farm land in the destination of migration. The nearest distance from the new residence to the original residence and the land is 3-5 km and the farthest distance is more than 10km.

2) Sichuan: The project villages that the Social Assessment Group visited do not have ecological migrants. After consulting and communicating with the project offices at all levels in Sichuan Province, the Social Assessment Group learned that in the ecological migration within the scope of Sichuan Province, the villagers voluntarily moved from the mountainous area to the stream area in the village. The government did not organize any ecological migration or have any planning. There is no government-led ecological migration in Gulin County and Xuyong County.

3) Gansu: After visits and investigation with the local project offices, the Social Assessment Group confirmed that there is no ecological migration in the project counties of Gansu Province.

Interviews with villagers showed that the ecological migrants, like other villagers, show strong willingness to participate in the project. They expected to participate in the cooperative construction and industrial development project and have the equal rights of participation and benefit sharing as local villagers. However, as some of the migrants are separated from their land, for example, ecological migrants living in the villages of destination while leaving their land in the villages of origin, they may be faced with risks of rejecting the villages of destination and origin, insufficient resources or assets, and passivity or being marginalized when participating in the construction of cooperatives and industry development.

(3) Equal benefiting from conditional grants to cooperatives

The Social Assessment Group learned that rural households in the project areas generally reflect a lack of funds for development and production, for example, lack of funds to buy seedlings, livestock, fertilizers, pesticides, mulches, chaff cutters and other production materials. Due to lack of production funds, poor rural households can not buy better seeds or use organic fertilizers, and the effects of their industrial development are affected; the cost of a cow aged 3 months in the project areas is RMB 6,000-7,000, and the costs for cattle raising are high. In the process of cattle raising, there are costs for disease prevention and treatment and feed. Generally, rural households in the project areas held strong demand and expectation for the conditional grants to cooperatives. Thus, the equitable distribution of conditional grants to cooperatives in the implementation of the project and how to ensure poor rural households can fairly benefit from them may affect the implementation of the project and realization of the goal for the project contribute to the sustainable income of poor rural households.

^① According to the zoning result, the resettlement belongs to Group 1 of Hongxing Village in Shibao Township and is close to Chaoyang Community. It is within the planning area of market town. Thus, resettlement is defined as the resettlement of Chaoyang Community. Hongxing Village is the planning area of "World Bank Project Phase VI". The original residence of the migrants does not belong to the planning area of the project.

 **Leader of Ripai Village in Butuo County, Sichuan:**
The main difficulty in developing potato industry in the village is lack of capital. Without money, we can't buy good seedlings, which affects the scale of planting.

 **Interview with Villager in Erdanwu Village, Zhaojue County, Sichuan:**
Our family needs money. We want to raise more sheep, but we do have the money to expand the raising scale.

 **Leader of Sanyou Village in Zhangjiachuan County, Gansu:**
Larger breeders in the village have 3 cattle, while small ones have one or two. There are those who do not raise any cattle, because they don't have the money. They have no access to loans as banks require collateral and there is no mutual aid money in the village.

 **Leader of Baima Village in Huachi County, Gansu:**
In the past, we gave the sheep directly to the rural households for poverty reduction. Many of them sold the sheep when they needed money. It didn't work to reduce poverty.

(4) Risks in shortage of labor needed for the development of cooperatives and industrial chain and poor management skills of the labor force

Risks in the labor force are mainly reflected in satisfaction of the demand for labor in the construction of infrastructure and of the demand for talents in the establishment of cooperatives in the project. Most of the young and strong labor force in the project areas chooses to work in other places, leaving the elderly, children and women behind. For example, Hongxing Village in Shibao Township of Chishui City in Guizhou has a total population of 3,716, including 1,740 labor forces, which includes more than 1,200 migrant workers, accounting for more than 68.96% of the total labor force in the village. There are more than 700 old people and more than 300 children left in the village. The women who are left in the village seldom participate in external activities as they have to take care of the children and the elderly at home. In Yantang Village in Shiba Township of Xuyong County in Sichuan Province, more than 80% of the men aged under 40 seek jobs in other places, leaving the women and the elderly behind to do all the housework and farm work. The infrastructure construction in the project requires the participation of labor force, one that has certain strength and relatively abundant time. The women, elderly, and children who are left in rural areas hoped that the completion of project will provide better economic benefits to attract the outflow family member to return to develop local industries and take care of the families.

Establishment, management and maintenance of cooperatives, industrial planning and implementation, and management of production bases all require labor force and raise some requirements on the education levels, social skills and technical skill levels of the labor force. Thus, how to attract the labor force back through the project construction to ensure sufficient labor force for the operation of cooperatives and industrial development has a great impact on the smooth implementation and development of the project and realization of the goal to develop efficient, ecological, and high value-added industries.

 **Mr. Zhang in Haiba Village, Dafang County, Guizhou:**
There are more than 400 households depending on the minimum living guarantee in the village. Few households are engaged in gastrodia elata planting. They don't have the start-up capital, and most of these households do not have labor. The children go out to work, leaving the elderly and the disabled family members at home.

(5) Risk in the operation and management of public infrastructure in rural areas

Newly constructed or renovated production roads, terraces, irrigation facilities, electricity facilities and other infrastructure are aimed to lay a foundation for adjustment in the agricultural industrial structure and development of modern industry value chain by improving infrastructure and public services.

In views of the villagers, these infrastructure facilities can provide convenience for their production and lives and are also an important problem that they are eager to improve through the project as it cannot be solved by a single village or several individuals. Villagers are particularly concerned about water shortage and lack of flat or hardened roads. In their opinions, without water, crops cannot be grown and cattle or sheep will not live; without good roads, pesticides and fertilizers can not be transported into the village while crops, cattle and sheep cannot be sold out. Interviews with the persons in charge of cooperatives revealed that infrastructure has become an important factor limiting the development of cooperatives, especially water sources for irrigation, farm tracks, access roads and trading markets.

Because this public infrastructure is public undertakings, it is difficult to solve by single effort. They hoped the government can help solve this problem; but at the same time, the villagers also fear that this public infrastructure may lose their functions for constant use and wear if nobody maintains or manages them. In that case, their production and live will become inconvenient again. In the interviews with some of the township and village cadres, they considered that management of infrastructure is more important than construction. Without management after construction, the infrastructure will soon worn out.

 **Women Symposium in Tongxin Village, Miao Township of Masi, Gulin County, Sichuan:**

I hope the project can promote the construction of irrigation facilities and farm track. We can travel by tricycle so save labor and expenses; usually we have to walk to the field and carry the agricultural products with pack baskets. It's a heavy labor burden. The constructed roads and water facilities must be managed, or they can break down easily and become useless.

4 Farmer Cooperative Analysis

4.1 Farmer Cooperative Organization

The farmer cooperative organizations in the project counties can be divided into 4 types, including: 1) professional farmer cooperative; 2) professional farmer association; 3) fund cooperation society; 4) mutual aid group of villagers. The natures, functions, characteristics and operational modes of these 4 farmer cooperative organizations are shown in the following table.

Table 4-1 List of Farmer Cooperative Organization Types in the Project Counties

No.	Type	Nature	Function and Characteristics	Operational Modes	Remarks
1	Professional farmer cooperative	Economic organization with corporate capacity	<p>a. carrying out for-profit business activities on the basis of household contract management right;</p> <p>b. carrying out entity business activities like purchase of production materials, and sales, processing, storage, and transportation of agricultural products;</p> <p>c. voluntary membership of rural households;</p> <p>d. funding from the capital stock or entrance fees contributed by members;</p> <p>e. with dual economic and social attributes, for-profit externally and non-profit internally.</p>	<p>For example, in the improved variety of Wanfo virus-free potato breeding cooperative in Xuwan Village, Yongjing County, Linxia Prefecture, Gansu, the rural households sell the potato they produce sales to the cooperative, which then will store the potatoes in the warehouse and sell them when there is property price. Its main operational modes are: company + cooperative + rural household, company + base + cooperative, cooperative + rural household, farmer cooperatives, cooperative + base + rural household.</p>	<p>Registered in the industrial and commercial administration department, having operational modes varying with the subject and relationship in the industrial chain, and the profit distribution mechanism.</p>
2	Professional farmer association	Society organization	<p>a. carrying out nonprofit business activities;</p> <p>b. providing technical exchanges and services for members;</p> <p>c. voluntary membership, weak binding force, and dramatic variations in membership;</p> <p>d. funding from the annual membership fees.</p>	<p>For example, in Fuqiang Sheep Raising Association in Dongxiang County, Linxia Prefecture, Gansu, the association was initiated by the local large sheep breeders to be mainly responsible for providing guidance about raising techniques to breeders.</p>	<p>Registered in the civil affairs department as a civil society organization, relatively loose organization and management, not engaged in profitable activities</p>

				Its main mode is agricultural association + rural household.	
3	Mutual aid group	Non-governmental organization	<ul style="list-style-type: none"> a. self-organization and voluntary membership of villagers; b. self-financed by villagers; c. nonprofit; d. mutual aid tradition of Yi nationality. 	For example, in the Mutual Aid Group of Villagers in Butuo County, Liangshan Prefecture, Sichuan, the members raised money as mutual funds for relief assistance for members. The specific financing and borrowing limits, repayment period and interest are determined by the group itself.	Mutual aid groups were created under the initiative of the Heifer Project International, mainly distributed in Meigu and Butuo Counties in Liangshan Prefecture
4	Fund cooperation society	Society organization	<ul style="list-style-type: none"> a. voluntary membership and withdrawal; b. mutual funds from the government, enterprises and rural households; c. required mutual aid fund from members, on a household basis, one household for one member; d. mutual funds sourced from guaranteed loans for members in the society for a term of 1 year. 	For example, the mutual help society (fund cooperative society) in Qiaolu Village, Dongxiang County, Linxia Prefecture, Gansu, follows the financing channel of “government + company + member + others”. The loaning of one household needs the guarantee of two and the loan ranges from RMB 3,000 to 20,000 for a period of one year. The annual interest is 6 %.	The fund cooperation societies were developed from the previous mutual aid associations for poverty reduction in Linxia Prefecture, but with more diverse financing channels and stronger operability, commonly known as “the Linxia Mode”.

4.2 Current Status of Professional Farmer Cooperatives

4.2.1. CLASSIFICATION OF PROFESSIONAL FARMER COOPERATIVES

Based on the classification criteria stated in the *Classification of National Economic Industries*, with sales, processing, transportation and storage of a certain agricultural product, purchase of its materials, and technology, information and other services related to the production and operation of such agricultural product as the bond... (这句中文是不是没写完, 请核查)

(1) By Industry

By the businesses they are engaged in, professional farmer cooperatives can be classified into: planting farmer cooperatives, breeding farmer cooperatives, and tourism farmer cooperatives; by the industrial characteristics of the project areas, planting farmer cooperatives can be sub-classified into: grain planting farmer cooperatives, vegetable planting farmer cooperatives, tea planting farmer cooperatives and Chinese medicinal herb planting farmer cooperatives.^③

According to the field investigation of the Social Assessment Group, specific information about the professional farmer cooperatives in Guizhou, Sichuan and Gansu Provinces is as follows:

The surveyed professional farmer cooperatives in the project areas in Guizhou Province are divided into the following main categories: 4 planting farmer cooperatives, accounting for 66.8%; one breeding farmer cooperative, accounting for 16.6%; one tourism farmer cooperative, accounting for 16.6%. The planting farmer cooperatives include 2 Chinese medicinal herb planting farmer cooperatives, one vegetable planting farmer cooperative and one tea planting farmer cooperative.

The surveyed professional farmer cooperatives in the project areas in Sichuan Province all belong to planting farmer cooperatives, and there are 8 cooperatives in total: 3 fruit/nut planting farmer cooperatives, 4 grain planting farmer cooperatives, and one vegetable planting farmer cooperative.

The surveyed professional farmer cooperatives in the project areas in Gansu Province are divided into the following main categories: 9 planting farmer cooperatives and 17 breeding farmer cooperatives. The planting farmer cooperatives include 2 grain planting farmer cooperatives, one Chinese medicinal herb planting farmer cooperatives, and 6 fruit planting farmer cooperatives.

Table 4-2 Classification of the Surveyed Professional Farmer Cooperatives

Province	Planting Farmer Cooperative		Breeding Farmer Cooperative		Tourism Farmer Cooperative		Total	
	n	%	n	%	n	%	n	%
Guizhou	4	66.8	1	16.6	1	16.6	6	100
Sichuan	8	100	0	0	0	0	8	100

^③ The analysis of professional farmer cooperatives in this chapter does not include farmer associations. There are 25 professional farmer cooperatives and one farmer association in the basic information table about professional farmer cooperatives in Gansu Province, but the farmer association is not included in the statistical analysis.

Gansu	8	32	17	68	0	0	25	100
Total	20	51.3	18	46.2	1	2.5	39	100

(2) By Service

According to the services they provide, cooperatives in the project areas can be divided into: integrated cooperatives, production cooperatives, warehousing cooperatives, marketing cooperatives, and processing cooperatives.

The Social Assessment Group found through field investigation and analysis that 37 of 39 professional farmer cooperatives are integrated cooperatives, except Xinyuan Breeding Cooperative in Zhangjiachuan County and Shuanghong Breeding Cooperative in Jingning County. Integrated cooperatives are those that are more or less engaged in providing means of production (such as seeds, fertilizers, and pesticides), technical training, standardized management, and services like storage and sale of agricultural products. Thus, the professional farmer cooperatives in the project areas are mostly integrated cooperatives.

4.2.2. ORGANIZATIONAL COMPOSITION AND STAFFING

The organizational structure of professional farmer cooperatives includes the general assembly of members, the board of directors, and the supervisory board. The general assembly of members is composed of all the members; the board of directors is responsible for daily operations of the cooperative; the supervisory board is responsible for internal supervision over the operation of the cooperative. The field investigation showed that the 39 surveyed professional farmer cooperatives have basically set up organizational structures according to *Law of the People's Republic of China on Professional Farmer Cooperatives*.

(1) Scale of Management Personnel in Cooperatives

The management personnel responsible for the major daily activities of cooperatives are: members of the director board, members of the supervisory board, and the financial and accounting staff. According to field investigation, the management personnel of a cooperative generally include 2-20 people, specifically:

Most of the professional farmer cooperatives in Guizhou have a 5-person or less management team, accounting for 50%; the second largest proportion, 33.3%, is a 5- to 10-person team; cooperatives having a 10-person or more management team take up 16.7%.

Most of the professional farmer cooperatives in Sichuan have a 5- to 10-person management team, accounting for 62.5%; the second largest proportion, 25%, is a 10-person or more team; cooperatives having a 5-person or less management team take up 16.7%.

Most of the professional farmer cooperatives in Gansu have a 5- to 10-person management team, accounting for 48.7%; the second largest proportion, 41%, is a 5-person or less team; cooperatives having a 10-person or more management team take up 10.3%.

Overall, most of the professional farmer cooperatives have a 5- to 10-person management team.

Table 4-3 Scale of Management Personnel in the Surveyed Professional Farmer Cooperatives

Province	5 People or Less		5-10 People		10 People or More		Total	
	n	%	n	%	n	%	n	%
Guizhou	3	50	2	33.3	1	16.7	6	100
Sichuan	1	12.5	5	62.5	2	25	8	100
Gansu	12	48	12	48	1	4	26	100
Total	16	41	19	48.7	4	10.3	39	100

(2) Driving Forces of Cooperatives

According to composition of promoters and management of cooperatives, cooperatives can be divided into those driven by village cadres, those driven by capable individuals and large households, and those driven by village cadres + capable individuals and large households, specifically:

The percent of cooperatives driven by village cadres in Guizhou is 16.7%; the percent of those driven by capable individuals and large households is 83.3%; those that are driven by capable individuals and large households are dominant.

The percent of cooperatives driven by village cadres in Sichuan is 62.5%; the percent of those driven by capable individuals and large households is 37.5%; those that are driven by village cadres are dominant.

The percent of cooperatives driven by village cadres in Gansu is 20%; the percent of those driven by capable individuals and large households is 48%; those that are driven by village cadres + capable individuals and large households is 32%; those that are driven by capable individuals and large households are dominant.

Table 4-4 Driving Forces of the Surveyed Professional Farmer Cooperatives

Province	Driven by Village Cadres		Driven by Capable Individuals and Large Households		Driven by Village Cadres + Capable Individuals and Large Households		Total	
	n	%	n	%	n	%	n	%
Guizhou	1	16.7	5	83.3	0	0	6	100
Sichuan	5	62.5	3	37.5	0	0	8	100
Gansu	5	20	12	48	8	32	25	100
Total	11	28.2	19	51.3	8	20.5	39	100

The field investigation found that there are huge differences in the establishment of professional farmer cooperatives in different places due to regional differences and ethnic minority areas. For example, cooperatives in Yi Nationality of Liangshan in Sichuan are mostly created by agents of families or guided by professional personnel from the government; the professional farmer cooperatives in Huanxian County and Zhengning County in Gansu mostly set up a party branch composed of members of village committee to provide theoretical and policy guidance on the development of cooperatives.

4.2.3. PROFIT DISTRIBUTION

(1) Establishment of Profit Distribution Mechanisms in Cooperatives of Rural Households

Rural households participating in profit distributing of cooperatives is about the distribution of profits

(i.e., surplus) obtained by cooperatives through external operation activities. The establishment of the profit distribution of cooperatives for rural households is the precondition for the follow-up profit distribution. The analysis on the participation of rural households in the profit distribution of cooperatives in three provinces yielded the following results:

Half of the professional farmer cooperatives in Guizhou have established a profit distribution mechanism for rural households and the other half of the cooperatives have not; according to field investigation and feedback from rural households, only 2 cooperatives actually distributed profits to the rural households, accounting for 33.3%.

37.5% of the professional farmer cooperatives in Sichuan have established a profit distribution mechanism for rural households and 62.5% have not; 3 cooperatives actually distributed profits to the rural households.

43.6% of the professional farmer cooperatives in Gansu have established a profit distribution mechanism for rural households and 56.4% have not; only 5 cooperatives actually distributed profits to the rural households, accounting for 20%.

Table 4-5 Establishment of Profit Distribution Mechanisms for Rural Households in the Surveyed Cooperatives

Province	With A Profit Distribution Mechanism		Without A Profit Distribution Mechanism		Total	
	n	%	n	%	n	%
Guizhou	3	50	3	50	6	100
Sichuan	3	37.5	5	62.5	8	100
Gansu	11	44	14	56	25	100
Total	17	43.6	22	56.4	39	100

(2) Ways for Rural Households to Participate in the Profit Distribution of Cooperatives

Analysis on the profit distribution of professional farmer cooperatives needs to involve how profits are distributed in addition whether they are distributed. Judging from the situation in the project areas, cooperative members mainly get free or favorable means of production, technical guidance and training, product sales and other services, and are less involved in the actual profit distribution. In most of the areas, especially in poor ones, the rural households know little about cooperatives. The statistics about the participation of rural households in the profit distribution of cooperatives does not include distribution of the profits only on the basis of contribution shares of cooperatives partners; therefore, based on the profit distribution of the surveyed cooperatives, the main distribution ways include:

- ① Returning by trading amount: the surveyed cooperatives in Guizhou have not yet created the profit distribution based on trading amount; 2 cooperatives in Sichua follow such profit distribution way, accounting for 40%; 7 cooperatives in Gansu follow such profit distribution way, accounting for 58.4%.
- ② Sharing dividends by contributing capital: all the cooperatives, totally 3, surveyed in Guizhou share dividends by contributing capital; 2 cooperatives in Sichuan share dividends by contributing capital, accounting for 40%; 3 cooperatives in Gansu Province share dividends by contributing capital, accounting for 25%.

Leader of Jiangshan White Konjac Cooperative in Jinyang County, Sichuan:

Revenue obtained from planting and selling white konjac, after the costs for fertilizers, seeds, workers, management and pesticides are deducted, are distributed according to the shares of capital and land. For example, the profit in 2013 was RMB 100,000 while the costs were RMB 20,000, so the profit was RMB 80,000. The land contributed by rural households was converted into capital contribution that accounted for 20% shares, the capital contribution of rural households was valued 20% shares, while the capital contribution of partners was 60% shares. Thus, the profit, RMB 80,000, was distributed according to the shares of 20% (specific to the share of each household), 20% and 60%. If cooperatives have signed agreements with rural households, the profit distribution is the job of accountants.

③ Stock dividends: The surveyed cooperatives in Guizhou and Sichuan do not follow the profit distribution by stock dividends, while one cooperative in Gansu follows this way, accounting for 8.3%.

④ Bonus: The surveyed cooperatives in Guizhou do follow the profit distribution by bonus, while one cooperative in Gansu follows this way, accounting for 8.3%.

Judging from the field investigation, rural households may be distributed with profits in one way or more than one way. For example, the purple potato cooperative in Butuo County of Liangshan Prefecture distributes its profits by both trading amount and bonus. Distributing profits by trading amount and contributing capital are two prevailing ways.

Table 4-6 Statistics on the Ways of Profit Distribution for Rural Households in Cooperatives

Province	By Trading Volume		By Contributing Capital		By Stock Dividends		By Bonus	
	n	%	n	%	n	%	n	%
Guizhou	0	0	3	100	0	0	0	0
Sichuan	2	40	2	40	0	0	1	20
Gansu	7	58.4	3	25	1	8.3	1	8.3

Note: A cooperative may follow several ways of profit distribution, thus it may be included more than once in the statistics.

4.2.4. PARTICIPATION AND BENEFIT SHARING OF THE POOR

It is found through field investigation that the ways rural households participate in cooperatives mainly include: ① rural households have free access to or purchase agricultural means of production at low prices through cooperatives; ② rural households get rent of land after leasing land to cooperatives; ③ rural households get shares and profits after being shareholders through investing soil and other means of production to cooperatives; ④ farmers work at production bases of cooperatives and get labor income; ⑤ rural households accept technical guidance and training from cooperatives; ⑥ rural households sell products through cooperatives and benefit from high sale prices; ⑦ rural households acquire rebates; ⑧ rural households express their views at the general assembly of members; etc. Although rural households in the project areas face such difficulties as living at the mercy of the elements, inconvenient traffic, poor agricultural infrastructure, fragile ecological environment and low level of education, the poor rural households are often in low level of participation ability and degree in cooperative development due to insufficient labor, sick family members, high life pressure for more elderly and children, etc. Their participation and benefit sharing in cooperative development are as

follows:

(1) Having free access to or purchasing agricultural means of production at low prices through cooperatives

It is common for rural households to have free access or purchase agricultural means of production at low prices in planting cooperatives. The ways in which cooperatives provide seeds/seedlings, fertilizers and other means of production to rural households include: A. Providing for free to rural households before planting, and then deducting the cost of production when rural households have harvested or acquired capital; for example, Wuzhu Potato Breeding Cooperative in Weiyuan County in Gansu would provide seed potatoes to poor rural households in advance for free; B. The cooperatives get cheaper prices through a unified purchase of means of production such as seeds, fertilizers, etc. and then sell them to rural households at prices lower than market levels; C. Some cooperatives provide free means of production to rural households by participating in projects and acquiring capital. For example, Fule Vegetable Planting Cooperative in Meigu County of Sichuan financed RMB 10,000-20,000 for purchasing cabbage seeds through Rural Work Office of the County Party Committee and provided them for farmers for free; Yulin Walnut Cooperative in Gulin County of Sichuan develops walnut industry with 100-mu (about 6.67 hectares) walnut seedlings provided by Forestry Bureau of the county. The way of providing free access to or purchasing agricultural means of production at low prices can make poor rural household directly participate and benefit.

Breeding farmer cooperatives have similar ways of participating and benefit sharing to planting farmer cooperatives. For example, Langdutan Breeding Farmer Cooperative in Minxian County of Gansu allows rural households to take 10 lambs from the base and deducts the cost after they have sold their sheep. In addition, some breeding cooperatives can effectively reduce the purchase price through a unified purchase of high quality ewe/cow from other places. Some counties and cities have the projects like providing ewe/cow in entire-village advancement projects. For example, the poverty reduction project in Anding District distributed one to three lambs to generally poor households, and the households raised half the cost (about 500 yuan per lamb); besides, some breeding enterprises cooperated with rural households to carry out the project of investing ewe/cow to return lamb/veal.

 **Baima Village in Huachi County, Gansu:**

The cooperative provides 10 lambs for villagers to raise at home. Lambs will be collectively purchased and fattened at farm. If the villagers raise the lambs well, the cooperative will help them sell the sheep as agent. The cooperative can provide lambs to villagers for free and villagers need to return 10 lambs and 10 sheep in three years, or 10 lambs and 3 sheep in one year.

(2) Getting rent of land after leasing land to cooperative

It is common in rural areas that rural households get rent by leasing their land to cooperatives or enterprises as a production base or breeding area. The land rent is related to its location, fertilization and distribution. In general, the rent of farm land that is closer to roads or with convenient traffic is higher. The rent of fertile land is higher than that of non-fertile land and the rent of concatenated

land higher than that of scattered land. For example, the planting area of the base belonging to Tiandi Jinghua Green Pepper and White Konjac Farmer Cooperative in Jingyang County of Sichuan Province is over 300 mu (20 hectares), in which 100 mu (about 6.67 hectares) is contracted and more than 200 mu (about 13.33 hectares) is purchased from wasteland for reclamation. The contracted land costs a rent of 800 yuan/mu, and the contract signed with the rural household lasts for 5 years. Generally, the rented land is arable land that is relatively flat and concatenated.

(3) Getting shares and profits after being shareholder through investing soil and other means of production to cooperatives

Rural households can become shareholders of cooperatives in many ways, such as by contributing capital, labor, or land. Poor rural households mostly contribute land to be shareholders of cooperatives. It is difficult for them to invest capital or labor due to insufficient labor, capital or other reasons. Meanwhile, capital and labor are also reasons that restrict poor rural households from being engaged in agricultural activities. Thus, poor rural households are more willing to be shareholders of cooperatives by contributing their land.

Leader of Jiangshan White Konjac Cooperative in Jinyang County, Sichuan:

The cooperative signed contracts with rural households in April this year. Totally 100-mu (about 6.67 hectares) land is transferred and 89 rural households are involved, in which 12 of them invest land and 77 lease land. The land is converted to capital for shares and is divided into four grades – 500 yuan/mu (about 0.07 hectares), 700 yuan/mu, 800 yuan/mu and 1,000 yuan/mu, according to geographical location (Grande I and II land has been determined during land contracting) and soil texture, through negotiation with rural households. Some rural households invest capital, but not large. The rural households transferring land can work at the base of the cooperative or plant on their other land.

(4) Working at production bases of cooperatives for labor income

Working at production bases of cooperatives is a way for rural households to get income through cooperatives. It is common in planting farmer cooperatives, such as cooperatives of improved potato planting and Chinese medicinal herb planting. Generally, members or shareholders are prioritized when a cooperative has job opportunities. For example, they will be provided first for rural households that have transferred their land to the cooperative. In this case, rural households can get work income without leaving the village. However, due to the strong seasonal feature of planting, rural households get limited amount of revenue through working at bases of cooperatives, and the attraction of employment opportunities in cooperatives to rural households is also limited. In addition, there are few employment opportunities provided by breeding farmer cooperatives, and the demand of modern farms for manpower is even less. The premise for poor rural households to get employment opportunities in cooperatives is that they must be able to provide certain labor. Therefore, few poor rural households can be employed by cooperatives.

Villager of Haiba Village in Dafang County, Guizhou:

Gastrodia elata planting requires full manual without any mechanized operations. Rural households that transferred their land to cooperatives enjoy the priority to work at the base of the cooperative. The work is generally settled by day and the wage is generally 50-80 yuan/day; labor is required generally for seeding in March-April and harvest in October-December. Field management and fertilizer application are not required basically in the middle months; 12-15 workers are needed for cultivation on the land per mu (about 0.07 hectares) of land.

 **Leader of Saishidai Chinese Medicinal Herb Cooperative in Dafang County:**

There are two ways for rural households to participate. One is joining cooperatives. Rural households can plant and sell Chinese medicinal herb through cooperatives; the other is working at the bases of cooperatives. The medicinal herb is sold at 3 yuan/0.5 kg and the rural households can gain 50-100 yuan a day, generally 50-70 yuan. 30 workers are needed in one day on average, and each of them can earn more than 100 yuan at most. The workers are mostly women. Male workers are required for plowing.

(5) Participating in the technical guidance and training of cooperatives

Providing industry-related technical guidance and training to members is one of the service functions that cooperatives perform. Based on the communication with rural households, the demands of rural households for cooperatives include, in addition to getting sale services, having access to relevant information and technical guidance and training. The Agriculture and Animal Husbandry Bureau and other relevant departments develop training programs for cooperatives each year, but most of them are designed for the leaders and relevant managers of cooperatives, and few can benefit to cooperative members. In fact, cooperatives also rarely hold theoretical lectures indoors. In most cases, technical staff would offer guidance and explanation to rural households about their planting and breeding in the fields; also, some members may consult skilled personnel of cooperatives during the planting and breeding process to get technical guidance.

 **Wuzhu Potato Breeding Cooperative in Weiyuan County, Gansu:**

Training on potato planting: Four times a year at least. It is led by agricultural technique spreading center and agricultural department. The town has an Agricultural & Forestry Service Center and conducts poverty reduction training relying on professional sectors and industry management office. The training can cover 98% of rural households. The training is targeted at household as a unit, one person from one household. Cooperatives also provide training for their members.

 **Member of Yuhong Rural Tourism Cooperative:**

It does not need to pay any fee to join the cooperative. Rural households as members of the cooperative would get training on attracting tourists and other relevant issues from the cooperative. The cooperative and the county tourism office provide relevant training mainly on ceremonial reception, sanitation, cooking and other aspects. Villagers can participate in the training voluntarily and do not pay any fees.

Selling products through cooperatives

Members of cooperatives can get marketing information and channels of agricultural products through cooperatives. It is learnt from interviews with organizational personnel of cooperatives and rural households that generally the agricultural products of members can be sold through cooperatives or self-marketing; some cooperatives build relationships with enterprises and sign order-based agriculture contracts with them. Enterprises will purchase the products of cooperative members at a protective price. Those who are not members of cooperatives can also sell their products through cooperatives, but a higher handling charge is required.

 **Leader of Xingkun Fruit Industry Cooperative in Heshui County, Gansu:**

The cooperative provides supporting agricultural means of production and their own agricultural outlets with slightly lower price than market price; the cooperative has broker who negotiates with vendor on price and the final negotiated price is 2-3 cents higher than that sold by rural household.

(6) Getting rebates

According to the investigation and analysis data on cooperatives in three provinces, totally 9 cooperatives mention rebates in their profit distribution systems, which accounts for 23% of the surveyed cooperatives; however, only 3 to 4 cooperatives actually offer rebates to their members and most of these cooperatives are composed of planting and breeding households and capable people. The poor rural households getting rebates are less. The participation of poor rural households in the rebate distribution of cooperatives depends on the membership of poor rural households in cooperatives and the organizational structure and operation of the cooperatives they join.

 **Leader of Dashu Village, Dongxiang Autonomous County, Gansu:**

Now there is no cooperative in our village, and it is difficult to found a cooperative in future. One reason is villagers' distrust in profit sharing and the other reason is that most of the villagers are accustomed to the mode household farming and marketing. In addition, large amount of capital is required on centralized establishment of sheepfolds on farms and centralized purchase of lambs, which is totally beyond the means of cooperatives. However, household farming and management is still supported and it is better to build cooperatives for unified management under government's guidance, because this can save part of the costs.

(7) Expressing views at the general assembly of members

In fact, the cooperatives visited by the Social Assessment Group are relatively better ones in the eyes of the village committees involved in the project. However, among the actually investigated cooperatives, only 19 run moderately or well, accounting for 48.72% of all the surveyed cooperatives. The participation of rural households in cooperatives can be estimated from two aspects: one is the activities organized and conducted by the leaders and relevant managers of cooperatives, and the other is rural households' understanding of and participation in cooperatives.

From the view of cooperative leaders, cooperatives seldom host general assembly of members. If there is something important to discuss, only several directors and supervisors are convened to make decisions together; most cooperatives rarely host general assembly of members and the few cooperatives that host the general assembly usually convene some villager representatives to attend and talk about the cooperative casually. Based on the understanding of rural households towards cooperatives and their attendance in the general assembly of members, most rural households do not join any cooperatives. They simply heard about them, or even had no idea that there are cooperatives in their village. Few members participated in the general assembly of members, and therefore fewer members had the chance to express their views at that. The reasons behind this common phenomenon include: first, the inconvenient traffic in poor areas and scattered settlements bring difficulty for the hosting of such general assembly. Second, leaders of cooperatives consider that the general assembly is

inefficient and it will be hard to reach a consensus if too many people participate to contribute their opinions. Besides, villagers generally do not express any opinion. Third, villager assembly is rarely opened and villagers are usually informed of any information through broadcasting station in the village.

(8) Being managers of cooperatives

The field investigation showed that cooperatives are generally launched by major breeding households, village cadres, fortune makers, businessmen, and personnel from the agriculture and animal husbandry sector in towns, who are mostly economic or political elites in the villages with good eloquence and abundant social networks or work experience in other places. Also in ethnic minority areas, the promoters of cooperatives have minority cultural backgrounds and customs. For example, in the Yi minority region, the cooperatives are generally launched by Degu (authority in Yi nationality) or family elites. Among the surveyed cooperatives, none of them was launched by poor rural households and no poor rural farmers are listed in the organizational management structures, such as the board of directors, supervisory board, accountants, etc. There are only few poor rural households as members.

Table 4-7 Basic Conditions of Professional Farmer Cooperatives in Project Counties in Guizhou Province

No.	Area	Name of Cooperative Organizations	Villages Involved	Operational Mode	Operational Status	Labor division of all bodies	Registry	Organizational Structure of Professional Farmer Cooperatives	Shares and Profit Distribution	Business
1	Dafang County, Bijie City	Shunfeng Ecological Agriculture Development Cooperative in Dafang County	Haiba Village	Company+ cooperative + base + rural household	Operated well	The company is responsible for sales. The Cooperative is responsible for seedlings, techniques, purchases and processing. The basis refers to the planting area of gastrodia elata on transferred land. Households with large amount of gastrodia elata are modeling. The processed products by the cooperative may either be directly sold to the company or be marketed by the company with 3%-5% of the sales drawn by the company. The households can transfer their lands, or work in the base or plant the gastrodia elata on their own.	Registered in 2009 with a registered capital of 112,000,000 RMB which is now added to 281,000,000 RMB.	Administration: 8 people of Han nationality, including 3 women. Driven by able men and the initiator was engaged in business before. Members: 5,200 in total, including 1944 women, 580 people of minority ethnic groups, and 2012 impoverished.	The legal person holds 60% and shareholders hold 20%, and rural household hold 20%. Members of the cooperative can subscribe 10,000 RMB to 100,000,000 RMB. For each 10,000 RMB, the household can enjoy a dividend of 2,000 RMB to 5,000 RMB by	Planting, processing and marketing of gastrodia elata

									the end of the year. And impoverished people can subscribe with their lands.	
2	Dafang County, Bijie City	Juli Modern Farming Professional Cooperative	Shiguan Village	Cooperative + base + rural household	Operated well	The cooperative provides seeds, techniques and chemical fertilizers. Standard management is exercised. The rural households can have their lands transferred and work on the base. There are ten greenhouses of 13,000 square meters for seedling growing. The planting base covers an area of 10,000 mu, covering Dafang Town, Shuangshan Town and Zhuyuan Town.	Registered in 2010 with a registered capital of 160,000 RMB which is now added to 600,000,000 RMB.	Administration: 5 people including 2 women. It is driven by able men. Members: 1,260, including 508 women, 415 people of minority ethnic groups and 315 impoverished.	The head of the Cooperative holds 90% of the total shares and rural households hold 10%. The equity is distributed either in capital or in lands.	Planting, marketing, product development of chilli and information consultation.
3	Dafang County, Bijie City	Saishidai Professional Cooperative of Chinese Medicinal Hebal in Dafang County	Bijiao Village	Company + cooperative + base + rural household	Operated well	The rural households transfer their lands to the Cooperative and work on the base.	Registered in 2010 with a registered capital of 500,000 RMB.	Administration: all 5 people are women. It is driven by able man. The initiator was a community-sponsored teacher who was engaged in business before.	The head of the Cooperative holds 25% of the total shares and each of the other 4 shareholders	Planting, seedlings cultivation, primary processing, storage, transportation and

								Members: 46 people, including 43 women.	holds 18.75%. Members do not pay membership fees.	marketing of Chinese herbals.
4	Zhijin County, Bijie City	Professional Farmer Cooperative in Xinzhai Village	Xinzhai Village	Company + cooperative + rural household	It is still under application procedures and not started yet.	The Company provides free training on seedling and techniques, and is responsible for intensive processing and marketing of tea. The Cooperative is responsible for land transfer, management of tea planting, technological guiding, and primary processing of tea. Rural households become shareholders of the cooperative, participating in planting or rent their lands.	Under application	Administration: 6 people, including 2 women. It is driven by leaders of the village. The village committee and the Cooperative are under the leadership of the same group of leaders though they have different titles.	The Cooperative has paid shares which are paid either in capital or in land. When paid in land, the area and benefit are seen as the measurement of value. The lands are transferred at the price of 200 RMB/mu/Year and land of large pieces enjoys a priority when transferred.	Tea planting, primary processing and then transported to the Company for intensive processing.

5	Xishui County in Zunyi City	Professional Farmer Cooperative of Native Goat Breeding in Xishui County	6 administrative villages in Liangcun Town	Coopertive + rural household	Not under standard operation. Not functioning yet.	The Cooperative has not started yet, and members are not closely related.	Registered in July, 2013	Administration: both 2 people are male. It is driven by able big household.	No members paid for the shares.	Breeding of native goats in north Guizhou, processing and marketing of commodity sheep.
6	Xishui County in Zunyi City	Yuhong Rural Tourism Cooperative	Yangjiu Village	Cooperative + rural household	Not under standard operation	The Cooperative is responsible for publicity, training on catery, etiquette, and security, tourists distribution, and marketing of local products. The Cooperative has independent offices.	Registered in 2011 with a registered capital of 100,000 RMB.	Administration: 3 people, including 1 woman. It is driven by able men. And the Cooperative is privately-owned.	No shares. The sales of local products are the main source of capital of the Cooperative. Some farmers are in the Cooperative while others organize their own cooperatives. Some farmers in the Cooperative are attracting customers on their own.	Service of tourist distribution, and marketing of tourist commodity

Table 4-8 Basic Conditions of Professional Farmer Cooperatives in Project Counties in Sichuan Province

No.	Area	Name of Cooperative Organizations	Villages Involved	Operational Mode	Operational Status	Labor Division of All Bodies	Registry	Organizational Structure of Professional Farmer Cooperatives	Shares and Profit Distribution	Businesses
1	Gulin County in Luzhou City	Sweet Orange Planting Cooperative in Yulin Village	Yulin Village	Cooperative + rural household	Operated moderately. The sweet oranges have not fruited yet. Rural households with large amount of oranges account for one third of the Cooperative.	The first batch of seedlings are purchases with special funds for poverty alleviation by the Agriculture Bureau	Registered in 2012 with a registered capital of 500,000,000 RMB.	Administration: all 6 people are male. It is driven by leaders of the village. The village secretary is in charge of the Cooperative. Member: 78, including 5 impoverished.	No members holding shares for dividends	Planting and marketing of sweet oranges
2	Gulin County in Luzhou City	Walnut Planting Cooperative in Yulin Village	Yulin Village	Cooperative + rural household	Operating not well or standardly. It is newly established and it takes 5 to years for the walnut to	In the initial stage of the Cooperative, the seedlings and technological guiding are provided by the Forestry Bureau while cultivation techniques and pest control	Registered in 2011 with a registered capital of 500,000,000	Administration: 6, including 2 women. It is driven by able men. The person in charge of the Cooperative runs a supermarket on his own. Two of the 6	No rural household shares yet. The Cooperative rents a land of 100 Mu from rural households at the price of	Planting and marketing of walnuts

					fruit.	techniques are provided by Sichuan Academy of Agricultural Science. In the later state, the Cooperative is responsible for seedlings, technological guiding, purchasing and marketing of walnuts. Rural households are responsible for planting walnuts and learning techniques of walnut planting.	RMB.	people are members of the Village Committee. Literacy, economic condition, social ability, Party membership are taking into consideration when a member is admitted.	900 RMB/mu.	
3	Xuyong County in Luzhou City	Sweet Orange Cooperative in Yantang Village, Shiba Township, Xuyong County	Yantang Village	Cooperative + rural household	Operated poorly	The Cooperative is responsible for large-scale pest prevention and control, on-site training technical guiding for villagers. Rural households are responsible for planting sweet oranges and field management.	Registered in 2011, the registered capital unknown.	Administration: all 6 people are male. It is driven by leaders in the village. The director and the associate director are from two neighboring villages who are members of the village committee of their respective village. Members: 50-60 households. The Cooperative is	No shares. The government assigned the lands suitable for sweet oranges as the modeling base. Land contractors in the base are responsible for orange planting while the Cooperative and the government helps marketing,	Planting and marketing of sweet oranges

								guided by government of the country level and the township level. Pieces of connected lands are assigned as modeling base in two villages of which the altitude is between 600 and 800 meters which is suitable for planting sweet oranges. Villagers in the range of the base are members of the Cooperative while those out of the base are not members.	gaining benefits in accordance with the sales.	
4	Jinyang County in Liangshan	Jianshan White Konjac Cooperative	Tangjiawuji Village	Cooperative + rural household	Operated well	The Cooperative supplies seedlings, fertilizers, and pesticides to rural households. After getting profits, the costs of seedlings, fertilizers and pesticides of rural households will be deducted. The	Registered in 2013 with a registered capital of 500,000,000 RMB.	Administration: 6 people, including 3 women. It is a family cooperative driven by able men. It has two legal representatives. One is a master hand in konjak planting	Lands of 12 rural households of the 89 households involved in land transfer paid for the shares with their lands while the rest rent their	Planting, processing, marketing, transportation, selling, storage

						<p>government provides free training, guiding on techniques and field management, and purchases the products at a guaranteed price. The rural households are responsible for planting, providing lands or work on the base, participating in the training.</p>		<p>while the other enjoys a wide range of social resources. And a full-time accountant is employed.</p>	<p>lands. Land shares: the land is converted to capital when paid for shares. The lands are assessed in accordance with geographical location (according to which the lands are classified into Level I and Level II when contracted) and soil property and classified into four price levels: 500 RMB/Mu, 700 RMB/Mu, 800 RMB/Mu, and 1000 RMB/Mu. Capital shares: capital shares are mainly consisted of the capital of the two partners.</p>	<p>of white konjak and information services, etc.</p>
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									<p>Some rural households also paid for the shares with their capital, but in small amount.</p> <p>Mode of dividend: after deducting costs and fees of fertilizers, seedlings, employees, management and pesticides, the income of konjak will be distributed in accordance with proportions of the capital and the lands. Land shares: capital shares of rural households: capital shares of partners= 20%:20%:60%.</p>	
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5	Jinyang County in Liangshan City	Tiandijin ghua Green Pepper and White Konjac Farmer Cooperative	Tangjia wuji Village	Company + cooperative + base + rural household	Operated well	The Cooperative provides seeds, organic fertilizers, and marketing. The costs of primary production will be deducted from sales after selling. The rural households are responsible for planting and participating in the training of techniques. The Company is responsible for processing and selling white konjac. The base covers an area of more than 300 mu of which 100 mu are rented and the rest are bought barren hills.	100 万。 Registered in 2010 with a registered capital of 100,000,000 RMB.	Administration: 3 people, including 1 woman. It is a family cooperative driven by able men in the family.	Farmers are not involved in dividend distribution. The Cooperative purchases white konjac from farmers at a protective price. The lands are rented at the price of 800 RMB/mu and farmers are working in the base. The barren hills are bought at a price of 20,000 RMB/mu.	Purchasing and supplying of means of production, purchase, transportation, storage, processing, packaging, marketing, import of new varieties, technical training, technical communication and
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										consulta tion.
6	Meigu County in Liangshan City	Fule Vegetable Planting Cooperati ve in Meigu	Luoeyi gan Village	Cooperative + rural household	Operated moderately. The office is set in the village committee.	The Cooperative provides seeds and technical training, calling up farmers for the training, and helps marketing. The rural households are responsible for planting.	Registere d in 2010 with a registre d capital of 435,000 RMB.	Administration: 15 people including 1 woman. All 15 people are minorities. It is driven by village leaders. The person in charge of the Cooperative is the village secretary. The 15 member households are villagers who plant large amount of cabbages.	Conditions for rural households for buy shares: a land which covers more than 3 mu should be transferred to the Cooperative. 60% of the earnings will be returned to the households in accordance with their distributed amount. The rest of the earnings will be fairly distributed to 108 households on average after deduction some cooperation fees. The lands are transferred at a price of 1080	Providin g seeds cabbage seeds, organizi ng purchasi ng, marketin g, new techniqu e and new variety importin g, providin g technical training and informat ion consulta tion.

										<p>RMB/mu. The grown cabbages may be sold at a price of 4,000 RMB/mu with the production of 1,000 Jin/mu. There is no other invested money except for that of seeds. The person in charge applied 10,000 to 20,000 RMB to buy seeds from the Office of Agriculture and Rural Work of the County Government, which will be given to the farmers free of charge. Farm manure is applicable.</p>
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7	Bushi County in Liangshan City	Purple Potato Cooperative	Moci Village	Cooperative + rural household	Operated well. The office is located at the village committee.	<p>The Cooperative is responsible for planning, monitoring, guiding, and motivating planting and purchasing. Planning refers to planning the planting area in the village in accordance with the annual market condition, guiding villages to plant at a suitable rate. Monitoring refers to guiding villagers to sow seeds and apply fertilizers at a relatively uniform time, and prohibiting them from applying fertilizers like urea. Tutoring refers to technical guidance which is carried out by the leading person of the Cooperative. The Cooperative is responsible for contacting clients for purchase and transporting the products</p>	Registered in 2012 with a registered capital of 20,000 RMB.	<p>Administration: all 20 people of male and Yi minority. The president and the supervisor are voted by rural households to establish the Cooperative. A family is seen as a unit of management group. Big families have more group leaders while small families have less group leaders. But at least 1 group leader is needed. Families are managed separately. Members: 186 households. Most villagers are willing to join the Cooperative, and no membership fees are needed.</p>	<p>The Cooperative is responsible for marketing. The profits deducting costs of transportation, bags, and management expenses will be distributed to the households. Awards will be presented to the households who plant excellent potatoes with high productivity and sells well. Awards are set up as follows: one household for first prize, second prize, third prize and fourth prize respectively. And the bonus for each prize, which will be</p>	Planting, production, purchasing, and marketing of purple potatoes.
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						to the County. The rural households are responsible for planting purple potatoes, accepting training provided by the Cooperative and following such requirements of the Cooperative as no urea should be used. The rural households will send harvested potatoes to the village committee, which will be selected and bagged by specially assigned persons.			included in the management expenses, is 800 RMB, 600 RMB, 500 RMB and 400 RMB.	
8	Zhaojue County in Liangshan City	Lire Potato Cooperative	Dimo Village, Ba'er Village, Bozuo Village, Wagu Village, Erbu Village, Erwu Village	Cooperative + rural household	Operated poorly. Without funds, and abilities, what the Cooperative can do is just training or selling.	The Cooperative is responsible for purchasing and selling, organizing training and contacting experts to solve problems. The rural households are responsible for planting.	Registered in 2010 with a registered capital of 2,550 RMB.	Administration: all 7 people are of Yi minority, including 1 woman. It is driven by village leaders. All management people are leaders of the village. And a common household in the management is voted by villagers.	30 households distributed for the shares with 50 RMB each and with no dividend. Due to limited fine varieties and funds provided by the Agricultural Bureau, only 30	Marketing of potatoes for the involved households.

			, etc.					Members: 30 households. Generally, the families with many labors and large pieces of lands, of which members are literate, highly motivated, manageable, and at home, are selected.	households can participate.	
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Table 4-9 Basic Conditions of Professional Farmer Cooperatives in Project Counties (Districts) in Gansu Province

No	Area	Name of Cooperative Organizations	Villages Involved	Operational Mode	Operational Status	Labor Division of All Bodies	Registry	Organizational Structure of Professional Farmer Cooperatives	Shares and Profit Distribution	Business
1	Yongjing County in Linxia	Wanfo Improved Variety Breeding Cooperative of Virus-free Potatoes in Yongjing County	Xuwan Village	Cooperative + base + rural households	Operated moderately. The office is settled in the village committee.	The Cooperative purchases stock seeds from seed multiplication farm at the price of 0.3 RMB/Grain, which will then be given away to the villagers. The Cooperative will direct them in sterilization,	Registered in 2007 with a registered capital of 70,700 RMB.	Administration: all 5 people are males. It is driven by village cadres. The person in charge is the village secretary.	No shares purchase mechanism. Rural households are not involved in profit distribution.	Culture, promotion and marketing of virus-free potatoes

						<p>planting, fertilizer application and purchase.</p> <p>When purchasing, the products are weighted and booked together, then storage in the warehouse of the Cooperative, and sold together finally. After selling, the Cooperative will draw a certain amount of money from the sales as the costs for management and operation of the Cooperative. And the remained money will be distributed to farmers in accordance with the amount of their products.</p> <p>However, at present the profits are distributed to the households whereas the Cooperative has not retained any management fee. Wages for management workers are still unpaid.</p>		<p>And the supervisor is a leader in the town government.</p> <p>Members: 5 RMB should be paid for the membership.</p> <p>152 households.</p> <p>Those who have not joined are mainly folk workers working outside the village.</p>		
2	Gulang County in Weiwu City	Hengliang Breeding Cooperative in Gulang	Hengliang Village	Cooperative + rural household	Not officially started yet. The	The cooperative is responsible for purchasing piglets and fodder, plague	Registered in 2013 with a registered	Administration: all 5 people are males. The person in	No shares purchase mechanism. Rural	Breeding and marketing of pigs, sheep and cattle.

		County		d	office is settled in the village committee for the time being.	control and unified sales. The households are responsible for feeding in accordance with requirements.	capital of 1,450,000 RMB.	charge is the village accountant. Group leaders in the village are members of the board of directors and the board of supervisors. No special accountant or cashier yet. Members: more than 100 households. 50RMB should be paid for the membership.	households are not involved in profit distribution.	
3	Gulang County in Weiwu City	HenchangR MB Professional Breeding Cooperative in Gulang County	Dananchong Village	Cooperative + base + rural household	Not officially started yet.	The Cooperative is responsible for importing basic ewes of good strain, reproducing and fattening lambs for marketing. It also provides small-scaled plague control, directions on	Registered in 2013 with a registered capital of 2,000,000	Administration: All 5 people are males. It is driven by able men. The person in	Partners distribute for shares while other rural households do not. Rural households are	Breeding and marketing of sheep and cattle.

						technical fodder allocation, and making contacts with clients for selling for the scattering sheep of members. However, the sheep are still breed in a scattering way. A breeding district could be built in the future in the condition that the Cooperative is developing well.	RMB.	charge is a big breeder in the village. Members: membership fee should be paid for admission. No other rural households are admitted other than the 5 partners.	not involved in profit distribution.	
4	Zhangjiachuan County in Tianshui City	XinRMB Breeding Cooperative	Longkou Village	Cooperative + rural household	Operated moderately	The Cooperative helps members sell cattle free of charge while the households breed cattle.	Registered in 2013 with a registered capital of 1,190,000 RMB.	Administration: All 6 people are males. No minorities. It is driven by able men. The person in charge is working as a folk worker before. There are village leaders in managers.	The dividend will be distributed in accordance with the contribution ratio. The contribution ratio of the 6 shareholders is shown as follows: 21.08% : 15.78% : 15.78% : 15.78% :	Fattening, breeding, reproducing (not including stud stock) and marketing of thin cattle, guidance on breeding techniques, training, importing and promotion of

								Members: 9 rural households with 60 men and 9 women. No minorities. The membership fee is charged at 20 to 30 RMB.	15.78%. Villagers are not involved in profit and dividend distribution	new breeding techniques.
5	Tongwei County in Dingxi City	Futian Breeding Cooperative in Tongwei County	Shuangbao Village	Cooperative + rural household	Generally not in operation. No office.	The Cooperative is responsible for technical guidance and marketing while households are responsible for breeding.	Registered in 2013 with a registered capital of 1,000,000 RMB.	Administration: All 5 people are males. It is driven by village leaders. The person in charge is the head of the village. Others are breeders in the village who are motivated by the head of	Partners distribute shares while villagers do not. Villagers are not involved in profit distribution.	Breeding and marketing of beef cattle and mutton sheep.

								the village. Members: no member fees for admission. The person in charge aims to motivate villagers to breed.		
6	Longxi County in Dingxi City	Baibao Farmer Cooperative of Organic Agricultural Products in Kezhai, Longxi County	Kezhai Village	Company + cooperative + rural household	Not in standard operation. The management structure just started is still perfecting. The office is settled in the old village committee.	The Company: purchasing and selling Chinese herbals. The Cooperative: the bridge between medicine enterprises and rural households. It is responsible for 1) training, 2) providing policies, 3) regular publicity of market information and 4) updating concepts of farmers. Big planters: planters whose planting area is 5 to 10 mu play a leading role in training and techniques. They have a closer relation to the Cooperative because of the large planting area.	Registered in 2013 with a registered capital of 1,000,000 RMB.	Administration: All 5 people are males. It is driven by able men. The person in charge has been engaged in herbal business for many years. He knows well about the market information. And he has penetrated into sales	Capital shares: 5 members contributed, including the head who contributed 900,000 RMB, and the other 4 members jointly contributed 100,000 RMB. Labor shares: the members will be employed at a price a little lower than the market price	Planting, storage, transportation and marketing of Chinese herbals (codonopsis pilosula and astragalus membranaceus)

						<p>Rural households: responsible for planting, weeding and harvesting.</p>	<p>terminals to establish the marketing network of his own. Members: 90 members, including 32 impoverished households. No membership fee is charged for now. But it will be charged from common rural households in the future. And the fee can be relieved for impoverished households.</p>	<p>(if the market price is 100 RMB /Day, the Cooperative will pay 80 RMB/Day). Land shares: the land can be contributed for shares at the price of 800 RMB/mu. By now there are 20 households who contributed their lands for the shares, 2-3 mu each. 50% or more profits will be distributed to the 5 members. For the rest part, 80% will be distributed to households, and the</p>	
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									remained 20% will be used as the development fund of the Cooperative. The capital and dividend of the 5 members will be used for the further development of the Cooperative instead of being withdrawn now.	
7	Minxian County in Dingxi City	Langdutan Breeding Farmer Cooperative	Lvjing Village	Cooperative + base + rural household	Operated moderately. 0.5% to 1% of the profits is retained as management	The Cooperative has a breeding base where 120 cattle, 150 sheep (all ewes of the appropriate age), 50 native pigs and 200 common pigs (only for fattening but not for sale. Members enjoy priority in selling pigs, and the	Registered in 2010 with a registered capital of 600,000 RMB.	Administration: All 9 people are males. It is driven by able men. The person in charge was a veterinarian	The partners are holding shares. The head contributes 300,000 RMB while each of the rest 5 households	Breeding and marketing of native pigs, sheep and cattle.

					ment fee.	fattened pigs are only sold when there are few left) are bred. It also provides lambs for rural households. The base is on the breeding farm of the Cooperative. And the rural households are breeding at home.		before. Members: 150 households, including 30 impoverished ones. No member fee.	contributed 60,000 RMB (including cattle and sheep shares). 3 more people entered later, each contributing 20,000 RMB. The rural households do not hold shares.	
8	Weiyuan County in Dingxi City	Improved Variety of Wuzhu Potato Breeding Cooperative in Weiyuan County in Gansu	Wuzhu Village, Shitou Village, Lumin Village, Guojia Village	Cooperative + base + rural household	Operated well.	The cooperative, which develops from the association, is responsible for providing seeds in the following three ways: 1) seeds all distributed free of charge: distributed free of charge and purchase at a price no less than the market price (1:10, 10 returned for 1 distributed seed); 2) seeds partly free: if the market price is relatively high, the seeds will be distributed partly for free (1:6, 6 returned for 1 distributed	Registered in 2009 with a registered capital of 760,000 RMB.	Administration: 4 people, including 2 women. It is driven by able men. Members: 2006 households. No member fee.	Partners contribute capital for the shares while members do not contribute. The Cooperative is responsible for purchasing at the protective price. When the market price is lower than 0.5 RMB/Jin, the	Breeding and marketing of good-strain potatoes.

						seed); 3) the households buy seed own their own, and the Cooperative will buy the products at a protective price. The Cooperative is also responsible for providing technical guidance, new pesticides, and training of standardized planting and marketing. The households are responsible for planting, and they can market on their own, too.			Cooperative will purchase at the price of 0.5 RMB/Jin. And when the market price is higher than 0.5 RMB/Jin, the Cooperative will purchase at the market price. When the profits reach a certain point, the Cooperative will return part of the profits to the members.	
9	Weiyuan County in Dingxi City	TianRMB Muge Professional Breeding Cooperative in Wuzhu, Weiyuan City	Shitou gou Village	Cooperative + base + rural household	Operated moderately. The first two years witnessed successive losses. And the	The Cooperative provides stabling, breeding techniques and basic ewes. The products will be sold in a unified form at the price no lower than the market price. All fees will be cleared at the time of selling. Some sheep in good physical conditions are used for reproduction.	Registered in 2011 with a registered capital of 1,300,000 RMB.	Administration: All 7 people are males who are big breeders in the village. Members: 30 members at the	5 people contributed, including the head who contributed 700,000 RMB, and each of other 6 partners contributed	Feeding and marketing of livestock.

					<p>third and forth year begin to witness profits.</p>	<p>They will hybrid with mutton sheep. Another part will be bred as mutton sheep which will directly sent to market. The rural households are responsible for feeding. Capable rural households with open minds will be selected in the first batch of feeders. And the second batch will be driven by the first batch.</p>		<p>beginning. No member fee.</p>	<p>10,000 RMB. The profits will be distributed in accordance with the share holding rate. Three households rent their lands to the Cooperative at a price of 3000 RMB/mu. After selling sheep, 50% of the profits will be distributed to households while the rest kept by the Cooperation for development.</p>	
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10	Wei yuan County in Dingxi City	Aotelan Planting and Breeding Cooperative in Wei yuan County	Shuijia yao Village	Cooperative + base + rural household + company	Just established, but not officially operated.	<p>The Company is the organizer who is responsible for investment, financing, brand owning, maintenance, publicity and promotion. It also establishes the marketing system, including the distribution system or chain operation system, the system of human resources, finance and backup systems. Furthermore, it is in charge of establishment and maintenance of public relations, extension and reproduction of key poverty alleviation patterns, training management for the Cooperative and establishment of sub-systems.</p> <p>The Cooperative is the executor who is in charge of organizing and recruiting farmers on a family basis to establish the cooperative which is responsible for operation. It is also</p>	Registered in 2013 with a registered capital of 200,000 RMB.	<p>Administration: 7 people, including 2 women. It is driven by able men. The person in charge was working in a listed company before. And there are 2 technique masters. Members: most of the 56 members are big breeders in the village with large pieces of land.</p>	<p>Partners contribute for the shares in capital. The capital distribution and profit distribution rate is 4: 1.5: 1.5: 0.75: 0.75: 0.75: 0.75. Profits will be distributed in accordance with the shareholding rate. The Company buys at a protective price which is a little higher than the market price. Rural households can contribute for shares with their land for benefit sharing. The formula of</p>	Grass growing, breeding, butchering, and marketing.
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					<p>responsible for the establishment and operation of the breeding or planting base, attracting households to enter the Cooperative on a family basis to plant and breed. Other duties include establishment and operation of specified standardized slaughter houses, the establishment of the lab for culturing quality pasture and artificially inseminated variety of good strain, and specialized training for households.</p> <p>The rural households are producers who are responsible for specific businesses like planting, breeding, meat and food processing. They are also responsible for establishing the base for quality pasture and cornstalk (which is used for ensilage) planting, breeding mutton sheep of fine variety in accordance with orders, slaughtering and</p>			<p>dividend distribution: (profits-operation fees-capital shares)/18mu*the area of land contributed by each household. 7% of the profits will be kept by the Cooperative for the public reserved fund and dividend for villagers.</p>	
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						production of mutton sheep bred in the Cooperative or bought by the Cooperative, production of meat with slaughtered mutton sheep, and production and promotion of livestock of fine varieties cultured by the Cooperative.				
11	Lintao County in Dingxi City	Ershipu Professional Breeding Cooperative in Lintao County	Ershipu Village	Company + cooperative + rural household	Not officially started yet. And no profits or effect.	The Company is responsible for intensive processing, and marketing with added value. The Cooperative, placed in the Company, is responsible for importing and promotion of livestock of good strain, and technique training and management. The households are responsible for breeding in accordance with standards.	Registered in 2013 with the registered capital unknown.	Administration: All 5 people are males. The initiator owns a permanent urban residence certificate, and runs a company of his own. The rest 4 people are breeding masters in the village. Members: 40 households. No member	The person in charge contributes for shares in capital. Profits will be distributed in accordance with the shareholding rate. Plus, the wage of the accountant is 1000 RMB/Month. And allowance and bonus will be given to other 4	Breeding, processing, transportation and marketing of sheep

								fee.	workers. No villagers holding shares.	
12	Anding District in Dingxi City	Malian Professional Cooperative of Purchasing and Marketing of Cattle and Sheep in Dingxi City	Malian Village	Cooperative + rural households	Operated poorly. Villagers rarely participate.	The Cooperative is responsible for importing livestock of good strain, training, plague control, breeding and marketing. The households are responsible for breeding.	Registered in 2012 with a registered capital of 50,000 RMB.	Administration: 2 people, including 1 woman. It is driven by village leaders. The person in charge is the village secretary who is also a big breeder in the village. Members: about 5 households, mostly big breeders.	Partners contribute capital for shares. Profits are distributed in accordance with the holding ratio. Rural households are not involved in share payment and profit distribution.	Purchasing and marketing of sheep and cattle
13	Anding District in Dingxi City	Taiping Chicken Breeding Cooperative in Dingxi City	Taiping Village	Cooperative + rural household	Operated poorly	The Cooperative is responsible for unified purchasing and marketing, technical training and guidance. Big planters are responsible for breeding.	Registered in 2010 with a registered capital of 70,000 RMB.	Administration: 6 people, including 2 women. It is driven by able men and village	Partners contribute capital for shares. Profits are distributed in accordance with the	Feeding of broiler and layer chickens

								leaders. Members: 165 households, mostly big breeders. The Cooperative develops from the Breeding Association.	holding ratio. Rural households are not involved in share payment and profit distribution.	
14	Huachi County in Qingyang City	Yujun Professional Breeding Cooperative in Huachi County	Baima Village	Cooperat ive + base + rural househol d	Just started, and not officially launched yet.	The Cooperative has established a breeding base. It is responsible for breeding, technical training, plague control, providing stud sheep, fodder allocation and marketing, etc. Households in the Cooperative are responsible for grass growing and breeding.	Registere d in 2013 with a registered capital of 3, 000,000 RMB.	Administratio n: all 7 people are males. It is driven by able men. Members: all 21 members are shareholders and relatives of the person in charge, too.	No membership fees. Capital will be contributed for shares. Now there are 21 people holding shares, each holding a capital stock of at least 20,000 RMB.	Breeding and reproducing cashmere goats and short-tailed sheep. The products are cashmere goats and short-tailed sheep.
15	Huachi County in Qingyang City	Rongchang Professional Cooperative of Short-tailed	Duzhai zi Village	Cooperat ive + base + rural	Operated poorly. Not regulated yet.	The Cooperative is responsible for technical guidance and marketing. Households holding shares are responsible for grass	Registere d in 2012 with a registered	Administratio n: 9 people, including 1 woman, 3 feeders, 1	At least 30,000 RMB per share. Sheep, cash or forage can be contributed for	Breeding and reproducing good-strain short-tailed sheep. The

		Sheep Breeding in Huachi County		household		growing and breeding.	capital of 2,600,000 RMB.	cook, 2 grass growers, 1 person in charge and 1 accountant. Members:12 people, each of whom contributes 30,000 RMB or more. No member fee.	shares.	product is short-tailed sheep.
16	Huachi County in Qingyang City	Jingsheng Professional Cooperative of Sheep Breeding	Chenghao Village	Cooperative + base + rural households	Just established, but not officially started yet. No profits or effect yet.	The Cooperative has established a base. It is responsible for breeding, technical guidance, training, and marketing. The households are responsible for grass growing and breeding.	Registered in 2013 with a registered capital of 3,000,000 RMB.	Administration: all 5 people are males. It is driven by able men. No membership fee for now. Villagers can enter or drop out at their free will. Management fee will be charged in the future. Now there are more than 30	The partners contribute capital for shares. The head contribute 1,000,000 RMB while other 4 partners contribute 500,000 RMB. No rural households are involved in dividend distribution.	Breeding and marketing of sheep

								households, breeding or growing grass in the village		
17	Heshui County in Qingyang City	Xingkun Professional Fruit Cooperative in Heshui County	Tianya Village	Cooperative + base + rural household	Privately owned. Operated poorly. There is independent office house.	The base has a land of 60 mu which are still owned by shareholders and not counted in the shares. The Cooperative supplies agricultural materials and fertilizers, pruning workers, and marketing. The households are responsible for grass growing.	Registered in 2008 with a registered capital of 130,000 RMB.	Administration: 7 people. It is driven by able men. Members are big planters in the village, including the person in charge. Members: 50 big households and 181 small households	The partners distribute capital for shares. The head contributes 70,000 RMB while each of other 6 big planters contributes 10,000 RMB. Profits are distributed in accordance with the holding ratio. No rural households are involved in dividend distribution.	Supplying means of production, purchasing and marketing products of members, transportation, storage and processing, packaging of the products, importing new techniques, new varieties, training, communication and consultation on techniques.

18	Heshui County in Qingyang City	Huinong Professional Cooperative of Apple Planting in Heshui County	Panma Village , Hejiap an Village , Yaoke nglao Village	Cooperative + rural household	Privately -owned. Operated well. No fixed office.	The Cooperative provides means of production like fertilizers, pesticides, and bags, technical training and standards for production. The households are responsible for grass growing.	Registered in 2012 with a registered capital of 900,000 RMB.	Administration: all 6 people are males. It is driven by able men. The person in charge is a big apple planter who has a model base which covers an area of 15 mu. Members: 37 members, covering 3 villages. Households with an orchard of 2 mu per capita can apply for membership. The orchards are managed by the households. And a management	Partners contribute capital for shares and dividend. The head contributes 300,000 RMB while each of other 6 people contributes 120,000 RMB. Rural households purchase shares at a price of at least 2,000 RMB/share. And there are 8 people holding shares (including 1 person who has dropped out because of illness). No land shares. The dividend in 2012 was	Planting, production and marketing of apples, purchasing of means of production, training and information related to apple production and operation.
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								fee of 0.01 RMB/Jin will be retained.	distributed in accordance with the bank interest rate. 5% of the profits are kept as the reserve fund while the remained 95% are distributed in accordance with shares held.	
19	Huanxian County in Qingyang City	Liuhebi Breeding Cooperative in Huanxian County	Gaozhai Village	Cooperative + base + rural household	Operated well. In fact, the mode is "Village party branch + Cooperative + Rural households	The cooperative is responsible for selling lambs of fine variety. The rural households are responsible for breeding. The Village Party Branch is responsible for technical guidance, feeding management, sheep transportation, financial monitoring, and also making contacts externally and supervising internally.	Registered in 2012 with a registered capital of 11,000,000 RMB.	Administration: all 10 people are males. It is driven by able men. The secretary of the Party branch is the supervisory. Two village officials take part in. and other members are	Partners and members contribute capital for shares. There are 75 members who contribute 746,000 RMB at a price of at least 1,000 RMB/share. No service will be provided without shares.	organizing members of the Cooperative to breed sheep

								basically big breeders in the village. Members: 75 members holding shares.	And the dividend will be distributed in accordance with shares held.	
20	Huan County in Qingyang City	Quzizhong Professional Cooperative of Cashmere Goat Culture and Breeding in Huanxian County	Mengjiazhai Village, SongjiarMB Village, Liuqi Village, Loufangzi Village, etc.	Cooperative + base + rural household	Operated well. A company (Huanxian Shouzhong Mutton Industry and Trade Co. Ltd) is in preparation.	The Cooperative provides stud sheep, plague control, technical training, and marketing of beef and mutton. It supplies 15 sheep to each household, including 14 basic ewes and 1 ram. In the primary stage, the sheep are provided to 60 impoverished households free of charge, and the households will return sheep of the same amount in 3 years. The households are responsible for breeding.	Registered in 2011 with a registered capital of 1,200,000 RMB.	Administration: all 5 people are males, including 2 Party members, and 1 production master. There are 13 fixed workers, including 9 feeders, 1 technician, 1 translator, 1 accountant and 1 cashier. It is driven by village leaders able men. Members: of the 120	The shareholding ratio of the 5 partners is 6:1:1:1:1. They share price is 5,000 RMB/share. And there are 60 members (including 20 new comers this year) who hold shares. 2,000 RMB/share will be distributed by the end of the year. The newcomers contribute at	Sheep breeding and marketing

								members, 60 are holding shares while the other 60 are not. Villagers can enter or drop out of the Cooperative at their free will. No member fee.	least 20,000 RMB. When the Company is approved, the sum will be increased to 50,000 RMB. No one proposed for dividend distribution by now. All dividends are used as liquid capital in the Cooperative.	
21	Huanxian County in Qingyang City	SanheRMB Professional Breeding Cooperative	Yangjiawa Village	Cooperative + rural household	Operated well. It's operation is similar to that of an enterprise.	The Cooperative has a breeding district, grass base. It provides technical guidance and marketing of products. The households, which are mostly big breeders, are responsible for breeding.	Registered in 2010 with a registered capital of 4,500,000 RMB.	Administration: 11 people, including 1 woman. It is driven by village leaders and able men. The organizer and manager is a member of the village	The one partner of the Cooperative contributes with capital. No household contributes.	Seeding, sheep breeding and marketing, processing and catering.

								committee. He also plays a leading role in the efforts to get rich. And he is one of the households. The person in charge is a boss in the industry of hotel, grocery and commodity.		
22	Zhengning County in Qingyang City	Fuxing Professional Cooperative of Apple Marketing	Dongshantou Village	Cooperative + rural household	Not officially started yet.	The Village Party Branch is responsible for learning and implementing policies, associating directors in daily work, and enforcing the construction of the Party Branch. The Cooperative is responsible for technical guidance, training and marketing. The rural households are responsible for planting.	Registered in 2013 with a registered capital of 250,000 RMB.	Administration: all 5 people are males. It is driven by village leaders. The management is constituted of members of village Party branch and big planters in the	Five partners contribute for the shares with 50,000 RMB each. No guaranteed price has been agreed between the Cooperative and farmers. When farmers are selling apples,	Planting and marketing of apples

								village. Members: 96 households, mostly local fruit growers.	0.02-0.05 RMB /Jin will be drawn as the fund for operation of the Cooperative	
23	Zhengning County in Qingyang City	Hengtong Professional Fruit Cooperative	Shang guanzhuang Village	Cooperative + rural household	Operated poorly. Hardly motivated, the rural households rarely participate	The Cooperative is responsible for technical guidance, purchase of sales of agricultural materials, training and marketing. The operation cost is obtained from the price difference between purchase and sales of agricultural materials. When selling apples, 0.05 RMB/Jin will be charged as service fee. Rural households are responsible for planting.	Registered in 2013 with a registered capital of 400,000 RMB.	Administration: 8 people. The legal representative is a female while the rest are male. It is driven by village leaders and able men. Of the 8 people, 3 are members of the village committee while the rest are big planters. Members: 110 households. No	The 8 people are big planters who raised 400,000 RMB, 50,000 RMB each. The partners contribute for the shares in capital, and no rural households contributed for shares. The shares will be purchased at the price of 100 RMB/share later on.	Apple marketing.

								membership fee. Every household has an orchard of 3-5 mu. No shares purchased		
24	Zhengning County in Qingyang City	Apple Association in Xichu Village of Zhengning County	Xichu Village	Association + rural household	Operated moderately.	The Association provides publicity on policies, technical consultation and guidance, monitoring of orchards.	Established in 2008 and has not registered. No registered capital needed.	Administration: 5 people, including 3 members of the village committee and 2 big planters in the village. Members: more than 30.	It is an association. No shares or dividend.	Technical consultation and service of apple planting
25	Zhuanglang County in Qingyang City	Jinmao Professional Fruit Cooperative in Zhuanglang County	Dongji Village	Company + cooperative + base + rural household	Operated well.	The Company provides services of storage and sales. The Cooperative sells means of production such as fertilizers, and provides services like market information, loan and sales. The rural households are responsible for planting.	Registered in 2012 with a registered capital of 1,350,000 RMB.	Administration: all 3 people are males. It is driven by able men. The person in charge of the Cooperative is the village director,	Apples produced by members of the Cooperative are stored in the air-conditioned warehouse of the	Apple planting, storage and marketing.

								<p>chairman of the board of directors and chairman of the association.</p> <p>Membership: one must be good natured and have an orchard if he wants to join the Cooperative. The membership fee is 200 RMB/year.</p>	<p>company. (If the members' apples need storage, they must be stored in the warehouse of the Company). The fee for storage is 0.17 RMB/Jin. 40% of the storage fee is in the possession of the Cooperative while the rest 60% is in the possession of the Company. A part of the fund in the possession of the Cooperative is used for the operation and management of the</p>	
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									<p>Cooperative while another part is used as risk capital. Still another part is used for development, and the rest profit will be distributed to members in physical forms, e.g., fertilizers, plastic mulch, pesticides. A small part of the 60% which is in the possession of the Company will be used as awards for excellent growers (those who grow a great amount and those who grow well).</p>	
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									And the rest part belongs to the Company.	
26	Jingning County in Qingyang City	Shuanghong Professional Breeding Cooperative in Jingning County	Gaoliu Village	Cooperative + base + rural household	Operated moderately.	The Cooperative is responsible for making contact with cow dealers for rural households (the 6 households who distributed) free of charge. Other households in the village have not took part in yet.	Registered in 2012 with a registered capital of 2,000,000 RMB.	Administration: all 6 people are males. Each of the 6 households contributes 100,000 RMB, and the rest of the registered capital is a loan from a bank. The person in charge of the Cooperative is the Village Secretary.	6 partners contribute in capital for the shares .	Providing breeding techniques and fodder for cattle, sheep, pigs and chickens.

4.3 Operational Modes of Professional Farmer Cooperatives and Their Advantages and Disadvantages

4.3.1. COMPANY + COOPERATIVE + BASE + RURAL HOUSEHOLD

According to the analysis on the basic conditions of professional farmer cooperatives in Guizhou, Sichuan and Gansu, of the 39 cooperatives, 5 adopt the operational mode of “company + cooperative + base + rural household”, accounting for 12.82%; 4 are well operated, while one is not officially started yet as it was just established. According to the survey results and the analysis on the types of cooperatives, 21.6% of cooperatives that rural households join adopt the operational mode of “company + cooperative + base + rural household”. The percents of cooperatives following the operational mode of “company + cooperative + base + rural household” in Guizhou, Sichuan and Gansu were 36.6%, 15.4% and 17.1%.

(1) Operation Status and Characteristics

Cooperatives that follow the operational mode of “company + cooperative + base + rural household” are created relying on enterprises, or enterprises are derived in the development process of cooperatives. A long-term operation mechanism that upholds risk and benefit sharing among leading enterprises, cooperatives, bases, and rural households is built. Households are organized and scattered household production and operation activities are introduced to the market. Joint-stock cooperatives undertake production operation, allocation and management to achieve intensive and standardized production. In this mode, companies are in a strong position and often determine the purchase prices, criteria and profit distribution of agricultural products. Cooperatives are in a dependent state while rural households are put at a disadvantage. Judging from the operation of such mode under investigation:

A. Enterprises: mainly responsible for processing and marketing of products. Most enterprises provide production supplies. Because the planting of *gastrodia elata* and *radix pseudostellariae*, for example, raises high requirements on the cultivation and selection of seedlings and the planting conditions, it is difficult for rural households in poor areas to complete the work independently; for example, Aotelan Planting and Breeding Cooperative in Weiyuan County improved the breeding technology by introducing the Blackhead Suffolk cross sheep from Australia to mate with the local short-tailed sheep. To meet the requirements of industrial development needs to rely on the technology and capital of enterprises. This mode is more common in industries characterized by high input and high efficiency or long investment cycle and high efficiency. For example, the cost for planting *gastrodia elata* on 1-mu land is around RMB 2,200, and a conservative estimate of the production value of *gastrodia elata* per mu is RMB 6,000 (measured at the production of 200 kg per mu and 15 yuan / 0.5 kg). The net profit of *gastrodia elata* per mu is RMB 3,800. Such industry that requires high investment and entails high risk is beyond the capacity of individual rural households, especially those in poor areas. Poor rural households mostly lack funds while large households in the village have limited financial capacity and have to rely on the power of enterprises. Enterprises can take advantage of the national support policies on funding, credit, taxation, land use and electricity use of cooperatives and reduce some of the costs for

their operation. To some degree, cooperatives are partners of enterprises.

B. Cooperatives: Responsible for connecting businesses and rural households. They sign production orders with enterprises and planting contracts with rural households. Cooperatives are mainly engaged in providing rural households with training and guidance on the planting and breeding technology in accordance with the production requirements and standards of enterprises, purchase or roughing process, and construction and operation of breeding bases. The purchased agricultural products or primary products after initial processing will be given to enterprises for further processing or sales. For example, Tiandi Jinghua Green Pepper and White Konjac Farmer Cooperative gives the fresh white konjac to enterprises, which process the products into vermicelli, soup, slimming capsules, cosmetics and other products and sell them in the market. Shunfeng Ecological Agriculture Development Cooperative in Dafang County sells the fresh *gastrodia elata* it purchases from rural households to enterprises *gastrodia elata* wine, *gastrodia elata* capsules and other products. Raw *gastrodia elata* is sold at 15-16 yuan/0.5kg, while dried *gastrodia elata* 90-100 yuan/0.5kg. *Gastrodia elata* wine and *gastrodia elata* capsules have even higher prices. Cooperatives and rural households generally do not have baking machinery or product testing technology. Therefore, even if there are individual rural households that are interested in *gastrodia elata* processing or smoking it with sulfur,^① the products are often eliminated due to poor quality. However, rural households can not afford to buy high-priced baking equipment. Cooperatives and rural households can only sell the products to enterprises at lower prices, leaving the processing and refining procedures that will bring high returns to the enterprises. Cooperatives operated under this mode usually have their own brand names for the products their produce. For example, Shunfeng Ecological Agriculture Development Cooperative uses the brand trademark of “Wenchangge”; Saishidai Chinese Medicinal Herb Cooperative in Dafang County attaches the registered name of “Saishidai” to its products; Tiandi Jinghua Green Pepper and White Konjac Farmer Cooperative in Jinyang has registered a product name of “Yukui”; Jinmao Professional Fruit Cooperative in Zhuanglang County uses the brand trademark of “Zijinghong”; Aotelan Planting and Breeding Cooperative in Weiyuan County has applied the registration of trademark name “Yuangudui”. Nevertheless, most of the brand trademarks are owned by enterprises.

C Production base: generally established and operated by cooperatives. Production bases has a variety of functions. For example, *gastrodia elata* bases provide seedlings for rural households, sheep breeding farms provide rural households with breeding ewes to hybrid with rams. In addition to providing seedlings and breeding stock, production bases can also be used to grow crops or raise livestock for direct sales. On one hand, cooperatives play a demonstration role in scale planting for rural households and guide them in planting; on the other hand, cooperatives can earn revenue through production bases.

D Rural household: mainly responsible for planting and breeding, and carrying out specific types of

^① Rural households mentioned that this year the state strengthens the monitoring and supervision over Chinese herbal medicines, prohibiting the use of sulfur smoked herbal medicines. Vendors and enterprises specialize in sulfur smoked herbal medicines therefore stop purchasing; non-fumigated Chinese herbal medicines can only be preserved in 2-6 months, while sulfur smoked herbal medicines can be preserved for about 1-2 years; in the past rural households could get high reveue through anti-seasonal sales, but they do not dare to try the luck after the prohibition was effective. As ordinary rural household can not afford to buy baking equipment, planters of medicinal herbs have to sell their products at lower prices.

planting and breeding activities. Agricultural products harvested by rural households can be sold to cooperatives or sold independently. As enterprises would generally define a guaranteed price while signing purchase orders, rural households, in order to avoid or reduce risks, usually sign contracts with cooperatives. Although guaranteed prices are lower than the market prices, but rural households for the long run will choose the stable sales channel of contract farming. Rural households are mostly put at a disadvantaged position, which is mainly reflected in poor independence in product pricing and access to profit distribution. As cooperatives have weak negotiating capacity or enterprises are profit-oriented, it is more difficult to protect the interests of rural households.

Characteristics: a. strong dependence and poor independence of cooperatives; cooperatives are closely related with enterprises and they are often affiliated to enterprises or a link in the industrial chain related to the development of enterprises. b. The organizational structure of cooperatives shows the characteristics of enterprises; cooperatives generally accept the management of enterprises and manage the production bases according to standardized production model. Cooperatives are in charge of the bases and responsible for the connections between bases, rural households and enterprises. Some cooperatives provide the services of purchasing production materials and technical guidance and training. c. Cooperatives are highly regulated; generally cooperatives have to unify seedlings, standards, brands, disease prevention, agricultural means of production, and product sales. Thus, cooperatives have to meet high requirements. d. The bases are self-financing, and the surpluses are returned according to the shares invested by members.

 **Symposium in Agricultural Bureau of Longxi County:**

Of the 51 demonstration cooperatives, 12 are cooperatives of Chinese medicinal herbs and most of them are of enterprise nature. “Company + cooperative + base + rural household”. They are all registered companies engaged in rough and primary processing. Farmers can do planting work in cooperatives. The processing work also needs plenty of labor force.

(2) Analysis on Advantages and Disadvantages

Advantages: a. Achieving optimized combination of production factors like land, labor, technology and capital through scale and enterprise-based agricultural production. Enterprises have stable sources of raw materials and stable sales channels; b. Facilitating standardized, professional and scientific production to add vitality into the operation of cooperatives.

Disadvantages: a. The interests of rural households are easily damaged or hard to protect. Under this model, due to the monopoly of enterprises, the interests of rural households can not be guaranteed. Driven by the principle of maximizing profits, enterprises often focus only on their economic efficiency, making it difficult for rural households to get more profits. In serious cases, the interests of farmers are damaged, affecting the initiative of rural households to join professional farmer cooperatives; b. Poor independence of cooperatives.

4.3.2. COMPANY + COOPERATIVE + RURAL HOUSEHOLD

According to the analysis on the basic conditions of professional farmer cooperatives in Guizhou, Sichuan and Gansu, of the 39 cooperatives, 4 adopt the operational mode of “company + cooperative +

rural household”, accounting for 10.26%; among them, one is operated moderately, while the other 3 are not officially started yet. According to the survey results and the analysis on the types of cooperatives, 9.7% of cooperatives that rural households join adopt the operational mode of “company + cooperative + rural household”. The percents of cooperatives following the operational mode of “company + cooperative + rural household” in Guizhou, Sichuan and Gansu were 16.1%, 2.2%, and 11.2%.

(1) Operation Status and Characteristics

Enterprises are processing and distribution businesses of agricultural products that establish buying and selling relationships with rural households through cooperatives. Enterprises and cooperatives form business relationships and define the rights and obligations of each other. Cooperatives are intermediaries and bind rural households through cooperative charter. They form an interest community with rural households. Cooperatives provide rural households with supporting services, such as providing quality seeds, advanced technology and services during the production process. They will define protective prices through consultation with enterprises to collectively purchase primary products of rural households, give them to companies, and bear the risk of production.

Characteristics: Cooperatives are independent from enterprises. Cooperatives may sign or not sign orders with enterprises to collectively supply seedlings, implement applicable new technologies, configure production materials, practice disease prevention, coordinate loans, and sell product; cooperatives connect both enterprises and member rural households to implement standardized production and industrialized management; cooperatives are responsible for docking with companies through ways like signing contracts and organizing purchase; surpluses are mainly returned according to the ratios of trading amounts between members and professional farmer cooperatives.

(2) Analysis on Advantages and Disadvantages

Advantage: a. Enterprises and cooperatives bear the market risk and management risks for farmers; b. A profit distribution mechanism that upholds interest sharing and risk sharing for enterprises, cooperatives and farmers is established to adapt to unstable industry and high market risks to a large extent; c. Companies enjoy greater advantage in product development and market expansion, while cooperatives have the unique organizational and management power with a large number of scattered rural households. Both sides can join to complement each other; d. Cooperatives negotiate with companies in the interests of rural households to reduce the transaction costs and risks that individual rural households may have to bear when making transactions alone, improve farmers’ ability of trading, and to some extent protect the profits of rural households;

Disadvantages: a. Cooperatives overly rely on leading enterprises for market development. Once the enterprises suffer management crisis, the cooperatives will be in trouble; b. The services of cooperatives are confined in market information, technical advice, supply of seedlings and production materials, and sales of primary products, while they lack extension of industry value chain, such as deep processing, fine processing and higher added value of products; c. Due to the low organizational degree, weak financial strength, lack of talents, and low technological level, professional cooperatives have inadequate capacity and have difficulty in performing its due functions; d. Cooperatives lack the ability to adapt to and develop new markets.

4.3.3. COOPERATIVE + BASE + RURAL HOUSEHOLD

According to the analysis on the basic conditions of professional farmer cooperatives in Guizhou, Sichuan and Gansu, of the 39 cooperatives, 12 adopt the operational mode of “cooperative + base + rural household”, accounting for 30.77%; among them, 4 are operated well, accounting for 33.33%; 3 are operated moderately, accounting for 25%; 2 are operated poorly, accounting for 16.67%; 3 are not officially started yet, accounting for 25%.

(1) Operation Status and Characteristics

Under this mode, cooperatives provide technical guidance and pest / disease prevention for rural households before, during and after the production through production bases, and purchase and sell the agricultural products of their members according to the standards. Production bases are often responsible for introduction and breeding of fine varieties, providing quality and high-yield seed sources for cooperative members, or developing scale production to increase revenue. Promoters and organizers of cooperatives are usually large planters and breeders with certain economic strength and ability in the village; cooperatives gather part of the concatenated land together by renting the land of rural households or allowing rural households to contributing their land as shares to build production bases.

Characteristics: Capable individuals and large households drive the development of cooperatives. Capable individuals and large households are key decision makers of cooperatives and responsible for the daily operation and management of cooperatives; members can work at the bases of cooperatives and the production bases make the connection between cooperatives and rural households become closer; surpluses are mainly returned according to the shares invested by members, and rural households may also earn wages by working at the bases.

(2) Analysis on Advantages and Disadvantages

Advantages: a. Production bases boost rural households to understand and interact with cooperatives and make the connection between the two side become closer; b. Cooperative organizers are familiar with the local environment, resources and policies, and thus have easy means to create cooperatives that suit local conditions; c. Standardized, professional and scientific production can be achieved to add vitality into the operation of cooperatives.

Disadvantages: The operation and maintenance of production bases raises high requirements for cooperative management. Without maintenance by personnel with certain technology and ability, the production bases will affect the continued operation of cooperatives and affect the interests and initiative of farmers to join cooperatives.

4.3.4. COOPERATIVE (ASSOCIATION) + RURAL HOUSEHOLD

According to the analysis on the basic conditions of professional farmer cooperatives in Guizhou, Sichuan and Gansu, of the 40 cooperatives (association), 19 adopt the operational mode of “cooperative (association) + rural household”, accounting for 47.5%; among them, 4 are operated well, accounting for 21.05%; 4 are operated moderately, accounting for 21.05%; 7 are operated poorly, accounting for 36.85%; 4 are not officially started yet, accounting for 21.05%. According to the survey results and the

analysis on the types of cooperatives, 67.4% of cooperatives that rural households join adopt the operational mode of “cooperative (association) + rural household”. The percents of cooperatives following the operational mode of “cooperative (association) + rural household” in Guizhou, Sichuan and Gansu were 43.8%, 82.4% and 70.6%.

(1) Operation Status and Characteristics

Cooperatives following this mode are generally developed, organized and operated by large planting and breeding households, large marketing households or farmer agents with certain economic strength and capacity. Promoters and key members of cooperatives generally contribute more. With technical expertise or management capacity, they are key decision makers of cooperatives and are in charge of the daily management of cooperatives. They are the core to cooperatives and play a decisive role in the survival and development of cooperatives.

Characteristics: Capable individuals and large households drive the development of cooperatives. Capable individuals and large households are key decision makers of cooperatives and responsible for the daily operation and management of cooperatives; they practice joint-stock management by joining rural households that share the same interest with them; surpluses are mainly returned according to the shares invested by members.

(2) Analysis on Advantages and Disadvantages

Advantages: a. Cooperative organizers are familiar with the local environment, resources and policies, and thus have easy means to create cooperatives that suit local conditions; b. As the promoters and backbone members of cooperatives are large planting and breeding households, large marketing households or farmer agents with certain economic strength and capacity, or people who enjoy prestige and power in the villages, they are usually well-informed and have extensive social network and rich experience in market operation. c. It is easy to find partners and members in familiar villages to build cooperatives.

Disadvantages: a. Large households and capable individuals may be likely to control cooperatives and form interest groups, excluding ordinary rural households that have different opinions from theirs; b. Large households and capable individuals invest more capital and hold large shares, while ordinary rural households invest less capital and less shares and are in a subordinate position in the organizations, without not much right to speak. As a result, ordinary members can only gain very limited profits from the surpluses of cooperatives based on their trading amount and shares; c. As the cooperatives may be monopolized by large households and capable individuals, once the promoters make wrong decision, the cooperatives may suffer significant loss.

Table 4-10 Analysis on the Operational Modes of Professional Farmer Cooperatives and Their Advantages and Disadvantages

No.	Operational Mode	Characteristics	Advantages	Disadvantages
1	Company + cooperative + base + rural household	<ul style="list-style-type: none"> • The organizational structure of cooperatives shows the characteristics of enterprises; cooperatives are closely related with enterprises; • Cooperatives are in charge of the bases and responsible for the connections between bases, rural households and enterprises. They provide production materials and technical guidance and training; • Cooperatives have to unify seedlings, standards, brands, disease prevention, agricultural means of production, and product sales. Thus, cooperatives have to meet high requirements; • The bases are self-financing, and the surpluses are returned according to the shares invested by members. 	<ul style="list-style-type: none"> • Achieving optimized combination of production factors like land, labor, technology and capital through scale and enterprise-based agricultural production; • Facilitating standardized, professional and scientific production to add vitality into the operation of cooperatives. 	<ul style="list-style-type: none"> • Due to the monopoly of enterprises, the interests of rural households can not be guaranteed. Driven by the principle of maximizing profits, enterprises often focus only on their economic efficiency, making it difficult for rural households to get more profits. In serious cases, the interests of farmers are damaged, affecting the initiative of rural households to join professional farmer cooperatives.
2	Company + cooperative + rural household	<ul style="list-style-type: none"> • Cooperatives are independent from enterprises. Cooperatives may sign or not sign orders with enterprises; • Cooperatives collectively supply seedlings, implement applicable new technologies, configure production materials, practice disease prevention, coordinate loans, and sell product; • Cooperatives connect both enterprises and 	<ul style="list-style-type: none"> • Enterprises and cooperatives bear the market risk and management risks for farmers; • A profit distribution mechanism that upholds interest sharing and risk sharing for enterprises, cooperatives and farmers is established to adapt to unstable industry and high market risks to a large extent; 	<ul style="list-style-type: none"> • Cooperatives over rely on leading enterprises for market development. Once the enterprises suffer management crisis, the cooperatives will be in trouble; • The services of cooperatives are confined in market information, technical advice, supply of seedlings and production materials, and sales of

		<p>member rural households to implement standardized production and industrialized management;</p> <ul style="list-style-type: none"> • Cooperatives are responsible for docking with companies through ways like signing contracts and organizing purchase; • Surpluses are mainly returned according to the ratios of trading amounts between members and professional farmer cooperatives. 	<ul style="list-style-type: none"> • Companies enjoy greater advantage in product development and market expansion, while cooperatives have the unique organizational and management power with a large number of scattered rural households. Both sides can join to complement each other; • Cooperatives negotiate with companies in the interests of rural households to reduce the transaction costs and risks that individual rural households may have to bear when making transactions alone, improve farmers' ability of trading, and to some extent protect the profits of rural households; 	<p>primary products, while they lack extension of industry value chain, such as deep processing, fine processing and higher added value of products;</p> <ul style="list-style-type: none"> • Due to the low organizational degree, weak financial strength, lack of talents, and low technological level, professional cooperatives have inadequate capacity and have difficulty in performing its due functions; • Cooperatives lack the ability to adapt to and develop new markets.
3	Cooperative + base + rural household	<ul style="list-style-type: none"> • Capable individuals and large households drive the development of cooperatives. Capable individuals and large households are key decision makers of cooperatives and responsible for the daily operation and management of cooperatives; • Members can work at the bases of cooperatives and the production bases make the connection between cooperatives and rural households become closer; • Surpluses are mainly returned according to the shares invested by members, and rural 	<ul style="list-style-type: none"> • Production bases boost rural households to understand and interact with cooperatives and make the connection between the two side become closer; • Cooperative organizers are familiar with the local environment, resources and policies, and thus have easy means to create cooperatives that suit local conditions; • Standardized, professional and scientific production can be achieved 	<ul style="list-style-type: none"> • The operation and maintenance of production bases raises high requirements for cooperative management. Without maintenance by personnel with certain technology and ability, the production bases will affect the continued operation of cooperatives and affect the interests and initiative of farmers to join cooperatives.

		households may also earn wages by working at the bases.	to add vitality into the operation of cooperatives.	
4	Cooperative (association) + rural household	<ul style="list-style-type: none"> • Capable individuals and large households drive the development of cooperatives. Capable individuals and large households are key decision makers of cooperatives and responsible for the daily operation and management of cooperatives; • They practice joint-stock management by joining rural households that share the same interest with them; • Surpluses are mainly returned according to the shares invested by members. 	<ul style="list-style-type: none"> • Cooperative organizers are familiar with the local environment, resources and policies, and thus have easy means to create cooperatives that suit local conditions; • As the promoters and backbone members of cooperatives are large planting and breeding households, large marketing households or farmer agents with certain economic strength and capacity, or people who enjoy prestige and power in the villages, they are usually well-informed and have extensive social network and rich experience in market operation; • It is easy to find partners and members in familiar villages to build cooperatives. 	<ul style="list-style-type: none"> • Large households and capable individuals may be likely to control cooperatives and form interest groups, excluding ordinary rural households that have different opinions from theirs; • Large households and capable individuals invest more capital and hold large shares, while ordinary rural households invest less capital and less shares and are in a subordinate position in the organizations, without not much right to speak. As a result, ordinary members can only gain very limited profits from the surpluses of cooperatives based on their trading amount and shares; • As the cooperatives may be monopolized by large households and capable individuals, once the promoters make wrong decision, the cooperatives may suffer significant loss.

4.4 Rural Households' Understanding and Attitude towards Cooperatives

During the project preparation stage, the project implementation unit and the Social Assessment Group learned about the understanding and attitudes of rural households towards the farmer cooperative organizations in the project areas through questionnaires, discussions, interviews, etc. This has a positive significance to improving and perfecting farmer cooperative organizations and promoting the participation of rural households.

(1) Rural Households' Knowledge of Cooperatives

Currently, professional farmer cooperatives nationwide are encouraged to drive the development of the rural households. Field interviews in the project areas showed that most of the rural households have heard of cooperatives, but very few of them have ever actually joined one. Those that join cooperatives mostly sell products through cooperatives or ask about planting and breeding technical questions from cooperatives. According to analysis of the survey results, 6.4% of the rural households knew cooperatives very well, 23.3% knew cooperatives well, 47.4% knew a little about cooperatives, while 21% and 1.8% had no idea or had totally no idea of cooperatives. Comparison of the understanding of rural households towards cooperatives in Guizhou, Sichuan and Gansu showed that Guizhou Province has the largest percent of rural households that knew about (very well and well) cooperatives, 44.4%; Sichuan Province has the largest percent of rural households that did not know about (no idea and totally no idea) cooperatives, 41.2%.

Table 4-11 Sampled Rural Households' Understanding of Cooperatives

Province	Very Well	Well	A Little	No Idea	Totally No Idea
Guizhou	15.0	29.4	39.6	13.7	2.4
Sichuan	3.6	23.5	31.7	38.6	2.6
Gansu	5.0	20.6	63.1	10.4	0.9
Total	6.4	23.3	47.4	21.0	1.8

(2) Rural Households' Support for Cooperatives

Interviews with rural households showed that rural households that knew something about cooperatives generally believed that cooperatives play a good role in helping rural households to sell products, providing guidance on seed breeding technology, conducting exchanges, etc., and can, to some extent, promote the development of local industries. According to the analysis of the survey results, 48.2% of the rural households strongly agreed on the establishment of cooperatives in the project; 47.4% agreed on that; 3.6% were indifferent; 0.7% and 0.1% disagreed and strongly disagreed. Comparison of the degree of support from rural households for cooperatives in the three provinces showed that all of them generally had high percents of rural households that strongly agreed or agreed on the establishment of cooperatives. The percents of rural households that chose "Strongly Agree" and "Agree" in Guizhou, Sichuan, and Gansu were 97.7% 92.8% and 97.1%, respectively.

Table 4-12 Support of Sampled Rural Households for Cooperatives

Province	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree
Guizhou	60.8	36.9	1.7	0.7	0
Sichuan	45.0	47.8	5.6	1.5	0
Gansu	45.4	51.7	2.8	0	0.1
Total	48.2	47.4	3.6	0.7	0.1

(3) Rural Households' Willingness to Join Cooperatives

Despite the low willingness of rural households to join cooperatives, rural households hoped to sell agricultural products and have access to cheap and convenient production materials and other services. According to the survey results, 27.2% of the surveyed rural households joined one cooperative, 1.3% join, 0.4% join two or more, and 71.1% do not join any. This indicated that most of the rural households do not join any cooperatives.

Sampled Rural Households' Joining in Cooperatives

Province	One	Two	More Than Two	None
Guizhou	35.2	2.4	1.0	61.4
Sichuan	25.6	0	0	74.4
Gansu	25.0	1.9	0.4	72.7
Total	27.2	1.3	0.4	71.1

According to the analysis on the willingness of rural households that have not joined any cooperatives, 95.6% said that they are willing to join one and 4.4% said that they were not willing. Generally, the three provinces showed high percents of rural households that were willing to join cooperatives, 98.6%, 90%, and 97.9%, respectively.

Table 4-13 Willingness of Sampled Rural Households to Join Cooperatives

Province	Willing		Unwilling	
	Number of Respondents	Percent (%)	Number of Respondents	Percent (%)
Guizhou	283	98.6	4	1.4
Sichuan	367	90	41	10
Gansu	620	97.9	13	2.1
Total	1270	95.6	58	4.4

(4) Rural Households' Expectation about Cooperatives

It can be seen from the analysis above that the rural households showed strong tendency to joining cooperatives. In terms of the expectations about the roles of cooperatives, 72.6% of the rural households hoped cooperatives to provide guidance on planting and breeding technology; 59.7% hoped cooperatives to develop sales channels; 43.5% hoped cooperatives to provide market information; 37.8% hoped cooperatives to provide preferential conditions in purchase of production materials; 33.8% hoped cooperatives to distribute dividends.

Table 4-13 Sampled Rural Households' Expectation about the Roles of Cooperatives

Province	Guidance on Planting and Breeding Technology	Expanding the Sales Channels of Products	Dividends of Cooperatives	Purchase of Production Materials at Favorable Prices	Providing Market Information	Others
Guizhou	60.6	65.9	36.5	34.1	40.3	0
Sichuan	73.2	62.5	36.0	41.1	49.2	0
Gansu	77.2	54.9	31.0	36.9	40.5	0.1
Total	72.6	59.7	33.8	37.8	43.5	0.1

About the serious factors that restrict the development of cooperatives, 57.6% of the rural households considered it is the small scale of industries; 43.7% consider it is the weak policy support from the government; 41.3% considered it is the lack of cooperative leaders; 35.3% considered it is the poor infrastructure that restricts the development of cooperatives; 16.9% considered it is because the operation mechanisms of cooperatives are not smooth; 15.1% considered it is the imperfect policies and regulations.

Table 4-15 Factors Restricting the Development of Cooperatives in the Eyes of Sampled Rural Households

Province	Industry Scale Too Small	Weak Support	Lack of Leaders	Lack of Initiative	Incomplete Policies and Regulations	Unsmooth Operation Mechanism	Poor Infrastructure
Guizhou	70	39.2	49.1	27.0	13.7	10.6	7.7
Sichuan	50.1	49.0	38.3	19.5	19.3	20.8	42.8
Gansu	58.1	41.4	40.2	25.0	12.5	16.4	40.5
Total	57.6	43.7	41.3	23.4	15.1	16.9	35.3

(5) Capacity Building of Cooperatives

In terms of capacity building through training, 58.9% of the rural households believed it is very necessary to carry out the training; 34.3% believed it is necessary to carry out the training; 5.7% believed that the training can be or cannot be provided; 1.0% believed it is unnecessary; 0.1% believed it is very unnecessary. On the whole, rural households believed it is necessary to enhance the strength of cooperatives by carrying out training.

Table 4-16 Sampled Rural Households' Understanding of the Necessity for Cooperative to Provide Training

Province	Very Necessary	Necessary	Average	Unnecessary	Very Unnecessary
Guizhou	62.8	36.2	0.7	0	0.3
Sichuan	54.0	33.0	10.3	2.6	0
Gansu	61.1	34.5	4.3	0.1	0
Total	58.9	34.3	5.7	1.0	0.1

According to the further analysis of rural households' needs for training provided cooperatives, 67.8% believed they need technical training about the planting and breeding industry; 18.5% believed they need training on market information; 7.3% believed they need training about cooperative charter and management; 5.7% believed they need training on project publicity and promotion; 0.6% of households believed they need training on other aspects.

It is known from interviews with rural households that their needs in breeding and planting techniques are mainly as follows: ① Seeding and seedling growing techniques. Original seeds of some crops like *gastrodia elata*, *radix pseudostellariae* and potatoes have a high demand on seedling growing which is refined and complicated. Seeds of some crops need procedures like sterilization and detoxification which cannot be handled by common rural households due to their limited conditions and abilities. And there are still problems in transportation and test planting if buying seedlings from nonlocal areas. ② Culture of crops and field management. That scattered single household neglects management after planting is a

common phenomenon. There were failures in walnut planting in Luoeyigan Village, and sweet orange planting in Yulin Village resulted from households who did not know techniques of planting, pruning and grafting, assuming that no management is needed after planting. As a result, problems like low survival rate and long fruiting period occurred. ③ Plague control for crops. Potatoes and konjac tend to be affected by soft rot which can be prevented but is difficult to be brought to permanent control if symptoms occur. ④ culture of stud livestock like basic ewes and cows, e.g., the purification and rejuvenation of Huaqiu chickens and breed improvement of cattle and sheep. ⑤ Grass growing and allocation. Some rural households still believes in the concept of “feeding whatever you plant” and few scientific methods are used in breeding and planting. The extensive breeding results in longer time of fattening than that of refined breeding and more slowly profiting. ⑥ Plague control for livestock. Generally speaking, twice plague controls per year will be conducted by local Animal Husbandry Bureau in spring and autumn. However, illnesses of livestock, e.g., FMD and gastrointestinal problems of sheep caused by eating plastic mulch, are unavoidable.

Table 4-17 Needs of Sampled Rural Households for Cooperative Training

Province	Planting and Breeding Industrial Technology	Market Information	Charter and Management Knowledge	Project Promotion and Publicity	Others
Guizhou	53.8	19.0	8.6	16.6	1.7
Sichuan	69.0	19.8	8.6	2.4	0.2
Gansu	73.2	17.3	5.8	3.2	0.3
Total	67.8	18.5	7.3	5.7	0.6

4.5 Problems in the Operation of Professional Farmer Cooperatives

(1) Little Knowledge of Rural Households about Cooperatives

Judging from the survey, 29.7% of the rural households knew cooperatives “very well” and “well”. 70.3% of them simply heard or not heard of cooperatives. Field visits to the project villages showed that some of the rural households had no idea of what cooperative is when the Social Assessment Group mentioned the term “cooperative”. Most of the rural households have never heard of cooperatives. Some even had no idea that cooperatives have already been created in the villages. Women knew and understood less about cooperatives than men, and minority areas knew and understood cooperatives more poorly. In terms of regional differences, the villagers in the project areas in Sichuan Province knew about cooperatives less than those in Guizhou and Gansu.

The project areas are concatenated impoverished area which lack water resource and are difficult to access. Industries in these areas are underdeveloped. There are few cooperatives and even no one exists in some villages. Therefore, the rural households in the areas know little about cooperatives. Second, most of the project areas are in remote mountain areas where rural people scatter. With few mass media communications, e.g. TVs, radios, and computers, information cannot easily be communicated. The cooperatives hardly help improve the conditions of rural people, thus they rarely can attract their attention. In some villages, cooperatives have been established. However, most of them are established by several

able men or big breeders or planters. Some cooperatives do not profit though exist. And some are small companies in nature constructed by several people and common rural people hardly join them. As a result, even though rural people have ever heard of cooperatives, they do not know what they are doing.

 **Mr. Zhou, Leader of Sanyou Village, Zhangjiachuan County, Tianshui City, Gansu:**

I hope to change the poverty with the cooperative. We have abundant lands and grass here. We can organize the surplus laborers to make some money. The older generation know cooperatives (of 1950s), but young people now do not know anything about them. They all went to cities as folk workers. They don't want to stay at home.

 **Symposium of Villagers in Yida Village, Jinyang County, Liangshan Prefecture, Sichuan:**

I never heard of cooperatives. My own sheep cannot meet the market demand. The cooperative should aim at marketing. It can be established, as long as it helps development.

 **Symposium of Villagers in Ripai Village, Butuo County, Liangshan Prefecture, Sichuan:**

I don't know much about cooperatives and never took part in one. We cannot speak mandarin fluently, so we cannot communicate with others. Young people who can communicate went out to work in cities. With no market knowledge, we are worried that the price will not be good even though products are transported out. And freight is still needed. If we cooperate with a company, a price higher than the market price should be guaranteed.

(2) Little Participation of Rural Households in Cooperatives

The participation of rural households in cooperatives is analyzed from two aspects, the will and conditions of rural households and activities those who join cooperatives take part in. From the former respect, through analyzing the knowledge of and attitude toward cooperatives, it is known that 28.9% of the rural households took part in cooperative while the remained 71.1% did not. A relatively small proportion of rural households have joined cooperatives. However, 95.6% of the rural households are willing to join cooperatives, the proportion much higher than that of those who have joined cooperatives. Second, from the latter respect, most cooperatives are not organizing activities. The members are just nominal who do not take part in any activities in fact. In some operating cooperatives, it is commonly found that rural households sell agricultural products through the cooperatives. Some cooperatives provide technical guidance and training related to the industries together with Animal Husbandry Bureau, providing some means of production, e.g., pesticides, seeds, and fertilizers, for rural households, by obtaining funds and projects. Common rural households are rarely involved in management of cooperatives. And most cooperatives do not hold member meetings.

There are internal reasons and external reasons for the phenomenon that rural households seldom participate in cooperatives. The internal reasons include: A. Rural households are insufficient in their abilities. They are short of funds and skills. In addition, some impoverished people lack conditions of joining cooperatives and participating in industrial development due to their physical or mental disabilities (illnesses or handicaps). B. Rural households cannot undertake market risks, so most of them focus on short-term profits. For example, three approaches to land transfer are provided to villagers in Shuiliao Township, Xuyong County, Sichuan Province for the construction of sweet orange model park. First approach is that lands of rural households will be rent at a price of 400 Yuan/Year, which is chosen

by 80% of the households. The second approach is that no rent will be paid for the first three years, but the households will be involved in dividend distribution after the production goes into operation, which is chosen by more than 10% of the rural households. The third approach is that rent will be paid in the first three years during which sweet oranges are planted and managed, and the households can still be involved in dividend distribution at a ratio lower than that of the second approach, which is only chosen by several households. External reasons: A. Cooperatives are not constructed in accordance with regulations. Most cooperatives are controlled by the initiator and one or more partners who are not willing to share profits of the cooperative with others. Some big breeders or planters and masters are not willing to share their expertise. It is commonly found that big breeders and masters monopoly techniques and funds. B. the cooperatives are insufficient in abilities. Most cooperatives are small-scaled with little fund. They are incapable of organizing large amount of rural households to participate in operation.

 **Symposium of Villagers in Kezhai Village, Longxi County, Gansu:**

We have a cooperative in the village. But none of the present villagers is a member. Someone in the village committee told us later that the place we had the meeting belongs to the cooperative. 2 households even don't know they are members of the cooperative. They didn't attend any meetings, receiving training and no one told them so. We hope the cooperative provide technical guidance, because the herbals planted by the cooperative and marketing are better than that of villagers.

 **Symposium of Villagers in Haiba Village, Dafang County, Guizhou:**

Mr. Wang, 57, Chuanqing Minority. I joined the cooperative, too. There are many villagers in the cooperative, women accounting for 80%. No specific condition but signing up is needed to join the cooperative. The cooperative provides seedlings for us. And we sell the products to it after harvesting. Some people in the village also transfer their lands to the cooperative as the base and work in the base themselves. They can earn 60 or 70 Yuan per day. The radix pseudostellariae has a great demand on techniques. The cooperative has provided training on the techniques, and now basically everyone has mastered the techniques.

 **Interviews with Women in Bijiao Village, Dafang County, Guizhou:**

Mr. Liu, 51, Han Nationality: I have taken part in the agricultural technique training. But because of my limited literacy, I have some difficulties in understanding the training knowledge. It is too complicated. I hope the cooperative provide comprehensive support.

 **Interviews with Villagers in Yangjiu Village, Xishui County, Guizhou:**

I have a farmhouse inn and I didn't join the cooperative, because I think the cooperative is privately-owned and I don't believe in the ability of the person in charge. Moreover, I already have abundant customers. And every year we cannot provide enough service for our passerby customers and regular customers, so it is not necessary to join the cooperative. I learned my cooking skills in training provided by the tourism office. If the cooperative develops well and standardized, I will consider about it.

 **Interviews with Villagers in Da'an Village, Xishui County, Guizhou:**

Mr. Li, 50 Han Nationality: I have joined the sheep breeding cooperative in the village without any fees. But it is not working right now, so we don't connect closely. The lambs are reproduced or bought on our own. Techniques are trained by the Agriculture and Animal Husbandry Bureau. And we sell sheep through sheep dealers. And we bargain with sheep dealers on our own. The cooperative is not involved.

(3) Large Number of Dormant Cooperatives and Poor Operation Results

According to the statistics of cooperative operation provided by Operation Management Station of the Agriculture Bureau, in Guizhou Province, there are 179 cooperative which operate well, 573 ones which operate moderately, and 245 ones which operate poorly, accounting for 17.96%, 57.47%, and 24.57% respectively. And in Sichuan Province, of the 845 cooperatives in the project counties, 702 operate poorly with no function, accounting for 83.08%. According to field interviews, cooperatives in Guizhou, Sichuan and Gansu are not working well in fact. There are 12 ones working well out of 40 cooperatives (associations) in the project district, accounting for 30%. 9 ones are operating poorly, accounting for 22.5%. And 11 ones are not officially started, accounting for 27.5%. In fact, most cooperatives visited by the cooperative assessment group are the best ones in the area. And the actual proportion of cooperatives which are operating poorly or not started is higher than the current proportion.

Similar dormant cooperatives are existing in many places. Many are not operating though created. Many are created in order to obtain subsidies and preferential policies of the government. In addition, low entry cost and no fee is charged in registry, for example, only 5 names, duplicates of their IDs and a few forms and signatures are needed for application and registry, also contribute for the situation. Furthermore, the nation encourages developing cooperatives, and each county, town, and village has to achieve the assigned annual goals of cooperative construction. In some areas, the constructed cooperatives cannot enjoy preferential policies accordingly due to their own situation. For example, some cooperatives cannot meet with conditions for loans because they do not have sufficient capital accumulation and assets for mortgage. Thus, they lack financial support, and cannot enjoy the preferential conditions in capital or tax. All the above reasons result in the large amount of cooperatives merged in recent a few years. Operating cooperatives are few though there are many registered.

Interviews with Key Informants in Council of Agricultural in Bijie City, Guizhou:

If the cooperative develops well and exercises in the interests of breeders, I can be very supportive. After all, we will have an advantage if we bargain with sheep dealers in a joint way. I also am willing to fulfill my obligations as a big breeder, and leading others to get rich and provide guidance on techniques. There are more than 3,000 cooperatives (in Bijie). But they are not regulated and operate poorly. Every year 10 agricultural cooperatives at the municipal level will be selected to which an allowance of about 20,000 Yuan each will be provided as encouragement.

interviewed cooperatives (association), 10 were founded in 2013, accounting for 25% of the total surveyed cooperatives. In addition, there were 7, 4 and 9 cooperatives established in 2010, 2011, and 2012, accounting for 17.5%, 10%, and 22.5%, respectively. These cooperatives have short histories and have low development levels. In terms of organizational structure, the promoters, also big shareholders in cooperatives, occupy the dominant positions, and the operation and maintenance of cooperatives mainly depends on individual reputation and authority. Partners of cooperatives are generally large households and capable individuals and village cadres, while ordinary and poor rural households seldom become part of the management. In addition, there is a lack of professional talents that understand management, technology and have marketing ability in the organizational structure, and there is a shortage of financial staff. Due to the small scale, little capital, and lack of professional and technical staff, most of the cooperatives carried out few operation activities and provide few services for members. In addition, due to lack of water resources and inconvenient transportation in poor areas, it is difficult for cooperatives to

play their due functions and roles.

 **Leader of Shunfeng Ecological Agriculture Development Cooperative in Dafang County, Guizhou:**

At the primary stage, cooperatives are short of funds. In techniques, native experts are needed. They are difficult to access and short of process equipment.

 **Interviews with Key Informants in Agricultural Bureau in Xishui County, Guizhou:**

Now the cooperatives are facing with easy establishment but hard consolidation. Major difficulties are as follow: they lack masters and leaders in the cooperative, and the persons in charge are hardly motivated; it is difficult to financing; and they are limited in the ability to explore the market.

 **Leader of Fuxing Professional Cooperative of Apple Marketing in Zhengning County, Gansu:**

Difficulties in the cooperative: lack of capital; unenlightened of market information; lack of planting expertise; no working office; the office is rent from the village at the price of 10,000 Yuan per three years.

 **Leader of Huinong Professional Cooperative of Apple Planting in Heshui County, Gansu:**

The major difficulty of the cooperative is lacking of fixed office. Now a simple office is constructed (in my own land close to the road). We want to grow bigger and stronger and become a company of intensive processing. We also want to build a refrigerating chamber but we are short of capital. We have problems in planting skills, but the capital is only enough for experts in the county. We negotiate with factories when organic fertilizers are concerned and negotiate with agencies when others are concerned. There are still rooms for increasing the profits.

 **Leader of Jiangshan White Konjac Cooperative in Jinyang County, Sichuan:**

Both the two partners of the cooperative know little about management. Now they just know some local knowledge. We learn with the aid from the konjac office and search for information from books or from the Internet. If there are any training on management and skills, I want to attend it.

(5) Incomplete and Non-transparent Profit Distribution Mechanisms of Cooperatives

The Social Assessment Group learned from the field investigation that some cooperatives do not have no clear provisions about the withdrawal of surplus accumulation fund, public welfare fund, or dividends in their financial management systems. Even if there are provisions about deciding the profit distribution based on the resolution proposed at the general assembly of members (representatives), in fact, cooperatives seldom convene a general assembly of members (representatives) for a vote; instead, decisions are made by several key members of the cooperative and the decisions about the ratios of income dividends to share and profits to return are highly arbitrary. Generally share dividends are given first, with the remaining surpluses for rebates. During the distribution of dividends, dividends are first shared according to capital contribution and then land or other contributions. The forms of dividends and rebates are diverse. Basically each cooperative has a different way and standard of dividends sharing and profits returning, and the whole information about income distribution is not transparent and rarely

publishe; there are various ways and standards of profit distribution and the mechanisms are not perfect.

4.6 Suggestions on Improving Cooperatives

(1) Carrying out publicity and training to improve the understanding of rural households towards cooperatives and the project

The following suggestions are proposed to deal with the poor understanding of rural households towards the project and cooperatives:

1) A plan for information disclosure, publicity and training throughout the early, mid and late stages of the project should be developed (see the project implementation manual). The project offices should organize to prepare guiding opinions or guidance on the development and management of cooperatives and distribute them to the rural households in the project areas. The early stage will focus on publicity about understanding of the project and cooperatives, the mid stage will focus on publicity of implementation information about creation of cooperatives, choices for industrial development, community procurement, construction information, production and technical training, and the late stage will focus on publicity about operation of cooperatives, such as profit distribution and financial management.

2) The publicity and training of information about the project and cooperatives should fully consider the participation of special groups like women , minorities, and the poor.

3) The publicity and training should be done in slack periods of rural households, or other appropriate periods; the publicity and training should be done in places where rural households usually assemble and which are easily accessible, such as the village committee and wide-open areas. Concentration of rural settlements in the project villages should be fully considered to set up organizations on natural village, administrative village or family habitation basis; the training language and text should be simple and easy to understand, using familiar local languages and scripts; considering that most of the farmers in poverty-stricken areas are illiterate or poorly literate, the information should be mostly conveyed in oral language or through pictures.

4) The publicity about the project and cooperatives should ensure that at least 80% of households (100% of registered poor households) are informed and 30% of women, 80% of poor households and 30 % of minorities are involved.

5) Random inspection on the publicity and training effects should be conducted on a regular basis of 2 times/year in the early phase of the project and 1time/year in other phases.

(2) Developing measures for rural households to participate in all processes of cooperatives to improve their ability and chances of participating

The following suggestions are proposed in response to the little participation of rural households in cooperatives:

1) Creating a preparatory group of cooperatives, and ensuring that the group includes 50% of the villager representatives, as well as a certain number of women, minority groups, and representatives from poor households;

- 2) Convening a general assembly of villagers or villager representatives to preliminarily screen members, determine the type of cooperative to be developed and major industries, and finally determine the members of cooperative, and ensure that the percent of registered poor households of cooperative gradually reaches 80% or more;
- 3) Convening a general assembly of members to determine the organizational structure, charter, management rules, and profit distribution, create file management, and disclose and publish relevant information;
- 4) Providing technical and management training and guidance on industrial development and operation of cooperative, which should cover as much members as possible;
- 5) Fully informing cooperative members of seedling/breeding stock selection and procurement, respecting the opinions and ideas of members, and maintaining data filing and archiving;
- 6) Prioritizing members, especially poor members, when employment and training opportunities are provided;
- 7) Fully informing about the information on the contracts signed with enterprises and members, and respecting the wishes of members;
- 8) Treating all the members equally when offering sales prices, and regularly publishing the distribution of profits;
- 9) Establishing a complaint and appeal mechanism for cooperative members.

(3) Establishing cooperatives that adapt to the local industrial development, needs of rural households, and market demands, and improving the Capacity of cooperatives to serve for rural households

The following suggestions are proposed to deal with the poor operation effects of cooperatives:

- 1) Keeping the members fully informed of the establishment of cooperatives and selection of industries, and making decisions after all the members have discussed;
- 2) Initially identifying several industries to be developed according to the status of local industries, and finally determining the industries to be developed by cooperatives through SWOT analysis;
- 3) Establishing cooperatives that adapt to the needs of rural households, conducting publicity and training based on the needs of members, and providing services like supply and sales of production materials.

(4) Creating dedicated guidance team for cooperative development and improving the self-organization and management level of rural households

The following suggestions are proposed to deal with low development level and non-standardized organization and management of cooperatives:

- 1) Creating a preparatory group of cooperatives to provide guidance and supervision services on the creation of cooperatives and selection industries;
- 2) Staffing cooperatives with counselors who need to have experience in rural work and knowledge in sociology, agriculture, and economics, understand the local language, have strong organizational skills,

and are able to work in villages;

3) Convening a general assembly of members to discuss and develop methods to manage conditional grants to cooperatives;

(5) Developing reasonable, open and transparent profit distribution mechanism to improve the benefits of rural households

The following suggestions are proposed to deal with the incomplete and non-transparent profit distribution mechanism of cooperatives:

1) Convening a general assembly of members to the profit distribution mechanism of cooperative, which should clearly define the ratios and order of profit distribution; defining the percents of public accumulations that are withdrawn aside, such as public accumulation funds, public welfare funds, relief funds, venture funds and development funds, and determining the specific way of profit distribution in the cooperative, such as profit returning and share dividends.

2) The profit distribution mechanism and specific distribution should be open and transparent, keeping financial filing and achieving of cooperative, and regularly informing members of financial information to receive supervision and questioning of members.

5 Poverty Analysis

5.1 Poverty Status

5.2.1. POVERTY STATUS IN GUIZHOU, SICHUAN AND GANSU PROVINCE

(1) Guizhou Province

There are 98 project villages in Guizhou Province, 85 of which are poor villages, accounting for 86.7%. In the project area, there are 31208 poor households and 90775 poor people, with 28.14% poverty incidence. Thereinto, Dafang County, Bijie City accounts for the highest poverty incidence with 32.70%; Tongzi County, Zunyi City for the lowest poverty incidence with 17.80%.

(2) Sichuan Province

There are 199 project villages in Sichuan Province, 196 of which are poor villages, accounting for 98.5%. In the project area, there are 23853 poor households and 87665 poor people, with 33.62% poverty incidence. Thereinto, Meigu County, Yi Autonomous Prefecture of Liangshan accounts for the highest poverty incidence with 39.65%; Gulin County, Luzhou City for the lowest poverty incidence with 28.12%.

(3) Gansu Province

There are 241 project villages in Gansu Province, all of which are poor village. In the project area, there are 41587 poor households and 178466 poor people, with 49.68% poverty incidence. Thereinto, Yongjing County, Linxia Prefecture accounts for the highest poverty incidence with 80.49%; Anding District, Dingxi City for the lowest poverty incidence with 35.62%.

Table 5-1 Poverty Status of Project Counties

Region		Project Villages	Poor Villages	Poor Households	Poor People	Poor Incidence (%)	
Guizhou Province	Bijie City	Dafang County	19	19	8341	25811	32.70
		Zhijin County	22	11	4627	12715	27.61
	Zunyi City	Tongzi County	12	10	2258	6341	17.80
		Xishui County	26	26	11779	32471	30.71
		Chishui County	19	19	4203	13437	23.89
	Total		98	85	31208	90775	28.14
Sichuan Province	Luzhou City	Gulin County	20	20	4664	15933	28.12
		Xuyong County	20	17	3408	14088	30.88
	Yi	Zhaojue	42	42	5616	17394	36.32

	Autonomous Prefecture of Liangshan	County					
		Meigu County	52	52	4558	18168	39.65
		Jinyang County	36	36	3002	11998	33.94
		Butuo County	29	29	2605	10084	34.32
Total		199	196	23853	87665	33.62	
Gansu Province	Tianshui City	Zhangjiachuan	16	16	2472	8234	59.73
		Wuwei City	Gulang County	16	16	1066	4753
	Dingxi City	Tongwei County	14	14	2032	8902	54.34
		Longxi County	12	12	2542	11223	47.90
		Weiyuan County	18	18	4094	16391	41.44
		Minxian County	20	20	2950	13611	43.31
		Anding District	16	16	1759	8456	35.62
		Lintao County	12	12	1891	7502	37.64
	Qingyang City	Huanxian County	25	25	3991	18460	49.00
		Huachi County	16	16	1674	6876	40.67
		Zhengning County	13	13	3775	13299	36.88
		Heshui County	12	12	2576	9787	42.00
	Linxia Preecture	Dongxiang County	12	12	1382	7000	60.87
		Yongjing County	18	18	2698	12133	80.49
	Pingliang City	Jingning County	10	10	1497	7611	65.87
		Zhuanglang County	11	11	2223	10966	70.68
	Total		241	241	41587	178466	49.68

5.2.2. MEANS OF LIVELIHOOD OF POOR HOUSEHOLDS

Means of livelihood plays an influential and decisive role in families' financial situation. For poor households in the project area, traditional agricultural production is their major income sources, besides,

working outside accounts for a certain proportion, but making up a small portion of their general incomes. Compared with ordinary rural households, poor households' means to make a living is relatively single, with a greater dependence on traditional crop farming.

Questionnaire survey reveals 79% of 758 surveyed poor households choose “farming at home” as their major income sources; 19% choose “working outside”; 0.9% choose “transporting”; 1.1% choose “other options”. In the project area, poor households take agricultural production as the principal option, and working outside as the second. According to the colloquium and interviews, it is found that traditional agriculture and traditional production mode are the ordinary means of poor households. Crop farming (mainly for grain) provides poor households with guaranteed food and clothing. Some poor households will raise sheep, pigs and cows in small scale as the subordinate income sources.

In the interviews, it is learned that some poor households work outside to make a living. Most of them would do temporary or seasonal works for others in local or surrounding areas at slack farming season, while a small portion do long-term works in further areas. With lower educational levels and comprehensive quality, however, they can only engage in such low-paid jobs with few employable skills as construction, porting, clean-keeping, housekeeping and catering.

Mr. Jin from Tangjiawuji Village, Mayizu Township, Jinyang County, Sichuan Province:

I have 11 mu of land, with 5 mu of corns and 6 mu of green prickleyash, interplanting white conjac and sweet potatos. I didn't make much money last year in Shenzhen. This year I focus my attention on crop farming. I can make a profit of RMB 3000 yuan from a mu of green prickleyash interplanting with corns. We may have some corns for food, but most are used for feeding pigs and chickens. We raise 2 pigs and 10 chickens. We reserve sweet potatos for food only. Now I make money mainly from crop farming.

Mr. Zhang from Muyeli Village, Dongxiang County, Linxia Precture, Gansu Province:

My family is poor in the village with net annual income RMB 2000 yuan last year. Cultivated land per capital in the village is 1.2 mu, used for planting corns and potatos for family food. We don't earn much from crop farming, and the main income of my family is from my manual work at the factory nearby. I usually work outside for 2-4 months every year, and go home to help at busy farming season. There are 4 sheep in my family, all raised by my wife.

Table 5-2 Major Income Sources of Poor Households

Province	What Is Your Major Income Source?							
	Farming at Home		Working Outside		Transporting		Others	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Guizhou Province	134	89.9	14	9.4	1	0.7	0	0.0
Sichuan Province	221	84.7	39	14.9	0	0.0	1	0.4
Gansu Province	244	70.1	91	26.2	6	1.7	7	2.0
Total	599	79.0	144	19.0	7	0.9	8	1.1

Source: Questionnaire survey data

Note: 1,600 copies of questionnaires are sent out in the social survey, with 1,507 copies of valid questionnaires

including 758 pieces from poor households. Similarly hereinafter.

5.2.3. SITUATION OF POOR HOUSEHOLDS' PARTICIPATION IN THE COOPERATIVE

(1) Status Quo of Participation in the Cooperative

Statistics show that 32.6% of 758 surveyed poor households have participated in the cooperative, among which most (30.5%) have joined the same cooperative, and 67.4% haven't participated in any cooperative. Thereinto, surveyed poor households in Guizhou Province, Sichuan Province and Guansu Province account for respectively 53.4%, 28.0% and 34.2%. In the field visits, it is found that in the cooperative management level, administrative personnel mainly consists of village committee, capable people in rich and influential families, and agricultural technicians, while few people in poor households are able to participate in the management layer of the cooperative. The main purposes of poor households to participate in the cooperative are to provide them with quick access to symmetric market information, and with sales channels of agricultural products.

Table 5-3 Situation of Poor Households' Participation in the Cooperative

Province	Have You Participated in the Local Cooperative?							
	Have Participated One Local Cooperative		Have Participated Two Local Cooperatives		Have Participated More Than Two Local Cooperatives		Haven't Participated Any Local Cooperative	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Guizhou Province	74	49.7	5	3.4	2	1.3	68	45.6
Sichuan Province	47	18.0	0	0.0	0	0.0	214	82.0
Gansu Province	110	31.6	8	2.3	1	0.3	229	65.8
Total	231	30.5	13	1.7	3	0.4	511	67.4

Source: Questionnaire survey data

(2) Willingness to Participate the Cooperative

According to the colloquium and interviews, it is found that social regime in the project area hasn't been well develop, and most parts of the cooperative organization are far from perfect and standard operations. The cooperative hasn't established close interest relationship with rural households, and isn't well functioning. The participation rate of poor households is not high, especially in Sichuan Province with only 28%. Poor households who haven't participated in the cooperative are strongly willing to participate, hoping the cooperative can improve production management technologies, and solve the sales problems of agricultural and sideline products. Statistics show 94.5% of them are willing to participate in the cooperative. The rate in the three surveyed provinces reaches to more than 90%. Rural households are willing to participate in the relatively well developed cooperatives which yield good economic returns with strong impetus ability.

 **Mrs. Li from Bijiao Village, Maochang Town, Dafang County, Guizhou Province**

I have 5 mu of land. A few years ago, I planted corns and soybeans. In recent years, I found that traditional Chinese medicinal herbs wre very profitable, so I followed the trend to plant some but not too much at first. Now I have mastered certain planting technologies. There is a cooperative in the village, named Saishidai Traditional Chinese Medicinal Herbs Planting Specialized Cooperative. I haven't joined in the cooperative, but am planning to because I've seen that the members have made a lot of money and the cooperative provides them with technical instructions and services. We are all planning to join in the cooperative.

Though poor households have the strong willing to participate in the cooperative, few are willing to take part in the operation and management. In the interviews, it is found that overwhelming majority of poor households participate in the cooperative for the purpose of developing with the cooperative and obtaining economic benefits, but it is widely believed that they are not capable of and don't have to be involved in the organization and management of the cooperative.

 **Mr. Wang from Yulin Village, Jiaoyuan Township, Gulin County, Sichuan Province**
 I joined in the cooperative for the sales of oranges because I didn't sell well on my own, but with the help of the cooperative it becomes more convenient, so everyone is willing to join in the cooperative. I've joined in the cooperative at a relatively early time, and I trust the person in charge, because he is the old fellow in the village. We are at ease to have him and several others to lead the cooperative.

Table 5-4 Poor Households' Willingness to Participate in the Cooperative

Province	Are You Willing to Participate in the Cooperative?			
	Yes		No	
	Number	Percentage	Number	Percentage
Guizhou Province	66	97.1	2	2.9
Sichuan Province	195	91.1	19	8.9
Gansu Province	222	96.9	7	3.1
Total	483	94.5	38	5.5

Source: Questionnaire survey data

5.2.4. POOR HOUSEHOLDS' CAPACITIES OF ADVANTAGEOUS INDUSTRIES

Investigation and statistics show that 21.1% of poor households in the project area think they have mastered professional skills, 29.8% think they haven't, while those who think they have mastered a part of but not enough professional skills account for 49.1%. According to the colloquium and interviews, most poor households think they are able to master the farming and breeding skills to a certain extent, but compared with the rich and influential households and ordinary households, they are not professional enough, which should still be improved. For instance, the poor household from Wacha Village, Xixiang Township, Jingning County reported that as apple industry requires relatively high management technology on the orchard, and they are lack of many techniques on production and management such as trimming, pruning and topdressing, they have rather less fruit yield of the apple trees at the same tree-age than that of the rich and influential households who are capable of management.

Table 5-5 Poor Households' Mastery Degree of the Required Skills

Province	Have You Mastered Professional Skills Required by Characteristic Advantageous Industries?					
	Yes		No		Have Mastered Some, But Not Enough	
	Number	Percentage	Number	Percentage	Number	Percentage
Guizhou	16	10.7	17	11.4	116	77.9

Province						
Sichuan Province	62	23.8	125	47.9	74	28.3
Gansu Province	82	23.6	84	24.1	182	52.3
Total	160	21.1	226	29.8	372	49.1

Source: Questionnaire survey data

According to the survey, 95.7% of poor households think it “very necessary” or “necessary” to have trainings on professional skills of advantageous industries, and only 0.1% think it unnecessary. The proportions of “very necessary” or “necessary” in Guizhou Province, Sichuan Province and Gansu Province are 100%, 94.6% and 95.7% respectively. Therefore, poor households in the project area are strongly willing to participate in trainings, in the hope that their professional skills can be to some extent improved.

Table 5-6 Poor Households’ Willingness to Participate in the Trainings on Professional Skills of Advantageous Industries

Province	Do You Think It Necessary to Have Trainings on Professional Skills of Advantageous Industries?							
	Very Necessary		Necessary		Indifferent		Unnecessary	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Guizhou Province	89	59.7	60	40.3	0	0	0	0
Sichuan Province	166	63.6	81	31	14	5.4	0	0
Gansu Province	202	58	127	36.5	18	5.2	1	0.3
Total	457	60.3	268	35.4	32	4.2	1	0.1

Source: Questionnaire survey data

When asked about “Are you willing to participate in the project to develop characteristic advantageous industries?” 94.3% of surveyed poor households express their “definite willingness”, with a high proportion of 90% in three surveyed provinces. In the field surveys, poor households are quite supportive for the project construction, and are willing to develop characteristic advantageous industries for economic benefits.

Table 5-7 Poor Households’ Willingness to Develop Characteristic Advantageous Industries

Province	Are You Willing to Participate in the Project to Develop Characteristic Advantageous Industries?					
	Yes		No		It depends.	
	Number	Percentage	Number	Percentage	Number	Percentage
Guizhou Province	145	97.3	0	0.0	4	2.7
Sichuan Province	237	90.8	5	1.9	19	7.3
Gansu Province	333	95.7	0	0.0	15	4.3
Total	715	94.3	5	0.7	38	5.0

Source: Questionnaire survey data

On the whole, the characteristic industries selected in every county have had a preferable development foundation in the local county with a certain industry scale and a long history and experience of civil plantation and breeding. In the colloquium, it is found that poor households are strongly willing to participate in the advantageous industries with a high motivation. Though they have been capable of the industry development to some extent, they still need to improve their technological levels on production and management through the facilities in the project and relevant trainings, promoting their strengths to participate in the advantageous industries.

 **Mr. Zhu from Kangriwan Village, Lintao County, Dingxi City, Gansu Province**

We have a long history of raising sheep, but compared with the rich and influential households, poor households like us don't have qualified feeding techniques. Though we have had some trainings, we haven't mastered very well. So I hope someone can teach us the feed matching methods and scientific breeding methods.

5.2 Impact Analysis of the Project on Poor Households

5.3.1. POSITIVE INFLUENCE

(1) To Promote the Adjustment of Industrial Structure, and to Accelerate the Development of Industrial Standardization and Scale

The project villages depend mainly on traditional agriculture and production mode, with single industrial structure, underdeveloped industries and low technical contents. Therefore, it is appropriate to develop characteristic advantageous industries according to local conditions, which can increase the incomes of poor households in a sustained and steady manner with scale and industrialized operation. Those advantageous industries that have a certain industrial foundation and are easy to survive and develop should be selected to develop via integrating with local geology, environment and climate.

At present, the farming and breeding industries in the project area have problems of low yield, low quality and relatively underdeveloped standardized production. Insufficient knowledge and attention have been paid to pollution-free standardized production, which cannot be effectively implemented in the production and cause weak links after the production.

The project organizes production and sale via establishing farmers' professional cooperative, which greatly improves production efficiency, extends industrial chain, promotes rural economic development, and adjusts the structure of farming and breeding industries. Through the programs of "One Village One Product" and "One County One Product", the project promotes the rapid development of advantageous industries.

(2) To Improve the Extent of Farmer's Systematism, and to Promote Poverty Group's Abilities on Labor Skills and Production Management

Current production status of the project area is single-family operating, which is difficult to open the market sales due to less product quantity and the difficult access to information. While, farmers' professional cooperative plays a role of organization and coordination to unite rural households and generate organization brand effect, and leads the single-family to enter the market. The cooperative has

played a powerful supportive role in regulating the behavior of inside members, accumulating from the small, becoming strong from the weak, reducing agricultural production cost, improving the quality and price of agricultural products, and enhancing the market competition of agricultural products.

For poor households, firstly, they are lack of scientific technologies on production and management in the process of production, storage, processing and sales of agricultural and sideline products; secondly, they are on their own, and don't ally to form industrial scale; thirdly, since they haven't formed large-scale industry and have to meet the purchaser or the market alone when they sell their products, they have mastered insufficient market information and weak capacity to resist market risks. The cooperative can provide members with basic services before, during and after the production, to realize a coordinated process of production, supply and marketing, to promote the advantageous industries to form scale benefit, and to liberate poor households from worries.

Compared with ordinary rural households, poor households haven't mastered enough techniques on production and management of breeding industry, and through cooperative construction and relevant trainings, poor households in the project area have access to new development ideas, management concept, market ideology and management technology, therefore they are able to promote their labor skills, improve the quality of production and management. Objectively, the cooperative helps poor households to change their minds, and develop their concept and development model.

(3) To Improve Infrastructure Construction, and to Improve Farmers' Production and Living Environment

Infrastructure construction is an important part of project construction, and such infrastructure as roads to every village and every group, irrigation and drainage, and public market are of particular significance to It is the villagers especially the poor households in the project area, which are also imperative for the industry development. The project implementation has improved to some extent infrastructure condition in project area, which provides poor households in the project area with indispensable basic conditions for developing characteristic advantageous industries, offers local poor households with development conditions, and renders poor households in the project area more development opportunities.

Through the project implementation, infrastructure of farming and breeding industries have been particularly improved, and related facilities of tourism have been equipped, which can improve the production and living environment in the project area. Living environment of poor households have been improved, their living standards have been raised, and their physical and mental health have been promoted.

(4) To Promote the Development of Local Characteristic Advantageous Industries, and to Increase Farmers' Incomes

In the project area, there exist problems of manpower shortage in production and underdeveloped labor skills in poor households. Through the project implementation, the previous local characteristic industries are expanded, standardized and industrialized. The project renders more poor rural households to participate in the cooperative, which provides them with more financial support, technical instruction, as well as maximum benefit.

In the project area, the farm and pasture products are sold in a low price, thus industrialized products with deeply processing can achieve a higher price, and then increase poor rural households' incomes. The

cooperative makes purchases for breeder seeds, which lowers the cost and ensures the good quality; with unifying scientific instructions on breeding/farming technologies, the cooperative is able to ensure to the largest extent the quality; to sell the products en masse, the cooperative presents the maximum degree of integration with the market, which guarantees the sale prices, maintains the interest of poor rural households, and increases their incomes.

(5) To Promote Full economic Development in the Project Area

The project implementation will promote the development of related industries, improve the development of rural economy, and be beneficial for the benign adjustment of rural industrial structure. With the development and expansion of the market, there will be new income-generating opportunities in sales. Meanwhile, rural enterprises, such as various types of processing factories and sand factories, will be promoted to develop, which broaden employment channels for farmers.

5.3.2. POTENTIAL RISKS

(1) Livelihood Risks

Some industries in the project need higher costs, while the poor households are generally shortage of necessary funds for launching the industry. The input cost and their ability to pay will directly affect their participation enthusiasm and economic benefits of the project. To take cattle breeding industry for instance, the project promotes to breed cattle in the barn, and has relatively strict requirements for the barn, which increases undoubtedly the economic burden to those poor households who have no barns or humble barns, because they need firstly to build up a new barn, or rebuild their old barns.

In addition, some industries have long development cycle with slow effect, such as apple industry with the mature period of 5 years and nearly RMB 2,000 per mu of annual input cost. For poor households in the project area, especially for those with single livelihood sources and maintaining basic life on government allowance, it will bring challenges to their livelihood models in the early period of the project, which exerts an impact on their enthusiasm and confidence to participate in the project.

(2) Technical Risks

Poor households in the project area have backward mode of production, predominated by traditional farming and breeding models. According to field surveys, it is revealed that poor households have extensive agricultural production mode, with the characteristics of low yield and dependence on the weather; they raise livestock in an unscientific way, which hasn't reached to the degree of fine breeding, and has certain risks on disease prevention and control. Take sheep breeding industry in Huachi County for example. Some poor households didn't feed ewes during pregnancy in meticulous way, so that with insufficient nutrition, their lamb would be dead in several days after birth.

(3) Market Risks

Due to the project implementation pilot are mostly in the isolated mountainous areas, residents in the project area haven't mastered accurate market information and been lack of necessary knowledge and capacity to cope with the market risks. Agricultural products are prone to be affected by the fluctuations of market price, which would hurt farmers with low prices. Product marketing exerts direct influence on economic benefits and rural households' participate in enthusiasm, which will lay great influence on the

project implementation and economic benefits.

After the adjustment of industrial structure in the project area, some project villages are prone to be influenced by market fluctuations on the whole due to their single industrial organizations and instabilities to cope with the market risks.

In addition, a period is needed for some industries (such as rural tourism) to be cognized by the market and to be recognized by consumers, thus they may not obtain obvious benefits at the early stage of the project, which will affect their enthusiasm.

(4) Participation Risks

During the project implementation, as it is impossible to achieve complete just and fair in the selection of project households, it is easy to cause internal contractions in the villages, which brings unhealthy social impact. Since the project involves various interest groups, there exists a risk whether the project can properly take interests of every aspect into consideration and fully listen to various opinions in the respect of benefit distribution and degree of participation.

The differences between rural households and the administrators, different cultural qualities, ideologies and understandings of the project from beneficiaries in different genders, and various participation degree, may bring some risks to the project implementation.

5.3 Poverty Group’s Awareness and Demands of the Project

5.3.1. POVERTY GROUP’S AWARENESS OF THE PROJECT

(1) Awareness of the Project Construction

Surveys show that 85.4% of 758 surveyed poor people have heard of the project, while 14.6% said they haven’t. The awareness rates of surveyed poverty group to the project are respectively 97.3%, 77.3% and 86.0% in Guizhou Province, Sichuan Province and Gansu Province, which reveals that poverty group in the project are highly aware of the project.

Survey data show that 11.1% and 30.4% of surveyed poverty group said that they have respectively “quite known” and “known” of the project; 53.3% have “known a little”; while 5.4% have “not known much”. There are low proportions of “not known much” by the surveyed poverty group with 1.4%, 6.4% and 6.5% respectively in Guizhou Province, Sichuan Province and Gansu Province. In addition, from interviews and conferences, investigators learned that most of staff in the project counties would go to the villages for the project promotion, and inform villagers of project building blocks. Overall, overwhelming majority of poverty group have learned something about the project, and have some knowledge of project building blocks.

Table 5-8 Poor Households’ Knowledge of the Project

Region	Have You Ever Heard the Project? (%)		Have You Known about the Project? (%)				
	Yes	No	Quite Known	Known	Known A Little	Not Known	Unknown

								Much	
Guizhou Province	Bijie City	Dafang County	100.0	0.0	62.7	23.5	13.8	0.0	0.0
		Zhijin County	100.0	0.0	0.0	33.3	66.7	0.0	0.0
	Zunyi City	Tongzi County	100.0	0.0	6.7	13.3	80.0	0.0	0.0
		Xishui County	93.3	6.7	0.0	32.1	67.9	0.0	0.0
		Chishui County	95.5	4.5	21.4	26.2	47.6	4.8	0.0
	Total			97.3	2.7	29.0	25.5	44.1	1.4
Sichuan Province	Luzhou City	Gulin County	96.2	3.8	20.0	36.0	32.0	12.0	0.0
		Xuyong County	68.8	31.3	9.1	68.2	13.6	9.1	0.0
	Yi Autonomous Prefecture of Liangshan	Zhaojue County	100.0	0.0	9.7	67.7	21.0	1.6	0.0
		Meigu County	74.0	26.0	0.0	1.9	92.6	5.5	0.0
		Jinyang County	51.4	48.6	36.8	26.3	31.6	5.3	0.0
		Butuo County	67.7	32.3	4.8	14.3	66.6	14.3	0.0
	Total			77.8	22.2	10.3	36.9	46.3	6.4
Gansu Province	Tianshui City	Zhangjiachuan County	80.8	19.2	8.5	50.8	30.5	10.2	0.0
	Wuwei City	Gulang County	83.3	16.7	2.9	14.3	82.8	0.0	0.0
	Dingxi City	Weiyuan County	85.7	14.3	11.1	61.1	27.8	0.0	0.0
		Minxian County	58.3	41.7	0.0	42.9	42.9	14.2	0.0
		Anding District	100.0	0.0	0.0	63.6	27.3	9.1	0.0
	Qingyang City	Huanxian County	85.5	14.5	1.4	12.5	76.4	9.7	0.0
	Linxia Precture	Dongxiang County	78.9	21.1	0.0	13.3	86.7	0.0	0.0
		Yongjing County	95.8	4.2	0.0	8.7	84.8	6.5	0.0
	Pingliang City	Jingning County	91.4	8.6	3.1	28.1	65.7	3.1	0.0
	Total			86.0	14.0	3.3	28.4	61.8	6.5
Total			85.4	14.6	11.1	30.4	53.1	5.4	0.0

Source: Questionnaire survey data

(2) Supportive Attitudes towards Project Construction

Statistics shows that 95.8% of surveyed poverty group are supportive for the project construction, with support rates of 99.3%, 95.0% and 94.8% respectively in Guizhou Province, Sichuan Province and Gansu Province. When asked about “Are you willing to coordinate the government with the project implementation?”, 93.7% of surveyed poverty group have expressed their consent to cooperate with related departments, with support rates of 96.0%, 93.1% and 93.1% respectively in Guizhou Province, Sichuan Province and Gansu Province. When interviewed, the poverty group said the project was good for them which could bring many benefits, increase their incomes and help them out of poverty, and they also expressed their support for the project construction, in the hope that the project can be implemented as soon as possible.

Table 5-9 Poor Households’ Supportive Attitudes towards the Project

Region			Do You Support the Project? (%)			Are You Willing to Coordinate the Government with the Project Implementation? (%)			
			Yes	No	Indifferent	Yes	No	Indifferent	Unaware
Guizhou Province	Bijie City	Dafang County	100.0	0.0	0.0	100.0	0.0	0.0	0.0
		Zhijin County	100.0	0.0	0.0	100.0	0.0	0.0	0.0
	Zunyi City	Tongzi County	100.0	0.0	0.0	80.0	20.0	0.0	0.0
		Xishui County	100.0	0.0	0.0	96.7	3.3	0.0	0.0
		Chishui County	97.7	0.0	2.3	95.5	0.0	0.0	4.5
	Total			99.3	0.0	0.7	96.0	2.7	0.0
Sichuan Province	Luzhou City	Gulin County	100.0	0.0	0.0	100.0	0.0	0.0	0.0
		Xuyong County	100.0	0.0	0.0	93.8	0.0	6.3	0.0
	Yi Autonomous Prefecture of Liangshan	Zhaojue County	100.0	0.0	0.0	98.4	0.0	1.6	0.0
		Meigu County	100.0	0.0	0.0	98.6	1.4	0.0	0.0
		Jinyang County	64.9	2.7	32.4	64.9	2.7	32.4	0.0
		Butuo County	100.0	0.0	0.0	96.8	3.2	0.0	0.0
	Total			95.0	0.4	4.6	93.1	1.2	5.7
Gansu Province	Tianshui City	Zhangjiachuan County	86.3	0.0	13.7	86.3	0.0	8.2	5.5
	Wuwei City	Gulang County	100.0	0.0	0.0	100.0	0.0	0.0	0.0
	Dingxi City	Weiyuan County	100.0	0.0	0.0	85.7	14.3	0.0	0.0
		Minxian County	83.3	0.0	16.7	75.0	8.3	16.7	0.0
		Anding	100.0	0.0	0.0	100.0	0.0	0.0	0.0

	District							
Qingyang City	Huanxian County	100.0	0.0	0.0	100.0	0.0	0.0	0.0
Linxia Prefecture	Dongxiang County	82.4	0.0	15.8	89.4	5.3	5.3	0.0
	Yongjing County	97.9	2.1	0.0	95.8	0.0	2.1	2.1
Pingliang City	Jingning County	94.2	2.9	2.9	88.6	11.4	0.0	0.0
Total		94.8	0.6	4.6	93.1	2.3	2.9	1.7
Total		95.8	0.4	3.8	93.7	2.0	3.3	1.1

Source: Questionnaire survey data



Mr. Jia from Sanyou Village, Yanjia Township, Zhangjiachuan County, Gansu Province

We are very supportive for the project because it can bring us civilians a lot of benefits, and help us raising cattle. We all like to breed cattle, and the project can help us become rich. We're expecting it.

5.3.2. POOR HOUSEHOLDS' DEMANDS FOR THE PROJECT

In the field surveys, the editorial team has an in-depth knowledge of poverty group's opinions of the project's influence on them via talks and interviews. Most of poor households have showed great interest in the project, and considered it as a good opportunity to get rid of poverty and become rich. Through deep understanding and analysis, poverty group's demands for the project in project villages of three provinces are as follows:

(1) Demands for Participating in the Cooperative

1) Demands for participating in the cooperative. Statistics show that 67.5% of surveyed poverty group haven't participated in the cooperative. On the one hand, it is because many villages don't have cooperative; on the other hand, some cooperatives have critical requirements for rural households to join in, some of which even demands them to buy a share, therefore, although the poverty group are willing to join in the cooperative, they are unable to due to these requirements. 95.3% of poverty group who haven't joined in the cooperative express their willingness to participate in the cooperative. When they have seen that the cooperative has brought practical and visible benefits to villagers at or around the local village, they show strong interest in participating in the cooperative.

2) Hope the cooperative can play a leading role. Compared with the rich and influential households and ordinary rural households, poor households are less capable of aiming at the market information and resisting risks, which renders them in a disadvantageous position in the process of production and sale. Led by the rich and influential households, the cooperative unites the single-operating poor households together, to achieve common prosperity. According to the interviews and discussions, for those poor households who have joined in the cooperative, they hope the cooperative can provide them with agricultural production materials in a low price, help them to broaden the marketing channels for products, and update effective market information in a timely manner.

 **President Wang from Jingsheng Cooperative, Chenghao Village, Wujiao Township, Huachi County, Gansu Province:**

On the foundation of the cooperative on October, I thought the cooperative could unite rural households together to resist market risks; villagers can sell sheep at home, and don't have to worry about the market. Farmers have a high positivity to join in the cooperative, and they are all the villagers from this village. When people have seen other cooperatives have brought benefits to the members, they are willing to join in the cooperative. Poor households, in particular, hope the cooperative can help them to sell sheep.

(2) Demands for Job Opportunities

1) Demands for jobs during the project construction. In the period of project construction, such as the cooperative construction, market facilities, road construction, etc., some unskilled jobs will be provided, and during the interviews, it is found that poverty group hope to get these jobs. By communicating with the project office, 30% of the unskilled jobs will be preferentially offered to the disadvantaged groups such as poor households and women during the project construction.

2) Demands for jobs after the completion of the project. When the project construction has completed, especially after the establishment of the cooperative, some long-term and stable jobs as well as short-term and temporary jobs will be provided, 30% of which will be preferentially offered to the disadvantaged groups such as poor households and women. For example, in the cooperative base for sheep raising, long-term employees are needed to process forage, and put in the feed; in the cooperative for apple industry, employees are needed to transfer and pack apples. Trained poor households are definitely competent to these jobs which don't have high requirements for employees' comprehensive quality. It is thus clear that poor families in the project area will increase their economic incomes via these jobs provided directly during the project construction and operation.

 **Mrs. Sun from Shanguanzhuang Village, Yongzheng Township, Zhengning County, Gansu Province:**

I grow apple trees, and our village develops apple industry. After joining in the cooperative, when purchasing apples the cooperative would hire the idle labor force in our village. Women in poor households like us would take the job when we are not busy. They'll pay us a few dozen yuan a day for sorting and packing apples. If jobs can be provided during the project construction, we're very pleased to take the jobs.

(3) Demands for Technical Trainings

1) Technical trainings for production management. In the field surveys, it is learned that due to poor economic conditions, impoverished people have less opportunities to accept education than ordinary families, thus their degrees of education are low. Survey results show that most of poverty group have the primary school education (44.3%) or junior high school education (35.0%). Due to their low educational levels, poverty group have relatively poor ability to learn and accept new things. Compared with ordinary rural households, poor households have old-fashioned mode of production and management, with insufficient mastery of production management technology. According to the interviews, it is learned that poverty group hope to adopt "hierarchy training system", with regular or irregular trainings of experts from scientific research institutions and institutions of higher learning every year and trainings organized by local counties and cities, related companies, and local experts. There are mainly three kinds of trainings in the project area: the meeting lectures, issuing materials, and on-site instructions. Relevant personnel will study in the meeting, and then go down to the "fields" of villages to instruct farmers to

practice, which is the popular way of training in the poverty group. Poverty group hopes to receive trainings on sowing and seeding, crop cultivation and field management, disease prevention and control, farming and breeding and breed improvement, forage planting and allocation, to improve current mode of production and management and increase productivity of agricultural and pasture products.

2) Trainings on employability skills. In the field surveys, it is found that some poor people can find a job because of the lack of employability skills, so they hope they can get trainings and jobs via the project. Therefore, it is necessary to give trainings to those poor labor forces who have demands for trainings and jobs and are willing to start business, so that they can master a professional skill and obtain stable employment. Through greater effort on intelligent poverty reduction and full improvement of rural labor's comprehensive quality, the project creates conditions for poor households to work outside and seek jobs. In terms of technical trainings, with the goal of meeting the job qualifications, trainings on basic skills and regulations for technical operations should be given to impoverished people in accordance with various industries, types of work, and jobs.

3) Trainings on Chinese mandarin. In the field visits, the investigators found that some poor households, especially poor households in ethnic minority regions, couldn't speak and understand Chinese mandarin, and even the village cadres could also feel difficult to introduce the situation of the village and answer questions to the research group in Chinese mandarin. For example, in Wazi Village, Saladipo Township, Zhaojue County, Sichuan Province, the research group could only communicate with the chief and villagers with the help of an interpreter. Some poor households couldn't understand Chinese mandarin, which was bad for their technical trainings on production and management and job trainings. In addition, for some poor households who seek jobs outside, they thought their ignorance of Chinese mandarin was a great obstacle to seek a job, and wanted very much to have trainings on Chinese mandarin. Questionnaire survey shows that 80.1% of poor households can't speak Chinese mandarin, while 60.1% of them think that it will bring inconvenience to them when working outside; 80.8% of poor households think it is "very necessary" or "necessary" to have trainings on Chinese mandarin.

(4) Demands for Improving Infrastructure

Project villages are basically located in mountain and plateau section with relatively poor natural conditions, which requires higher construction cost for infrastructure, and is lack of road irrigation and necessary infrastructures for the development of other industries. Poor households have a profound experience in backward infrastructure in the villages such roads and irrigation. Almost all the villagers in the surveyed villages revealed that the backward infrastructure of the villages was the pivotal cause of poverty, and they also expressed their strong willingness that the project could help them to improve the infrastructure of the villages. They said they didn't have money, but they could offer their labor.

1) Demands for improving traffic condition. In the project villages, especially in the mountainous rural areas, inconvenient transportation has always been one of the important factors of restricting the development of local economy, which is also the problem that rural households have reported and complained the most. For some project villages, they have insufficient accessibility to production roads and motor roads. Some roads in some villages and groups are so narrow that even vehicles in a small size can't pass through. In addition, most of the existing roads haven't been strengthened with sands, thus it is very difficult for poor households to work at fields and transport agricultural products. For instance, the villager from Wazi Village, Jiefang Township, Zhaojue County, revealed that vendors will not come into the village to purchase sheep because of the poor quality of the village

roads. It will take villagers more than two hours to the nearest market to sell the sheep, and in the rainy season, they can't sell sheep because the roads haven't been strengthened with sands, and will become muddy.

- 2) Demands for improving irrigation and water facilities. In the field surveys, it is found that most villages in the project area don't have irrigation equipment, especially in Mawa Village, Gaozhai Village, Gesi Village of Gansu Province. Due to the shortage of irrigation equipment, agricultural harvest totally depends on the weather. For some sections of developing stock farming, drinking water of livestock in dry season is a problem because poor households are lack of funds to build water cellar. In addition, there exist such problems as water shortage in dry season and in peak time, poor water facilities for human and animal use, insufficient irrigation facilities in some project villages such as Haiba Village and Bijiao Village in Guizhou Province. In Yulin Village, Tongxin Village, Tianba Village, Tangjiawuji Village and Yantang Village of Sichuan Province, irrigation and water facilities are lacking, thus there exists water shortage for irrigation and domestic use. They hope to build water cellar to effectively ensure human and animal drinking water, and at the same time, to lessen the water shortage of the crop production to some extent.

(5) Demands for Loans

In the field surveys, it is found that the problem reported the most by the poor households is short of money. Insufficient start-up capital greatly limits the development of the poor households. Although some places in the project area have implemented the loan projects, such as loans from China Development Bank, many poor households can't obtain the loans because of limited loans and critical requirements for debit sides. Poor households hope urgently that the project can provide them with some loans, so that they can have sufficient funds to participate in the cooperative and to purchase production materials.

 **Mr. Gao (44 years old) from Shitan Village, Biyu Township, Tongwei County, Gansu Province**

I've raised two heads of cattle with one cow and a newly-born calf. Raising cattle is very profitable, but for the poor like us, we don't have money to buy cattle. It costs 4000 yuan to buy a calf, even not that good calf, but we can't afford it. Besides, the cowshed needs to be rebuilt, but we can do nothing about it without money. We have thought about the loans, but it's very difficult. We hope the project can bring loans to the poor like us.

5.4 Beneficial Mechanism for Poverty Group

The poverty group is the real subject of poverty alleviation and development. Whether the poverty reduction project has played a real effect depends primarily on to what extent poverty group participate in the project to obtain economic benefits and development opportunities. The project should attach particular importance to the essential problems, including how to promote poor households to participate, how to further strengthen their sense of ownership, how to improve their abilities to take active part in poverty reduction project, how to make poor rural households play principal role in poverty alleviation and development, and how to ensure the poverty group to obtain the greatest benefits. Therefore, we should guide the poor households to participate in the project construction, and realize their maximum benefits via participation mechanism, guidance and incentive mechanism, appealing and complaining mechanism and supervisory mechanism.

(1) Participation Mechanism

Poverty alleviation project cannot receive expected effect without the participation of the impoverished people. Participation mechanism provides the poverty group with access to obtaining benefits and development. The quality and depth of their participation is of significance to the project implementation. The poverty group can benefit from the diversified, various and multi-stage participation.

1) Participation in the Cooperative

A. The cooperative preparatory group. Preparation of the cooperative is the process of capacity building. Poor households need to participate in cooperative preparatory group as representatives. On the basis of communication and fully respecting the will of poor households, at least one poor household should be guaranteed in the group, so that they can fully participate in the preparation of the cooperative, through which the poor households in the project villages can have a better knowledge of the project, and communicate with each other to exchange and discuss their opinions and suggestions of the cooperative.

B. Participating in and managing the cooperative. The project establishes the cooperative to provide the local villagers, especially the poverty group, with supports and services. Members should be registered in cards, to ensure the participation of the poor households. There need be also a certain proportion of poor households in the cooperative council, board of supervisors, and the members' congress, and candidates are determined on the basis of communication and negotiation. In the representative conference of the cooperative, we should listen to poor households' opinions and suggestions, make sure they can play a proper role when the cooperative makes important decisions and protect their interests. In this way, we can gradually improve farmers' capacities of self-organizing, self-government and self-development.

C. Agricultural materials services and technical exchange. Through this kind of profitable interaction, the cooperatives can establish a relatively close benefit mechanism to provide poor households with an affordable price when they buy fertilizers and pesticides, etc., in the cooperatives, to ensure their economic interests. Technical exchanges on production and management should be held inside the cooperative, and the rich and influential households can do demonstrations to the poor households.

D. Job opportunities in the cooperative. After the cooperative has been set up, some long-term or temporary jobs are provided, and 30% of unskilled jobs of which the poor households are capable, will be preferentially offered to the poverty group. On the one hand, they can obtain some economic benefits, and increase the supply of interests; on the other hand, they can exchange information and study with each other, and develop and build their own capacities.

2) Participation in Industrial Development

A. Participation in industrial chain. At present, under the existing conditions an overwhelming majority of poor households can only benefit from the initial industrial chain, which is the production phase. With the project implementation, it is essential to gradually deepen their benefits in the industrial chain. Poor households should take part in the production, storage, procession, transportation and packing as much as possible, and on the basis of fully respecting their wills, jobs should be preferentially offered to the poor households.

B. Industrial preparations and planning. The project develops advantageous industries to help the poor households out of poverty, therefore, it should ensure poor households' participation on the basis of fully respecting villagers' wills, and instruct them to perform their subjective initiative.

C. Industrial trainings. Compared with the rich and influential households, the poor households need to

further improve their skills on industrial production and management, therefore, it should concern about poverty group's demands in the trainings, and ensure they can get effective training results in the way they can understand and comprehend.

3) Participation in the Project Construction

It should be open, fair and transparent in project procurement, capital management and monitoring, so that the poor households can have a full knowledge of the project procedure and capital operation, to ensure their interests.

(2) Guidance and Incentive Mechanism

A. Mobilizing the community. To well mobilize and promote the community is the key of smooth implementation of the project. Only when the rural households, especially the poor households have a full understanding of the project will they completely participate, and then the cooperative can smoothly prepare to set up and operate. Only when the rural households fully participate will the cooperative be their own, which will improve democratic decision-making ability and operation efficiency of the cooperative. The poor households should be properly guided to participate in the cooperative, and be mobilized to create benefits actively.

B. Education trainings. Through trainings on superior authorities of related departments, first-line managers, and villagers, "paternalism" should be eliminated, and democratic rights of the villagers especially the poor households should be fully respected. In addition, efforts should be made to guide the poor households to understand the project in a correct manner, and to improve their abilities to integrate in the project.

(3) Appealing and Complaining Mechanism

In the process of project preparation and implementation, as the direct shareholders and participants, the poverty group might come across some unforeseen problems and related experience and suggestions. In order to ensure their active and extensive participation, the project should establish transparent and effective channels for complaints and suggestions, to which they can resort when their interests are harmed.

(4) Supervisory Mechanism

As the important link to ensure the project to implement according to the project targets, supervisory mechanism can feed back problems existing in the project implementation in a timely manner, regulate cooperatives and enterprises, and balance the social, economic and cultural benefits generated by the project development. By supervising the whole process of the project and correcting the existing problems timely, the mechanism ensures the smooth implementation of the project, and guarantees the poverty group to obtain their due interests.

In a word, as the core of the whole beneficial mechanism, poor households promote and implement the mechanisms, which are built around the interests of the poverty group. Guidance mechanism is the precondition of poverty group to participate in the project, the participation mechanism provides them the access to obtaining benefits and development, appealing and complaining mechanism is their guarantee, and supervisory mechanism the supplementary part. The four mechanisms interact with each other to guarantee the benefits of poverty group.

6 Social Gender Analysis

6.1 Women's Development Status

6.1.1. WOMEN'S DEVELOPMENT STATUS IN GUIZHOU PROVINCE, SICHUAN PROVINCE, GANSU PROVINCE

(1) Women's Population Distribution

Guizhou Province: In 2012, women's population in Guizhou Province is 16.785 million, accounting for 48.34% of the total population, and the male-female ratio is 106.89, which is at equilibrium. Female population of Yi nationality is 404,900, accounting for 1.17% of the total population; women's population of Miao nationality is 1.9275 million, accounting for 5.55% of the total population; female population of non-identified people's community is 292,700, accounting for 0.84%.

Sichuan Province: In 2012, women's population in Sichuan Province is 44.124 million, accounting for 48.50% of the total population, and the male-female ratio is 106.18, which is at equilibrium. In female population, women in cities and towns are 16.0268 million, accounting for 40.5% of total female population, while women in villages are 23.5629 million, accounting for 59.5% of total female population.

Gansu Province: In 2012, women's population in Gansu Province is 12.6068 million, accounting for 48.91% of the total population, and the male-female ratio is 104.46, which is at equilibrium. Among them, the total population of minority women is 1.5687 million, accounting for 6.09% of the total population.

Table 6-1 Female Population Situation in Three Provinces

Province	Total Population (ten thousand)	Female Population (ten thousand)	Proportion (%)	Sex Ratio
Guizhou Province	3472.3	1678.5	48.34	106.89
Sichuan Province	9097.7	4412.4	48.50	106.18
Gansu Province	2577.6	1260.68	48.91	104.46

Source: Statistic yearbooks in Guizhou Province, Sichuan Province, and Gansu Province (2013)

(2) Women Employment and Protection

Guizhou Province: In 2012, female employees at divisions of non-private institutions in cities and towns of Guizhou Province accounts for 32.5% of total employees, among which female employees in Prefecture-owned units accounts for 33.95% of total employees in Prefecture-owned units, female employees in collective-owned units account for 27.39% of the total employees in collective-owned units, while female employees in other units account for 29.26% of the total employees.

Sichuan Province: In 2012, the number of female employees at divisions of non-private institutions in cities and towns of Sichuan Province is 2.166 million. Among them, the number of female employees in Prefecture-owned units is 1.305 million, accounting for 60.25% of the total employees in

Prefecture-owned units; the population of female employees in collective-owned units is 91,000, accounting for 4.20% of total employees in collective-owned units; the number of female employees in other units is 770,000, accounting for 35.55% of the total employees.

Gansu Province: In 2012, the number of female employees at divisions of non-private institutions in cities and towns of Gansu Province is 932,300, among which the number of female employees in Prefecture-owned units is 703,900, the population of female employees in collective-owned units is 34,900, and the number of female employees in other units is 193,500.

Tale 6-2 Female Employment Status in Three Provinces

Industry Category	Prefecture-owned Units	Collective-owned Units	Other Units	Total
Guizhou Province	592591	18675	257783	869049
Sichuan Province	1305000	91000	770000	2166000
Gansu Province	703899	34938	193460	932297

Data sources : Statistic yearbooks in Guizhou Province, Sichuan Province, and Gansu Province (2013)

(3) Female Educational Background

According to *Guizhou Statistic Yearbook -2013*, *Sichuan Statistic Yearbook -2013*, *Gansu Statistic Yearbook -2013*, female educational backgrounds at school are classified as elementary school, junior high school, high school, secondary vocational education, regular higher education, and the number are shown in the following table.

Table 6-3 Female Educational Backgrounds in Three Provinces

Educational Backgrounds	Regular Higher Education	Secondary Vocational Education	High School	Junior High School	Elementary School
Guizhou Province	201277	199383	377426	1010120	1775234
Sichuan Province	632044	645977	768176	1458022	2661628
Gansu Province	316972	205870	322865	573091	1002059

Source : Statistic yearbooks in Guizhou Province, Sichuan Province, and Gansu Province (2013)

6.1.2. WOMEN'S DEVELOPMENT STATUS IN PROJECT AREA

In order to have a knowledge of female development status in project counties, questionnaires and interviews are conducted to the women in field surveys, in which 719 respondents of questionnaire survey are females, accounting for 47.71% of the total respondents.

(1) **Age Structure.** From the overall age distribution of the survey sample, it shows that the age group of 30 to 59 years old accounts for the largest population, with 80.7% males and 82.8% females. In the sample distribution of female population, age group of 30 to 59 years old has the largest share of the population, followed by the age group under 30 years old.

Table 6-4 Fact Sheet on Gender and Age of Survey Sample

Age	Male		Female		Total	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
Under the age of 30	89	11.3	80	11.1	169	11.2

30 to 59 years old	636	80.7	595	82.8	1231	81.7
60 years old or above	63	8.0	44	6.1	107	7.1

Source: Questionnaire survey data, with 1507 copies of valid questionnaires

- (2) **Educational Background.** As shown in the table below, 52.4% of women are primary educational level and illiterate, which is higher than the sum of male proportion; however, on the whole women's educational level is lower than men's.

Table 6-5 Male and Female Educational Background in Survey Sample

Educational Background	Males		Females		Total	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
Junior college and above	24	3.0	53	7.4	77	5.1
Senior high school/technical secondary school	76	9.6	53	7.4	129	8.6
Junior high school	354	44.9	236	32.8	590	39.2
Elementary school	291	36.9	321	44.6	612	40.6
Illiteracy	43	5.5	56	7.8	99	6.6

Source : Questionnaire survey data, with 1507 copies of valid questionnaires

- (3) **Occupational Structure.** According to the sampling survey, it shows that the overwhelming majority of surveyed women are farmers, accounting for 89.2%, and few women choose to work outside, with the proportion of 7.8%. Little disparity exists between men and women.

Table 6-6 Male and Female Occupational Structure in Survey Sample

Occupation	Males		Females		Total	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
Farmers	667	84.6	641	89.2	1308	86.8
Migrant workers	101	12.8	56	7.8	157	10.4
Self-employed entrepreneurs	11	1.4	6	0.8	17	1.1
Civil servants/staff in public institutions	0	0	1	0.1	1	0.1
Freelancers	3	0.4	6	0.8	9	0.6
Employees in enterprise	4	0.5	2	0.3	6	0.4
Housewives	0	0	7	1.0	7	0.5
Students	1	0.1	0	0	1	0.1
Others	1	0.1	0	0	1	0.1

Source : Questionnaire survey data, with 1507 copies of valid questionnaires

- (4) **Composition of Income.** According to the sampling survey, it shows that males and females with 380 to 1000 yuan monthly incomes have the largest share of the population, accounting for 35.3%

and 43.7% respectively; the proportion of female monthly income of 380 yuan and below is 28.8%, which is lower than male (31.1%); females with monthly income of 1000 yuan and above account for 72.5%, which is higher than the males (66.4%). On the whole, surveyed men and women have low monthly incomes.

Table 6-7 Male and Female Composition of Income in Survey Sample

Monthly Income	Males		Females		Total	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
≤380 yuan	245	31.1	207	28.8	452	30.0
380-1000 yuan	278	35.3	314	43.7	592	39.3
1000-2000 yuan	207	26.3	158	22.0	365	24.2
2000-3000 yuan	45	5.7	32	4.5	77	5.1
3000-4000 yuan	4	0.5	4	0.6	8	0.5
4000-5000 yuan	3	0.4	3	0.4	6	0.4
5000-10000 yuan	3	0.4	0	0	3	0.2
≥10000 yuan	3	0.4	1	0.1	4	0.3

Source : Questionnaire survey data, with 1507 copies of valid questionnaires

6.1.3. WOMEN’S DEVELOPMENT ACTIVITIES IN PROJECT AREA

In the planning of the women’s development, three provinces have made development plan (2011-2020). Meanwhile, the Women’s Federation in three provinces has also carried out a series of women’s development activities to help women from various aspects, including:

(1) Petty Loans for Women. The project aims to help women start their own business; help eligible urban and rural women apply for small-sum guaranteed loans, and implement finance discount policy of small-sum guaranteed loans in which loan limit is 50,000 yuan with a maximum amount of 80,000 yuan and two-year repayment period, to solve the financial difficulties of the women’s entrepreneurship and employment.

(2) Employment and Re-employment. Led by Women’s Federation, employment recruitment activities are promoted to help the rural female surplus labor force, returning female migrant workers, unemployed women in cities and towns, female college graduates to get employed. In general, united with People Club Bureau, Agricultural Bureau, Poverty Alleviation Office, the Women’s Federation carries out female career trainings, including trainings on housekeeping, cuisine, lactagogue, confinement-caring, etc.

(3) Carrying out Trainings on Agricultural Skills. United with Agricultural Bureau and Animal Husbandry Bureau, the Women’s Federation conducts trainings on agricultural skills, among which “Splendid Plans” held by small and middle-sized enterprise, mainly gives aid to the production of handicrafts made by rural women, including embroidery, wax printing, production bags, etc. Besides, the project also help grow economic crops such as Chinese medicinal herbs and potatoes, and scientifically breed farm animals such as cattle, sheep, pigs and chickens.

(4) General Survey on Gynaecological Diseases (General Survey on “Two Cancers” of Rural

Women). General checks on cervical cancer and breast cancer are conducted to women from poor families, and financial aids are provided to eligible women (10,000 yuan per person), which exerts greatly positive impact on family burden alleviation and disease treatment.

(5) Construction of Water Cellars. The project helps women get rid of poverty and backwardness caused by water shortage. In project area, the problem of water shortage brings women life burdens and diseases, and women have shoulders heavy life responsibilities several times of the normal circumstances. The project helps build concrete water cellars to store water, and repair damaged water cellars. The activities alleviate the water shortage situation for women in the project area, and improve their life quality.

(6) Trainings on Legal Knowledge. To enhance women's legal consciousness, the Women's Federation in the project area carries out related trainings, mainly in two forms: one is to send out publicity materials, and instruct women to read; the other is to hold on-site trainings, in which experts are invited to give trainings to women in a more perceptual way. Efforts are made to improve women's awareness and ability to study, abide by and practice the law, to help women solve problems when their rights are prejudiced via providing quality and convenient legal aids.

6.2 Analysis of Women's Cooperative

6.2.1. GENERAL SITUATION OF WOMEN'S COOPERATIVE

There are few cooperatives launched by women in the project area. Through field visits, the editorial team learned that Saishidai Chinese Medicinal Herbs Planting Professional Cooperative in Bijiao Village, Dafang County, Bijie City, Guizhou Province is the only cooperative started by women, therefore, analysis of the cooperative would be made to have knowledge of the basic situation, advantages and existing problems in the women's cooperative.

(1) Basic Situation

- a. Saishidai Chinese Medicinal Herbs Planting Professional Cooperative was established by five women of Bai nationality, Yi nationality and Han nationality in June 2012 with the registered capital of 500,000 yuan. It has grown radix pseudostellariae for one year before it was officially established. Chinese medicinal herbs planted now in the cooperative are registered as "Saishidai".
- b. Reasons of Establishment: the head of the cooperative took care of the family at home before, and did business which rendered her some market and development awareness. Later, she heard that planting radix pseudostellariae brought dozens of benefits than growing corns and beans; to expand the planting scale, she called on four like-minded friends to establish the professional cooperative, the main business of which includes Chinese medicinal herbs planting, seedlings cultivation, processing raw products, storage, transportation and sales, etc.
- c. Women's participation. 1) all five administrative staff in the cooperative are female, who have detailed divisions of work and remain general cooperation in the process of production, purchasing and marketing of the Chinese medicinal herbs; 2) among 46 cooperative members, 43 are female, accounting for 93.48%; 3) working at the cooperative: the cooperative needs around 30 workers on average and more than 100 workers at peak time every day, most of whom are female, and male

workers are needed only when turning the soil with the wages of 50 to 100 yuan a day; 4) when working at the cooperative, workers can learn techniques on Chinese medicinal planting and field management.

(2) Women as Masters at the Cooperative

Compared with other cooperatives, Saishidai Chinese Medicinal Herbs Planting Professional Cooperative is started by women, and its administrative staff and members are mostly female, which is the result of: 1) the head of the cooperative did business outside and had a sense of market and business, as well as a certain economic basis; 2) in the field interviews, interviewed villagers revealed that they trusted their female leaders, who had certain prestige and had earned great trust among villagers; 3) support from primary-level organization; the relatives of the female leader were members of the village committee who were familiar to the procedure of the foundation and registration of cooperative, which rendered external support for the establishment of the cooperative; 4) government support; after the interview with Bijie Women's Federation, it was learned that special support and care was rendered to the women's cooperative in the project area, including the special support from Agricultural Bureau, Women's Federation and the government, to create a good policy environment for the smooth development of the women's cooperative; 5) in Bijiao Village, 50% of male young adults were working outside, and men took less part in agricultural production; 6) due to a shortage of labor force, the cooperative was an effective and convenient way to achieve mutual help among women.

(3) Analysis of Strengths and Weaknesses of Women's Cooperative

Women's cooperative is established in certain social, community and individual background, which is the product of their combined action. Through interviewing the cooperative heads, cooperative members and non-members, it is found several strengths and weaknesses in the cooperative operating process as follows.

a. Strengths: 1) to provide women with local employment opportunities: rural unmarried women are mostly migrant workers, while most married women stay at home to take care for the elder and children, and have no additional source of incomes; women's cooperative attracts the participation of most women, especially the married women, and provides them with jobs, increases their economic incomes, and improves their social status; 2) women's cooperative is relatively stable: as women have a relatively strong sense of responsibility and credibility, women's cooperative is strongly stable, and high integrity and credibility, with easily united and separated female labor force, helps women's cooperative to expand the markets of agricultural products; 3) adapted to the characteristics of scattered rural female labor force and low labor skills: in terms of production and processing, women's cooperative has low technical requirements and high flexibility of time, so that women can choose idle time or adjust their housekeeping time according to the work time to finish their jobs, besides, as it has relatively low technical requirements in production and roughly processing for farming and breeding industries, women can participate in without training or much training; 4) to cultivate a batch of professional technical personnel of Chinese medicinal herbs planting and field management, and to promote the adjustment of local industrial structure and the development of agricultural industrialization.

b. Weaknesses: 1) due to the influence of traditional concepts, female leaders are usually in a weak position in marketing development, and have certain constraints in the ability and scope of social interaction; 2) in the project area, women's educational level is generally low, and with the development

of the cooperative, their current knowledge is insufficient to support the cooperative to keep on developing, so it needs to strengthen the education and trainings of the cooperative heads to enhance the capacity of sustainable development; 3) there is some hysteretic nature in women to learn advanced technologies and management knowledge.

6.2.2. WOMEN’S PARTICIPATION IN THE COOPERATIVE

(1) Women in Administrative Level of the Cooperative

The editorial team has conducted field surveys on 40 rural professional cooperatives and associations, of which cooperatives without women in administrative level are 21, accounting for 52.5%. Thereinto, Gansu Province accounts for the highest proportion with 65.38%, that is to say, 17 of 26 professional cooperatives don’t have women in management; followed by Sichuan Province with 37.5%; Guizhou Province with 16.67% accounts for the lowest proportion. According to field investigations, there are 297 administrative staff in 40 professional farmer cooperative, with 7.42 on average for each cooperative, among which female administrators are 37, accounting for 12.46%. Among them, professional farmer cooperative in Guizhou Province have the highest share of female administrators with 27.94%, while Sichuan Province and Gansu Province have the similar proportion, with 8.45% and 7.59% respectively.

Statistics show that women have a low share of administrators in professional farmer cooperative, and their role in cooperative management is restricted and women’s participation in the cooperative is not guaranteed, thus the project implementation need to focus on women’s participation in the administrative level of the cooperatives.

Table 6-8 Women’s Participation in the Administrative Level of the Cooperatives

Province	Number of Cooperatives	Number of Cooperative Without Female Administrators	Percentage (%)	Number of Administrative Staff (Person)	Number of Women (Person)	Percentage (%)
Guizhou Province	6	1	16.67	68	19	27.94
Sichuan Province	8	3	37.50	71	6	8.45
Gansu Province	26	17	65.38	158	12	7.59
Total	40	21	52.50	297	37	12.46

Source: Questionnaire survey data, with 40 copies of valid sample

According to the field interviews, it is learned that in cooperatives with female administrators, two cooperatives have women as the legal person, which are respectively Saishidai Chinese Medicinal Herbs Planting Professional Cooperative in Bijiao Village, Dafang County, Bijie City, Guizhou Province, and Hengtong Fruit Rural Professional Cooperative in Shangguanzhuang Village, Zhengning County, Qingyang City, Gansu Province; there is only one cooperative with female president of cooperative council, which is Saishidai Chinese Medicinal Herbs Planting Professional Cooperative in Bijiao Village, Dafang County, Bijie City, Guizhou Province; in other well operating cooperatives, women work mostly as accountant, cashier, and office clerk to do paper work and receive visitors; in most cooperatives,

women only have a position, but don't do the real work; industrial market development and technical trainings are mostly charged by men.

(2) Female Cooperative Members

According to field surveys, it is learned that some cooperative members are based on the household, and although there is no special provisions for the registered gender in cooperative members, that is to say, both men and women can be registered as a cooperative member, in fact, head of the household generally signs the agreement of the cooperative, who are normally male, such as the husband or the father-in-law (husband's father), and few women signs the agreement; women of these households in the cooperatives participate mainly in cooperative trainings, working in production base, and sales of agricultural products, but from the field interviews, it is learned that in this kind of professional cooperatives, it is men or joined by women who frequently participate in the cooperative activities, in which women have less say and low degree of participation.

In cooperatives based on individuals, the proportion of female members is low, such as in Xinyuan Breeding Professional Cooperative of Zhangjiachuan Hui Autonomous County, Tianshui City, Gansu Province, 9 of 69 cooperative members are women, accounting for 13.4%. In this cooperative, women mainly receive technical trainings on cultivation, management, epidemic prevention and treatment, and sell the cattle via the cooperative. The interviewed villagers reported that at the early period of the cooperative, female members usually showed little interest, but with the gradually development of the cooperative, women gradually realized the importance of the cooperative, and showed increasing interest and participation ability, therefore, women played an important role in the domestic industry development, and made great contributions to family economic incomes, and thus their social and family status was improved. In addition, by participating in the cooperative, women could learn more market information from outside, which widened their field of vision, promoted the development of women's comprehensive quality, and enhanced their self-development ability.

6.2.3. WOMEN'S PERCEPTION AND ATTITUDES TOWARDS PROFESSIONAL FARMER COOPERATIVE

(1) Women's Knowledge of the Cooperatives

Social and economic surveys show that 7.8% of women are quite known about professional farmer cooperative, 22.3% are known, 48% are know a little, while 20.3% and 1.7% are respectively not know too much and unknown. Statistics show that women have a better knowledge of professional farmer cooperative. Compared with men, there is no significant distinction from women, with 30.1% of women and 29.4% quite known or known about professional farmer cooperative, which shows not much difference between the two. However, women's knowledge of professional farmer cooperative doesn't play a directly decisive role in their less participation in the cooperatives. In field interviews, it is learned that women account for low degree of participation, mainly caused by traditional intra-household labor division and the traditional gender concept that men played the key role in the society while women were confined to the family chores, which requires women to shoulder more family chores, therefore, when women have too much activities outside the family, they tend to have less time for housework, which is prone to dissatisfying their husband or other family members.

Table 6-9 Women's Knowledge of Professional farmer cooperative (%)

Sex	Quite Known	Known	Known A Little	Not Known Too Much	Unknown
Male	5.2	24.2	47.0	21.7	1.9
Female	7.8	22.3	48.0	20.3	1.7
Total	6.4	23.3	47.4	21.0	1.8

Source: Questionnaire survey data, with 1507 copies of valid questionnaires

(2) Women's Supportive Attitudes towards the Cooperative

In the women's personal interviews and women forums, surveyed women generally revealed that they were supportive for the project construction, and hoped the cooperative could promote industrial development, broaden income sources, and improve the level of incomes. Statistics show that 47.8% of women are quite favorable to professional farmer cooperative, 47.8% are favorable to the establishment of cooperatives, while 3.8% and 0.6% are respectively with indifferent and disapproval attitudes. It is shown that women are very supportive for the construction of professional farmer cooperatives.

There is no significant difference between male and female attitudes, with 95.7% of men and 95.6% of women who are quite favorable or favorable to professional farmer cooperatives.

Table 6-10 Women's Supportive Attitudes towards Professional Farmer Cooperative (%)

Sex	Quite favorable	Favorable	Indifferent	Disapproving	Deeply disapproving
Male	48.6	47.1	3.4	0.8	0.1
Female	47.8	47.8	3.8	0.6	0.0
Total	48.2	47.4	3.6	0.7	0.1

Source: Questionnaire survey data, with 1507 copies of valid questionnaires

(3) Women's Willingness to Participating in the Cooperative

Questionnaire surveys show 95.5% of women are willing to participate in the cooperative, while 4.5% are unwilling, and men show nearly the same proportion as women in the two aspects. Statistics suggest that in terms of participating willingness, women and men are both strongly willing to participating in the cooperative.

Table 6-11 Women's Willingness to Participating in the Cooperative

Sex	Willing		Unwilling	
	Number	Percentage (%)	Number	Percentage (%)
Male	675	95.7	30	4.3
Female	595	95.5	28	4.5
Total	1270	95.6	58	4.4

Source: Questionnaire survey data, with 1507 copies of valid questionnaires

(4) Women's Awareness and Demands for the Cooperative Trainings

Social economic surveys show that 59.8% of women think it is very necessary that professional farmer cooperatives provide trainings, 34.1% consider is necessary, 5.4% think it indifferent, while 0.7% and 0% think it unnecessary and quite unnecessary respectively, which suggest that women have strong demands for trainings from professional farmer cooperatives. Women show slightly higher desire for trainings than men.

Table 6-12 Women’s Awareness of Professional Farmer Cooperative Trainings (%)

Sex	Very Necessary	Necessary	Indifferent	Unnecessary	Quite Unnecessary
Male	58.1	34.5	6	1.3	0.1
Female	59.8	34.1	5.4	0.7	0.0
Total	58.9	34.3	5.7	1.0	0.1

Source: Questionnaire survey data, with 1507 copies of valid questionnaires

6.3 Influence of the Project on Women

6.3.1. POSITIVE INFLUENCE OF THE PROJECT

(1) To Alleviate Women’s Burden, and Increase Women’s Incomes

The establishment of the cooperative in the project has a positive effect on liberation of female labor force. First of all, working collectively improves the efficiency of labor. According to the field surveys, in the project area without cooperatives, women from several households help each other at busy farming season, which can effectively improve the work efficiency. In project villages, some labor force is migrated out of home, causing the labor shortage at home, therefore, the cooperative unites female labor force together to make up for the lack of labor force. Secondly, they can obtain more incomes by becoming a shareholder of the cooperative and working at the cooperative. According to the questionnaire surveys, it is learned that 224 women participate in one cooperative, 7 participate in two cooperatives, while one participates in two or more cooperatives. 95.51% of women who haven’t joined in the cooperatives are willing to participating in the cooperative, while 4.49% are unwilling to because of the high standards of participating requirements. Women can participate in the cooperative by becoming a shareholder, and obtain incomes in the form of dividend. In addition, women can work for the cooperatives at slack season, paid by day or working load. The field surveys reveal that in villages with cooperatives of the project area, women can get wages from 80 yuan to 100 yuan in the cooperative. Women are basically engaged in work requiring low labor intensity and high flexibility, such as stringing codonopsis pilosula, sweeping the livestock and poultry housing, cleaning and classifying gastrodia. For women, they make use of their leisure time to expand economic sources. Thirdly, infrastructure is built in the project area to reduce women’s labor intensity. Through building the infrastructure, it provides convenience for involved farming and breeding industries. For example, the construction of production shortcuts improve the working environment, and reduce women’s efforts of irrigation, fertilization and harvest.

(2) Women’s Ability to Be Developed

Women take deep part in the project by attending trainings on agricultural skills and management skills. On the one hand, trainings on labor skills enable to improve women’s abilities of scientific farming and breeding, to increase the output of agricultural and pasture products and reduce the plant diseases and insect pests and epidemic diseases via changing the traditional farming and breeding way. Questionnaire surveys show that 66.47% of total female samples hope they are able to get industrial technical trainings on agriculture and farming and breeding; 19.5% hope to get trainings on market information; 6.35% hope to have trainings on the cooperative management and the articles of association; 7.53% hope to have trainings on project promotion; through attending trainings on cooperative management, women can learn management knowledge and improve their management awareness. Women play a key and advantageous

role in the process of cooperative operation, proposes women's demands, and leads women in the project village to improve their status in the cooperative. According to the field survey by social assessment team, women in the project area have high demands for the project, and interviewed women also expressed their wishes that the project could bring new planting and breeding technologies. Some women said if technical and financial support were provided, they would like to establish the cooperative and encourage women in the village to achieve prosperity together.

 **Women's Colloquia in Kezhai Village, Kezhai Township, Longxi County:**

6 women have attended the meeting. About two-thirds of the village land is used for planting medicinal herbs, including mainly codonopsis pilosula, some astragalus membranaceus and scutellaria baicalensis. Women usually shoulder heavy burden because they need not only to take care of the field crops and medicinal herbs, but also to look after the elder and children, as well as family chores. When planting codonopsis pilosula, more labor force is needed, and because women are relatively skillful, most of the work is done by women, with the wage of 130-140 yuan per day, which is higher than men's.

Six women in the colloquia have planted Chinese medicinal herbs, some of whom have known the meaning and function of the cooperative. Some women also said that they wanted to set up the cooperative, but they couldn't do that due to local water shortage and lack of capital investment. Other women also expressed their willingness to participating in the cooperative established by women, and thought it would brought more support and assistance to women.

(3) To Improve Life Quality, and to Raise the Living Standard

Through the implementation of the project, more economic incomes are obtained, which can improve the life in many aspects. Firstly, it can meet the demand of domestic materials. According to the field visits, the economic conditions in project villages are generally poor, and some rural households have poor infrastructure conditions. Questionnaire results show that 58.28% of women think the project is very important for the family, 35.05% of women think it is of significance to the family, 3.06% attach a little importance to the project, while only 3.62% deem the project is nor important or indifferent to the family. Secondly, it can alleviate family economic crisis. Betrothal gifts for weddings, attending schools and seeing doctors all need money. According to the surveys, some rural households become poor because they have to pay their children for college tuition, and some others are poor due to the high lobola. Via the project, the above situations are alleviated and reduced. Thirdly, via the project, women open their life circle, and are able to come into contact with the outside society and knowledge. Women can learn new things and get hold of new information, which can improve women's life quality to a large extent.

 **Women's Colloquia in Moci Village, Meisa Township, Butuo County:**

Six women of Yi nationality said that women of Yi nationality basically return home after getting married due to relatively poor natural condition, poor life and the influence of the traditional customs, thus the project exerts obvious influence on them. As there is a high lobola in Yi nationality, some families need to sell anything valuable to get married, and some even have to lower their original living standards, which leads to poverty. Women have high enthusiasm for the project because they think it can improve the status quo of their economic incomes.

(4) To Improve Family Status and External Position

While elevating their ability via the project, women can improve family status and expand their right to speak. First of all, women can improve their farming and breeding capacities via agricultural trainings, to increase family incomes. When women improve their consciousness and raise constructive suggestions,

their husband will change concept on women, and respect more women's opinions, which promote family gender equality. Secondly, the improvement of their ability helps promote women's status in the village. By participating in the cooperative management, women put forward suggestions for cooperative operation, to solve the existing problems in the cooperative. Furthermore, the project is likely to make the migrant men return home to develop characteristic industries, which exerts positive influence on the maintenance of family ties and women's family burden.

 **Women's Colloquia in the Cooperative of Wuzhu Town, Weiyuan County:**

Mrs. Yang, from Wuzhu Town Weiyuan County Dingxi City Gansu Province, 47 years old, Han nationality, with two person at home and two sons working outside. In 2012, she joined in Tianyuan Muge Farming and Breeding Professional Cooperative, with 10,000 yuan investment, and last year she got the dividend of 20,000 yuan. Now she has raised 4 sheep at home.

Mrs. Yang said she has been confident to the future development of the cooperative, so she invested 10,000 yuan. She wanted to learn scientific technologies on farming and breeding. Doing farm work at home was laborious with insufficient labor force. There were 12 mu of land, 6 mu of which has transferred to relatives and neighbors for 1000 yuan. Mrs. Yang thought participating in the cooperative could increase incomes and alleviate burdens.

After participating in the cooperative, she has learned new technologies, therefore her family status has been raised, and she has won her husband's respect who has changed his attitudes. Her self-decision ability has relatively improved. Her suggestions and opinions for the cooperative operation and development have been basically adopted and solved. With more incomes, her life quality becomes better.

6.3.2. POTENTIAL RISKS IN THE PROJECT

According to social economic surveys, and colloquium of Focus Group as well as seminars from different levels of institutions, it shows that although the project is beneficial to women, it also brings potential risks to women such as reducing or eliminating their benefits due to lack of sensibility to social gender difference in the process of project design, implementation and operation. Main risks are as follows:

(1) Women's Low Degree of Participation in the Cooperative

1) Women have low degree of participation in the cooperative administrative level, so that they are lack of right to make decisions: From women's participation situation in the project area and the distribution of female administrators in the cooperatives, it is found that 21 of 40 cooperatives or associations don't have female administrators, accounting for 52.5% of total cooperatives; furthermore, 37 of total 297 administrators in 40 cooperatives or associations are women, accounting for 12.46% of total administrators. In field visits, it is found that most presidents of cooperative council are men, and women work mainly as accountants and cashiers, who are lack of decision-making rights in the cooperative; on the whole, women account for low share of participation in cooperative management, and the dominant rights of the cooperative lie in the men.

2) Women take little part in the specific activities of the cooperative with low additional value of labor force: for instance, the overwhelming majority of women have joined in the cooperative in the name of her husband, while few are in their own names; furthermore, women are mainly engaged in such primary producing activities requiring less labor as crop picking, sorting, pruning, sealing plastic mulch, which is generally paid by days or working load, with the characteristics of: low technical requirements,

non-heavy manual work and little development potential. Women rarely participate in significant decision-makings and activities of the cooperative, for example, most members have joined in the cooperative on the basis of households; therefore, when the cooperative needs members to vote or raise suggestions, men in the family would participate, and women would attend only when males are out of home. Besides, even though women participate, they would never express their views and opinions at the meeting.

As it is the householder who signs the agreement in the operation and practice of the cooperative, those who join in the cooperative, attend the meeting, and have trainings are almost all men. Although a small number of women take part in production, processing and sales, the cooperative will lay less positive social impact if women are not clearly encouraged to take an active part in the cooperative.

(2) Women's Awareness to the Cooperative and the Project

Questionnaire survey shows that 10% and 36.1% of women are quite known and known about the project respectively, and 7.8% and 22.3% of women are quite known and known about the cooperative respectively, and the overall awareness level of men and women is low with little difference. Nevertheless, women present very high willingness and enthusiasm to support and participate in the cooperative, for example, 47.8% and 47.8% of women are quite favorable and favorable to the cooperative establishment respectively, and 95.5% of women are willing to join in the cooperative. There exists great contrast between women's low awareness and their high participation enthusiasm.

Field visits reveal that compared with men, women have little knowledge of the established cooperatives in the villages, and women in the villages which don't have cooperatives have less knowledge of cooperatives, most of whom have never heard of it; as they have learned little about the cooperative and the project, women show less enthusiasm and interest in the cooperative, which presents great difference from women in female cooperatives. It is certain that some women have reported that they didn't know how to participate in the cooperative and what they could do in the cooperative because they were not familiar with the cooperatives; after communicating with the editorial team, it is learned that women actually concern more about the opportunities and benefits that the project and the cooperatives would bring to them, such as working opportunities, participating in the cooperative management, obtaining incomes, etc., meanwhile, they also have some concerns about their shortage of techniques, capacities, and time.

Therefore, women's little knowledge of the cooperative and the project influences or imposes restrictions on to some extent women's participation in the cooperative, which causes women to obtain less benefits than men does.

7 Analysis of Ethnic minorities

The purpose of this part is to promote the public participation of the ethnic minorities, to identify the interaction between the minorities and the project, to avoid the social risks brought by the project to minorities, to identify the necessity of tailored development plan for ethnic minorities, so that the minorities can obtain better benefits from the project. The chapter focuses on the following issues: 1) general situation of ethnic minorities in the project area; 2) ethnic minorities' participation situation in the project; 3) project impact on ethnic minorities; 4) to determine the necessity of the ethnic minorities development plan.

7.1 National Minorities Situation in the Project Area

7.1.1. DEMOGRAPHIC SITUATION

(1) Guizhou Province

As a multi-ethnic province, Guizhou Province has 18 localized nationalities of Han, Miao, Buyi, Dong, Tujia, Yi, Gelao, Shui, Hui, Bai, Yao, Zhuang, She, Maonan, Man, Mongol, Mulao, and Qiang, with jurisdiction of 6 prefecture-level cities and 3 autonomous prefectures (Southwest Guizhou Buyi and Miao Autonomous Prefecture, Southeast Guizhou Miao and Dong Autonomous Prefecture, and South Guizhou Buyi and Miao Autonomous Prefecture), in which national autonomous areas account for 55.5% of the whole province.

Statistics show that the total population of project services in project counties of Guizhou Province is 324,406, among which 293,836 are of Han nationality, accounting for 90.27%; 18,228 are of Miao nationality, accounting for 5.62%; 2,863 are of Yi nationality, accounting for 0.88%. Bijie City has the majority of ethnic minorities, accounting for 23.38%, among which 17,143 are of Miao nationality, accounting for 13.5% of the total population in project counties of Bijie City; 2,863 are of Yi nationality, accounting for 2.26% of the total population in project counties of Bijie City.

Table 7-1 Nationality Structure of Population of Project Counties in Guizhou Province

Province	City/Prefecture	County/City	Total Population	Han Nationality		Miao Nationality		Yi Nationality		Other Nationalities ⁵	
				n	%	n	%	n	%	n	%
Guizhou Province	Bijie City	Dafang County	78928	6720	85.3	5962	7.55	1721	2.18	4042	5.12
		Zhijin	47920	2998	62.	1118	23.3	114	2.3	5615	11.72

⁵ Other nationalities in Xuyong County refer to nationalities of Bai, Chuanqing, Mongol, Buyi, and Kelao; other nationalities in Zhijin County refer to nationalities of Chuanqing, Kelao, Bai, Buyi, Hui, Mongol, and Zang. Other nationalities in Xishui County refer to nationalities of Zang, Bai, Buyi, and Shui. Other nationalities in Chishui County refer to nationalities of Chuanqing, Li, and Bai.

		County		2	57	1	3	2	8		
		Total	126848	97185	76.62	17143	13.50	2863	2.26	9657	7.61
	Zunyi City	Tongzi County	35600	35600	100	/	/	/	/	/	/
		Xishui County	105721	104400	98.75	793	0.75	/	/	528	0.5
		Chishui County	56237	55651	98.96	293	0.52	/	/	293	0.52
		Total	197558	195651	99.03	1085	0.55	/	/	821	0.42
Total			324406	292836	90.27	18228	5.62	2863	0.88	10478	3.23

Source: Provided by County Project Office

(2) Sichuan Province

Distributed with nationalities of Han, Yi, Zang, Qiang, Miao, and Hui, Sichuan Province is known as “China’s second largest Tibetan area”, and “the largest gathering place of Yi nationality”, with jurisdiction of 18 cities, and 3 national autonomous prefectures (Liangshan Yi Autonomous Prefecture, Ganzi Tibetan Autonomous Prefecture and Aba Tibetan and Qiang Autonomous Prefecture).

Statistics show that the total population of project services in project counties of Sichuan Province is 260,728, among which 86,306 are of Han nationality, accounting for 33.1%; 13,394 are of Miao nationality, accounting for 5.14%; 160,660 are of Yi nationality, accounting for 61.62%. Xuyong County has the majority of Miao nationality, accounting for 24.41% of the total population in project county. The population of Yi nationality in Liangshan Yi Autonomous Prefecture accounts for 96.49% of the total population in project county, among which 100% of population in Butuo County, Zhaojue County, and Meigu County are of Yi nationality.

Table 7-2 Nationality Structure of Population of Project Counties in Sichuan Province

Province	City (Prefecture)	County	Total Population	Han Nationality		Miao Nationality		Yi Nationality		Other Nationalities ⁶	
				n	%	n	%	n	%	n	%
Sichuan Province	Luzhou City	Gulin County	56661	54341	95.91	2255	3.98	65	0.11	/	/
		Xuyong County	45627	26408	57.88	11139	24.41	7652	16.77	428	0.94%
		Total	102288	80749	78.94	13394	13.09	7717	7.54	428	0.43
	Liangshan Yi Autonomous Prefecture	Butuo County	29385	/	/	/	/	29385	100	/	/
		Jinyang County	35348	5557	15.72	/	/	29791	84.28	/	/
		Zhaojue	47889	/	/	/	/	47889	100	/	/

⁶ Other nationalities refer to nationalities of Kelao, Zhuang, Tujia, and Dong.

	County									
	Meigu County	45818	/	/	/	/	45818	100	/	/
	Total	158440	5557	3.51	/	/	152883	96.49	/	/
Total		260728	86306	33.1	13394	5.14	160660	61.62	428	0.14

Source: Provided by County Project Office

(3) Gansu Province

Gansu is one of the traditional settlements and original places of Han nationality with 54 ethnic minorities, of which there are 16 localized nationalities of Hui, Zang, Dongxiang, Tu, Yugu, Baoan, Mongol, Sala, Kazakh with exclusive nationalities of Dongxiang, Yugu, Baoan. Gansu Province have jurisdiction of two national autonomous prefectures of Gannan and Linxia, seven national autonomous counties of Tianzhu, Sunan, Subei, Akesai, Dongxiang, Jishishan, Zhangjiachuan, and 39 national townships.

Statistics show that the total population of project services in project counties of Gansu Province is 354,326, among which 322,441 are of Han nationality, accounting for 91%; 19,928 are of Hui nationality, accounting for 5.62% who distribute in Zhangjiachuan County Tianshui City and Yongjing County Linxia Hui Autonomous Prefecture; 11,500 are of Dongxiang nationality, accounting for 3.25%, who inhabit in Dongxiang Autonomous County Linxia Hui Autonomous Prefecture; 457 are of other nationalities, accounting for 0.13%. See details in Table 7-3.

Table 7-3 Nationality Structure of Population of Project Counties in Gansu Province

Province	City (Prefecture)	County	Total Population	Han Nationality		Hui Nationality		Dongxiang Nationality		Other Nationalities ⁷		
				n	%	n	%	n	%	N	%	
Gansu Province	Tianshui City	Zhangjiachuan County	13936	6536	46.90	7400	53.10	0	0	0	0	
	Wuwei City	Gulang County	23287	23051	98.98	/	/	/	/	236	0.02	
	Dingxi City	Tongwei County		18200	18155	99.75	45	0.25	/	/	/	/
		Longxi County		23418	23418	100	/	/	/	/	/	/
		Weiyuan County		39600	39600	100	/	/	/	/	/	/
		Minxian County		31500	31047	98.56	453	1.44	/	/	/	/
		Anding County		24000	19100	79.58	4900	20.42	/	/	/	/
		Linyao County		19933	19933	100	/	/	/	/	/	/
		Total		156651	151253	96.55	5398	3.45	/	/	/	/
	Qingyang City	Huanxian County	37700	37300	98.94	400	1.06	/	/	/	/	

⁷ Other nationalities in Gulang County refer to Zang nationality, and Tu nationality in Yongjing County.

	Huachi County	15048	15048	100	/	/	/	/	/	/
	Zhengning County	36062	36062	100	/	/	/	/	/	/
	Heshui County	23300	23300	100	/	/	/	/	/	/
	Total	112110	111710	99.64	400	0.36	/	/	/	/
Linxia Hui Autonomous Prefecture	Yongjing County	10961	4010	36.58	6730	61.4	/	/	221	2.02
	Dongxiang County	11500	/	/	/	/	11500	100	/	/
	Total	22461	4010	17.85	6730	29.96	11500	51.20	221	0.98
Pingliang City	Jingning County	11560	11560	100	/	/	/	/	/	/
	Zhuanglang County	14321	14321	100	/	/	/	/	/	/
	Total	25881	25881	100	/	/	/	/	/	/
Total		354326	322441	91.00	19928	5.62	11500	3.25	457	0.13

Source: Provided by County Project Office

7.1.2. RELIGIOUS BELIEF AND CULTURAL CHARACTERISTICS

(1) Miao Nationality

Overall Characteristics: At present, Miao people mainly inhabit in the southeast of Guizhou Province, Damiao Mountain of Guangxi Province, Hainan Island, and the junction zone of Guizhou Province, Hunan Province, Hubei Province, Sichuan Province, Yunnan Province, and Guangxi Province; in the scope of the project services, Miao people are mainly distributed in Dafang County and Zhijin County of Bijie City, Guizhou Province, Gulin County and Xuyong County of Luzhou City, Sichuan Province, besides, Xishui County and Chishui County of Zunyi City, Guizhou Province have a small number of Miao people.

Dietary and Costume: Located in hills and valleys, Miao people have food crops of corn, rice, wheat, sorghum, buckwheat, barnyard grass, millet, and potato, etc. In mountainous areas or water shortage areas, corn is the staple food, and the rest crops are non-staple food; Miao people who live in Pingba or Erbanshan areas, have rice as the staple food, and the rest as non-staple food. Miao people in various areas generally like eating food with sour flavor; therefore, sour soup is indispensable in every family with chili as the main spice.

In general, Miao costume maintains traditional Chinese handicrafts and techniques of weaving, embroidery, cross-stitch and dyeing. When the editorial team visited Miao people in Dafang County, Zhijin County, Gulin County and Xuyong County, it is found that only parts of middle-aged and elderly people who stay at home throughout the year are dressed in national costumes, while young women generally don't wear national costumes but in important festivals or ceremonies.

Festivals: Main traditional festivals in Miao nationality are: Caishan Festival, the Spring Festival, Kanhuoxing (a ritual to celebrate the harvest and eliminate disasters), and Ganmiaochang (a traditional gathering). For instance, Miao nationality in Xuyong County and Gulin County of the project area will hold twice a year respectively on February 13rd and July 3rd of Chinese lunar calendar.

Language and Character: Miao language belongs to Miao-Yao Branch of Sino-Tibetan language. There are three main dialects of Miao language, which are Western Hunan Dialect (also termed as Eastern Dialect), Eastern Guizhou Dialect (also termed as Middle Dialect), and Sichuan-Guizhou-Yunnan Dialect (also termed as Western Dialect). Field survey shows that 37.1% Miao people can speak standard Chinese mandarin, among which women account for 18.2%, which is obviously lower than men with 45.8%. In visited project counties, the editorial team found that Miao people except parts of the elder whose mother language are Sichuan-Guizhou-Yunnan Dialect could speak Chinese with local accent.

Religious Belief: Miao people were animists, who worshiped the nature and enshrined ancestors; therefore the forms of their primitive religions are mainly nature worship, totem worship, and ancestors worship; some Miao people are Christians and Catholics; Miao people who believe in Buddhism and Taoism are mainly those of Eastern Dialect.

(2) Yi Nationality

Overall Characteristics: Yi nationality is mainly distributed in Yunnan Province, Sichuan Province, Guizhou Province, and Guangxi Province. Yi people refer to themselves in different ways, such as Nuosu, Nasu, Luowu, Misapo, Sani, Axi; Yi people in the project area mainly inhabit in Butuo County, Jinyang County, Zhaojue County and Meigu County of Liangshan Prefecture; besides, a small number of Yi people distribute in Gulin County and Xu Yong County of Luzhou City, and Dafang County and Zhijin County of Bijie City.

Dietary and Costume: Yi people have corns and potatoes as the staple food, with rice, buckwheat and beans as non-staple food. They mainly have pork, mutton, beef and chicken, and cook them as “Tuotuo Meat”, simmering tureen of mutton or roast mutton, and roast porket; they don’t eat dog meat, horse meat and snack meat. In rural villages, they have two meals a day, and sit and eat on the ground without desks and chairs. Yi people like drinking. They have two kinds of wine with sweet and spicy flavor. They made sweet wine with sticky rice, and spicy wine with sorghum or corn at home in the past. They have the tradition that “it is rude to treat the guest without wine.”

In Liangshan area, men often wear black upper garment with right slopping lapels and narrow sleeves, and wide pants with wrinkles, while in some other areas men wear narrow pants, and wear a strand of long hair at the middle of their head, and tie a pincerlike knot at the right side; women usually wear a turban, loincloth and belt, and they are used to wearing longuette; when Yi people go out, they will wear Ca’erwa (a kind of cloak). Their jewelry includes eardrops, bracelets, rings, and collar flowers, etc., which are mainly made of gold, silver and jade.

Village Secretary of Gengze Village, Bapu Town, Meigu County, Sichuan Province:

Gengze Village (originally Liuhong Village) has 258 households with 1149 villagers of Yi nationality, which is an inhabitation for Yi nationality. They usually have two meals a day, at 10:00 in the morning and at 17:00 in the afternoon; so do the children in school, but their school now provides free lunch at 12:00 with rice and side dishes; The specialty of Yi nationality is Tuotuo Meat, and Yi people don’t have dog meat, horse meat and snake meat.

Yi people have their own national costumes (longuette, tippet, hat, etc.), but usually the elder wear these national costumes, and the young people wear common costumes like Han people. The whole villagers would be dressed in the set of national costumes only at festivals, weddings and funerals.

Festivals: Yi nationality has many traditional folk festivals, mainly including October Year, the Torch Festival, and regional festivals and worship ceremonies. October Year: it is the traditional year of Yi nationality, which is often held at the beginning of October every year with 5-6 days; during the festival, they sacrifice pigs and sheep and some rich families will sacrifice cattle; in the festival, people dress up to attend the banquets, visit relatives and friends, and send presents to each other. The Torch Festival: it is the grandest traditional festival of Yi nationality, which is held at June 24th of Chinese lunar calendar; during the festival, they will sacrifice cattle and sheep sacrifice to the ancestors, as well as to the land lord in some areas; in the festivals, people attend the banquets, eat Tuotuo meat, and drink a toast for good harvest; the Torch Festival usually last 3 days; at the first day, the whole family gather together; during the rest two days, various activities are held, including wrestling, horse racing, bull fighting, boat racing, and tug-of-war, and then it will hold a grand bonfire party throughout the whole night.

Language and Character: Yi nationality has its own national language and character. Yi language belongs to Sino-Tibetan language. In 1980, Liangshan Autonomous Prefecture, Sichuan Province systemized a set of *Standard Program of Yi Language*, including 819 alphabets. 22.1 of surveyed Yi people can speak Chinese mandarin, and the proportion of women (22.1%) who can speak Chinese mandarin is slightly lower than that of men. Most Yi people except the elder and children in coexisting area of Dafang County and Zhijin County, can understand Chinese, and communicate with the editorial team in Chinese mandarin during the interviews; Yi people living in Liangshan area mostly speak Yi language, and few can understand and communicate with Chinese.

Religious Belief: The Yi mainly worship the nature, the totem, and the deified ancestors. They mainly regard spirit and ghost as their nature worship. Totem worship is the development and deepening of nature worship, and from Yi's genealogy, it is found that they often take animal, plant, and other natural objects as their family name. Two rituals are generally performed to worship the deified ancestors, including Rest the Deceased in Peace, and Send off the Deceased.

“Bimo” and “Suni” officiate religious activities of Yi nationality; Bimo, especially, is also the transmitter of Yi culture. One can become Bimo by patrilineal descent. They are proficient in Yi scriptures, and have a good knowledge of Yi documents such as astronomic calendar, genealogy, ethics, epics, and tales of legendia. Bimo officiate at births, funerals, festivals, gatherings, sickness and disasters. However, Suni only performs god dances to expel the evils, and they don't have scriptures. A Suni must be elected without gender limitation.

(3) Hui Nationality

Overall Characteristics: Hui people mainly inhabit in the Ningxia Hui Autonomous Region, and also distribute in Xinjiang, Qinghai, Shaanxi, Shanxi, Hebei, Tianjin, Beijing, Shanghai, Jiangsu, Yunan, Henan, Shangdong, Inner Mongolia, Liaoning, Jilin, and Heilongjiang. Hui people in the project area mainly live in Zhangjiachuan County Tianshui City Gansu Province and Yongjing County Linxia Hui Autonomous Prefecture, with a small group living scattered in Tongwei County, Minxian County and Anding District of Dingxi City, and Huanxian County of Qingyang City. Hui people are good at doing business, especially excel in catering industry.

Dietary and Costume: Hui people in Zhangjiachuan County and Yongjing County mainly have wheat, corns, highland barley, and potatos as their daily staple food. Cakes of flour with salt and fried dough twist are their favorite specialties. Their folk characteristic food are steamed noodles, stretched noodles,

noodles with gravy, fried noodles with meat, tofu jelly, cooked chopped entrails of oxen, and noodles with ingredients. They are particularly fond of beef and mutton.

Hui costumes are distinctly of national characteristics. Men wear white caps and women wear headscarves, as is the Muslim costumes of Hui characteristics.

Festivals: Hui nationality has mainly three festivals: Lasser Bairam, Id al-Adjha (Eid al-Adha), and Mawlid, all of which are exactly same as other Muslims and have close relations.

Language and Character: The lingua franca of Hui people is Chinese, with Arabic as their second language. Hui language remains plenty of Arabic and Persian words in daily contacts and religious activities. Hui people in project area mainly speak Chinese, and survey results show that 65.1% of Hui people can speak Chinese mandarin, which is higher than that of Miao, Yi and Dongxiang.

Religious Belief: Hui people believe in Islam, with Masjid in densely inhabited place. Akhond officiates religious activities, with *Koran* as the main scripture. The followers are called Muslim, who stick to Hui traditions, abide by the canon, pay attention to hygiene, and don't have pork, dog meat and animal's blood for food.

(4) Dongxiang Nationality

Overall Characteristics: Dongxiang nationality get its name from Dongxiang County Linxia, Gansu Province, the place where Dongxiang people inhabit, and they also refer to themselves as Sarta, who are mainly Sarta people, assimilating into local Hui, Han and Mongol. Dongxiang people in the project area mainly live in Dongxiang Autonomous County, Linxia Hui Autonomous Prefecture, Gansu Province.

Dietary and Costume: Dongxiang people have the same dietary customs as Muslims with their own regional characteristics at the same time, which basically have wheat, highland barley, corns, beans, potatoes as the staple food, with such common wheaten food as steamed bun, noodles, cake of flour with salt, etc. "Lashiha" (stretched noodles, or sliced noodles), fried cake of flour with salt, "Gajiwa" and boiled mutton are the important food with great reputation for Dongxiang people to treat guests.

Dongxiang costumes are similar with the costumes of Han and Hui, which mainly focuses on headwear. Men often wear white or black caps without brims, called "Hao Cap"; while women wear "veils" in silk, and maidens and newly-married women wear green veils, middle-aged women wear cyan veils, and the elderly women wear white veils, with the length to the waist and covering the whole hair.

Festivals: Dongxiang nationality has festivals every month, and rotating from month to month every year with thirty six-year cycle time, which is closely related with their religious belief. Dongxiang people are four main festivals: Lasser Bairam, Eid al-Adha, Ed al-Fitr, Ashura, which are all originated from Islam.

Language and Character: Dongxiang language belongs to the Altaic Mongolian language, with many loanwords from Chinese, Turkic, Arabic and Persian. Dongxiang nationality has national oral language but is lack of a written language. For now they use Chinese as their written language, and most Dongxiang people can understand but few can speak Chinese mandarin.

Religious Belief: Dongxiang people believe in Islam. Early in thirteenth century, Dongxiang region has become the education center of Islam scripture hall in China. Hitherto, in Dongxiang Autonomous County, there still are some tombs of ancient Islamic sages. There are two denominations in Dongxiang region: Qadim and Ikhwan, which also called old religious sect and Protestantism.

(5) Integration of Various Nationalities

Due to the special relationship of the ethnic origins, Miao and Yi in the project area have a strong identity with each other. They interact with each other in languages, ideas, planting customs, and economic life, and remain frequent and active communication, as well as harmonious relationship. Common living regions and similar cultural background enable Miao and Yi to be related by marriage, and render a close and harmonious communication with each other.

Hui and Dongxiang in project area have the same religious belief – Islam, and all belongs to Muslim, therefore they have strong consistency in the values, wedding and funeral, religious life, and dietary traditions. Under the influence of Islamic value of “all Muslims are families”, they intermarry, enter the same mosques to attend religious activities together, and have maintained a close and harmonious relationship.

7.1.3. MEANS OF LIVELIHOOD

(1) Miao Nationality

Miao people in the project area take agriculture as their primary means of livelihood, including growing grain, tobacco, sweet orange, walnut, and bamboo, and breeding pigs and cattle, which is dependent on the weather, and brings unstable agricultural incomes; apart from grain production, Miao people in Gulin County and Xuyong County also make living in planting tobacco and breeding live pigs; due to unstable agricultural incomes, more and more Miao people work outside to make money as the additional incomes of family agricultural incomes. Compared with Han people in the same area, Miao people have lower income level and are poorer.



Village Secretary of Tongxin Village, Masi Miao Township, Gulin County, Sichuan Province:

Over 700 of total 2400 villagers in Tongxin Village are minorities, mainly of Miao nationality and scores of them in Yi nationality, with more than 6000 mu of land and around 300 migrant workers. The main incomes of the village are from agricultural production, and half of the villagers are planting tobacco. With eight-month growth cycle and great influence of the weather, the tobacco yields 3000-4000 yuan per mu.

(2) Yi Nationality

Yi people in the project area take agriculture as their primary means of livelihood, including growing corns, potatoes, and buckwheat. Due to the poor geographic, soil and climate conditions, and simple farming technology as well as lack of water conservancy facilities, they are mainly dependent on weather. Yi people in Liangshan area don't grow rice, but they will sell potatoes and corns to exchange for rice, so they have rice, potatoes and buckwheat as their staple food. Apart from farming industries, animal husbandry is also the primary means of livelihood of the Yi nationality, mainly breeding cattle, sheep, horses, and pigs, which are bred outside in the summer, and reared in pens during the winter, and the elder and children in group put livestock in mountains to breed, and they also entrust others to raise the livestock; a small number of breeding livestock will be sold, and most are used for breeding and family food. In addition, the number of migrant workers of Yi nationality has gradually increased in recent years, and the young people are more likely to work outside, with young men and unmarried women accounting for the greatest share. The poor agricultural production conditions in Liangshan Yi inhabitant region has contributed to the low level of incomes and deeper poverty; due to the rural geographical location, they

have weak development concept, so it is of more difficulty to get rid of poverty.

📖 Village head of Hagu Village, Longmen Township, Meigu County, Sichuan Province:

There are 240 households in Hagu Village with 875 villagers, who are all of Yi nationality. The village has more than 1000 mu of land, which are mainly used for growing potatoes, corns and buckwheat. Potatoes yield 1500 kg per mu, corns yield 200-250 kg per mu, and the buckwheat yields 100-150 kg per mu, which are basically used for family food to satisfy basic needs. Every household in the village has farming and planting industry in small scale. They basically raise several goats. As it is easy to raise goats in Meigu County and goats have good breeding capacity, villagers like to breed goats.

📖 Village Secretary of Ashengrida Village, Tuoju Township, Butuo County, Sichuan Province:

There are 260 households in the village with 1054 villagers, who are all of Yi nationality. The village has 1800 mu of cultivated land, which are mainly used for growing potatoes, corns, buckwheat, and oats. Potato is the main crop to plant, with corns and buckwheat as the supplementary crops. Oats and buckwheat are used as the supplementary food of the families, while corns are usually used to feed pigs. In general, villagers need to buy rice vermicelli as the staple food.

agriculture and animal husbandry as their primary means of livelihood, among which they mainly grow wheat and corns, and also plant alfalfa and oats, and mainly breed cattle and sheep. For example, in Tanzi Village, Hongquan Town, Yongjing County, there are 3482 mu of cultivated land, of which 70% are used for growing corns, 5% for potatoes, and 15% for Chinese medicinal herbs; other project villages such as Wanzi Village Wang Tai Town Yongjing County and Kangwang Village Malu Township Zhangjiachuan County also primarily plant corns. Nearly every household breeds cattle or sheep, and mostly is in small scale with 2-3 cattle and several to scores of sheep. Compared with Han and other nationalities, Hui nationality has more experience in breeding livestock, with more rural households getting hold of breeding experience. Apart from farming and breeding industries, Hui people make money from doing business and working outside. Hui people take catering industry as the primary business, for instance, in catering industry of Zhangjiachuan County, there are basically Hui restaurants; migrant workers of Hui nationality work outside seasonally, and are engaged in single type of work.

(4) Dongxiang Nationality

Dongxiang people in the project area mainly inhabit in Dongxiang County, whose means of livelihood is similar to Hui people. They make a living primarily from breeding and farming industry and working outside. Dongxiang people mainly breed sheep, and grow corns, potatoes and wheat, as well as some alfalfa and oats, which are used to feed livestock. For example, in Dashu Village Dashu Township, nearly every household breed cattle and sheep, some with twenty to thirty cattle and some with only two to three cattle. Migrant workers are mainly young men, mostly in Lanzhou, Xinjiang, and Qinghai, and primarily to do some short-term work seasonally.

7.1.4. SOCIAL ORGANIZATION

(1) Miao Nationality

Miao people mostly live with Han people together, and they don't have social organizations and inhabit in the unit of administrative villages. They regard monogamous nuclear family as the basic unit, and relatives help each other.

(2) Yi Nationality

The traditional hierarchy of Yi people splits people into Chieftain, Black Yi, White Yi, Anjia slaves and Guozhuang slaves. At present, the slave hierarchy has been gradually abolished.

Family is the basic structure of Yi society in accordance with the patriarchal consanguinity, which is the basic unit of social mobilization and action. Family members help each other, and support the poor. In Liangshan area, civil disputes are often mediated in accordance with the common law, and most local disputes can be coordinately solved through the family authority “Degu”.

(3) Hui Nationality and Dongxiang Nationality

Other than gonging to the mosque at a fixed time every week, Hui and Dongxiang people in the project area don't reserve other traditional social organizational activities.

7.2 Discrimination and Screening of Ethnic minorities

(1) Discrimination Basis

The word “minority” refers to ethnic minorities in general, which are unique and weak social and cultural groups⁸, and it has the following characteristics in different degrees:

- (a) Self-identified as a member of a unique minority cultural group, and the characteristic is acknowledged by others;
- (b) Collectively attached to the residential areas or ancestral territories with unique geographical features in the project area, and dependent on the natural resources of these residential areas and territories⁹;
- (c) Having traditional culture, economic, social or political system, which are distinct from mainstream society and culture;
- (d) Having minority languages, which is different from the official language of the country or the local area.

(2) Discrimination Methods

(1) Field investigation. Through field investigation, one knows the population structure, ethnic composition, economic structure, the minority village recognition, and whether the minority live in a compact community in the project villages.

(2) Data collection and literature reference. By collecting the statistical yearbooks, report forms, municipal records, county records that reflect the population, nationality, culture and customs of the project area, one can know the characteristics of the minorities and whether there is a difference on

⁸ The policy is not set minimum number, because the population of the minority group is likely to be very small, which can make them more vulnerable.

⁹ “Collective attachment” means there have been several generations living in the land and territory where related groups possess, use or occupy, and have economic contacts, including areas with special meanings, such as the holy land. “Collective attachment” also refers to the attachment that the nomadic ethnic groups have to the territory they use seasonally or cyclically.

production and living between the minorities and Han people in the project area.

(3) Interviewing the key informants. Via interviewing the key informants in Bureau of Ethnic and Religious Affairs, one learns the minority types, the population, national characteristics, and concentrated distribution in the project area, and related projects which are implemented to promote the development of ethnic minorities in the project area.

(3) Screening the Ethnic minorities

With the support and coordination of various project offices and relevant institutions, social assessment team has carried out a detailed screening on the results of minority discrimination, and made the comparison analysis between the collected information about minorities and Han nationality, to determine whether the minority collectively attach to the project area, and to know the differences and vulnerability of minorities compared with the mainstream. Screening results show that Miao people mainly cohabit in Dafang County and Zhijin County of Bijie City Guizhou Province, and in Xuyong County of Luzhou City Sichuan Province; Yi people mainly inhabit in Butuo County, Jinyang County, Zhaojue County of Liangshan Yi Autonomous Prefecture Sichuan Province, and cohabit in Xuyong County of Luzhou City; Hui people mainly live in Zhuangjiachuan Hui Autonomous County Tianshi City Gansu Province, and cohabit in Yongjing County Linxia Hui Autonomous Prefecture; Dongxiang people mainly inhabit in Dongxiang Autonomous County Linxia Hui Autonomous Prefecture.

Table 7-4 Screening Situation of Minorities in a Compact Community

Province	City	County	Number of Townships And Towns	Number of Inhabitant Villages	Total Population	Minority Population	Percentage (%)	Type of Minority
Guizhou Province	Bijie City	Dafang County	4	5	21740	8277	38.07	Miao nationality (13.55%) Yi nationality (10.97%)
		Zhijin County	3	5	11348	6448	56.82	Miao nationality (30.33%) Yi nationality (8.68%)
Sichuan Province	Luzhou City	Xuyong County	3	10	24480	15694	64.11	Yi nationality (24.77%) Miao nationality (36.41%)
	Liangshan Yi Autonomous Prefecture	Butuo County	6	29	29385	29385	100.00	Yi nationality (100%)
		Jinyang County	16	35	35348	29791	84.28	Yi nationality (84.28%)
		Zhaojue County	8	42	47889	47889	100.00	Yi nationality (100%)
		Meigu County	10	52	45818	45818	100.00	Yi nationality (100%)
Gansu Province	Tianshui City	Zhangjiachuan County	2	13	13936	7400	53.10	Hui nationality (53.10%)
	Linxia Hui Autonomous	Yongjing County	4	6	6622	6421	96.96	Hui nationality (96.96%)

	us Prefecture	Dongxian g County	6	12	11500	11500	100.00	Dongxiang nationality (100%)
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7.3 Ethnic Minorities' Awareness and Attitudes of the Project

(1) Ethnic Minorities' Awareness of the Project

By comparing the four ethnic minority groups' knowledge of the project (the Miao, Yi, Hui, and Dongxiang) with the overall sample survey results, it shows that 82.5% of ethnic minority groups have heard of the project, which is slightly lower than the overall samples (86.1%), among which Dongxiang people account for the highest awareness to the project, while Yi people account for the lowest. Through looking into their knowledge of the project in terms of gender, it is found that men of Miao and Yi nationality have a higher knowledge of the project than women; on the contrary, men of Hui and Dongxing nationality have a lower knowledge of the project than women. Thus, the majority of the minorities have heard of the project, and there is little difference on the knowledge of the project between the main minorities and the overall samples; combining with the field interviews, it is learned that although surveyed rural households have a relatively high knowledge of the project, few of them actually know the project building blocks, especially for ethnic minority groups, who mostly have a superficial knowledge, therefore, the project promotion needs to be further enhanced.

Table 7-5 Ethnic Minority Groups' Awareness of the Project in Terms of Different Sex

Nationality	Sex	Heard of the Project		Never Heard of the Project	
		n	%	n	%
Miao nationality	Male	22	91.7	2	8.3
	Female	10	90.9	1	9.1
	Total	32	91.4	3	8.6
Yi nationality	Male	160	80.8	38	19.2
	Female	166	77.9	47	22.1
	Total	326	79.3	85	20.7
Hui nationality	Male	23	79.3	6	20.7
	Female	29	85.3	5	14.7
	Total	52	82.5	11	17.5
Dongxiang nationality	Male	33	86.8	5	13.2
	Female	53	98.1	1	1.9
	Total	86	93.5	6	6.5
Total	Male	680	86.3	108	13.7
	Female	617	85.8	102	14.2
	Total	496	82.5	105	17.5
Overall Samples	/	1297	86.1	210	13.9

Source: Questionnaire survey data, with 601 copies of valid samples

By comparing ethnic minority groups' knowledge of the project with the overall samples, it shows that 44.2% of ethnic minority groups have known about the project (including "quite known" and "known"), which is slightly higher than the overall samples (43.8%), while 4.4% of ethnic minority groups are blind to the project, which is 1% by the overall samples, among which Miao people account for the highest

proportion, while Dongxiang people account for the lowest. Through looking into their knowledge of the project in terms of gender, it is found that 59.1% and 12.1% of men in Miao nationality and Dongxiang nationality respectively have known about the project (including “quite known” and “known”), which is slightly higher than that of women of the same nationality, while 57.2% and 72.4% of women in Yi nationality and Hui nationality respectively have known about the project, which is higher than that of men of the same nationality. In general, surveyed groups have a low knowledge of the project, therefore promotion of the project information and education needs to be strengthened to the rural households in the project areas.

Table 7-6 Ethnic Minority Groups’ Knowledge of the Project in Terms of Different Sex (%)

Nationality	Sex	Quite Known	Known	Known A Little	Not Known Too Much	Unknown
Miao nationality	Male	18.2	40.9	31.8	9.1	0.0
	Female	10.0	40.0	50.0	0.0	0.0
	Total	15.6	40.6	37.5	6.3	0.0
Yi nationality	Male	11.2	31.2	50.6	6.9	0.0
	Female	4.8	52.4	39.8	3.0	0.0
	Total	8.0	42.0	45.1	4.9	0.0
Hui nationality	Male	4.3	34.8	47.8	13.0	0.0
	Female	6.9	65.5	27.6	0.0	0.0
	Total	5.8	51.9	36.5	5.8	0.0
Dongxiang nationality	Male	0.0	12.1	87.9	0.0	0.0
	Female	0.0	7.5	90.6	1.9	0.0
	Total	0.0	9.3	89.5	1.2	0.0
Total	Male	9.7	29.8	53.8	6.7	0.0
	Female	4.3	44.2	49.2	2.3	0.0
	Total	6.9	37.3	51.4	4.4	0.0
Overall Samples	/	9.6	34.2	50.8	5.2	0.2

Source: Questionnaire survey data, with 601 copies of valid samples

(2) Ethnic Minorities’ Awareness of the Project Significance

In field surveys, interviewed minorities also reported that the project was of great significance to them, and they hoped that the project could be implemented as soon as possible so that they could get rid of poverty and become rich as early as possible.

In terms of the significance of project to their families, 52.4%, 40.6%, 5%, 0.5% and 1.5% of ethnic minorities think respectively the project is very important, important, a little important, not important, and indifferent. Therefore, ethnic minorities generally think the project is of great significance to their families. By comparing ethnic minority groups’ knowledge of the project significance with the overall samples, it shows that 93% of ethnic minorities think the project is important (including “very important” and “important”), which is slightly higher than that of overall samples (92.1%), among which Miao people have the highest share of proportion, which is 100%, while Yi people account for the lowest with 84.1%.

Table 7-7 Ethnic Minorities' Awareness of the Project Significance (%)

Nationality	Sex	Very Important	Important	A Little Important	Not Important	Indifferent
Miao nationality	Male	54.2	45.8	0.0	0.0	0.0
	Female	90.9	9.1	0.0	0.0	0.0
	Total	65.7	34.3	0.0	0.0	0.0
Yi nationality	Male	52.5	37.9	8.1	0.5	1.0
	Female	59.2	36.2	2.8	0.9	0.9
	Total	56.0	37.0	5.4	0.7	1.0
Hui nationality	Male	62.1	13.8	20.7	0.0	3.4
	Female	76.5	14.7	2.9	0.0	5.9
	Total	69.8	14.3	11.1	0.0	4.8
Dongxiang nationality	Male	23.7	71.1	2.6	0.0	2.6
	Female	16.7	81.5	0.0	0.0	1.9
	Total	19.6	77.2	1.1	0.0	2.2
Total	Male	49.8	40.5	8.0	0.3	1.4
	Female	54.8	40.7	2.2	0.6	1.6
	Total	52.4	40.6	5.0	0.5	1.5
Overall Samples	/	54.4	37.7	4.5	0.7	2.7

Source: Questionnaire survey data, with 601 copies of valid samples

(3) Ethnic Minorities' Supportive Attitudes towards the Project

Social survey shows that 96.4% of ethnic minorities are supportive for the project construction, 0.3% are not supportive, while 3.3% are with indifferent attitude. The support ratios of Miao, Yi, Hui, and Dongxiang are respectively 100%, 97%, 87.3% and 98.9%. Statistics show that ethnic minorities are very supportive for the project, which reveals that the project construction can meet the realistic demands of the ethnic minorities.

By comparing ethnic minority groups' supportive attitudes towards the project with the overall samples, it shows that 96.4% of ethnic minority groups are supportive for the project construction, which is slightly higher than that of the overall samples (95.6%), among which Miao nationality account for the highest support ratio with 100%, while Hui nationality accounts for the lowest with 87.3%.

Table 7-8 Ethnic Minorities' Supportive Attitudes towards the Project

Nationality	Sex	Supportive		Not Supportive		Indifferent	
		n	%	n	%	n	%
Miao nationality	Male	24	100	0	0.0	0	0.0
	Female	11	100	0	0.0	0	0.0
	Total	35	100	0	0.0	0	0.0
Yi nationality	Male	191	96.5	1	0.5	6	3.0
	Female	208	97.7	1	0.5	4	1.9
	Total	399	97.1	2	0.5	10	2.4
Hui nationality	Male	24	82.8	0	0.0	5	17.2
	Female	31	91.2	0	0.0	3	8.8
	Total	55	87.3	0	0.0	8	12.7

Nationality	Sex	Supportive		Not Supportive		Indifferent	
		n	%	n	%	n	%
Dongxiang nationality	Male	37	97.4	0	0.0	1	2.6
	Female	53	98.1	0	0.0	1	1.9
	Total	90	97.8	0	0.0	2	2.2
Total	Male	276	95.5	1	0.3	12	4.2
	Female	303	97.1	1	0.3	8	2.6
	Total	579	96.4	2	0.3	2	2.2
Overall samples	/	1442	95.6	6	0.4	59	3.9

Source: Questionnaire survey data, with 601 copies of valid samples

(4) Ethnic Minorities' Willingness to Participating in the Project

In the willingness survey of investing with their labor, 96.5% of ethnic minorities are willing to participating in the project, 1% are unwilling, while 1.8% and 0.7% are respectively indifferent and unknown. In the field surveys, most interviewed ethnic minorities are willing to participating in the project construction, or obtain employment via the project.

By comparing ethnic minority groups' willingness to investing with their labor with the overall samples, it shows that 96.7% of ethnic minorities are willing to participating in the project to invest with their labor, which is slightly higher than that of the overall samples (94%), among which have the strongest willingness with 100%, while Hui people have the weakest willingness with 87.3%.

Table 7-9 Ethnic Minorities' Willingness to Invest Their Labor to the Project (%)

Nationality	Sex	Willing	Unwilling
Miao nationality	Male	100	0
	Female	72.7	27.3
	Total	91.4	8.6
Yi nationality	Male	96.5	3.5
	Female	96.7	3.3
	Total	97.0	1.5
Hui nationality	Male	96.6	3.4
	Female	97.1	2.9
	Total	87.3	0.0
Dongxiang nationality	Male	97.4	2.6
	Female	100	0.0
	Total	98.9	0.0
Total	Male	96.9	3.1
	Female	96.5	3.5
	Total	96.7	3.3
Overall Samples	/	94	1.8

Source: Questionnaire survey data, with 601 copies of valid samples

7.4 Preparation of Ethnic Minorities' Development Plan

(1) Discrimination Results of Ethnic Minorities

According to World Bank business guide rule OP4.10 *Ethnic Minorities Business Handbook*, the project offices carry out meticulous discrimination work of ethnic minorities through the field investigation, and the results are:

- a. In Guizhou project area, the total population of project services is 324,406, among which 31,569 are ethnic minorities, accounting for 9.73%, including Miao, Yi, Gelao, Bai, and Mongol; among them, Miao people are 18,228, accounting for 5.62% of total population, and Yi people are 2,863, accounting for 0.83%.
- b. In Sichuan project area, the total population of project services is 260,728, among which 174,422 are ethnic minorities, accounting for 66.9%, including Yi, Miao, and Zhuang; among them, Yi people are 160,660, accounting for 61.62% of total population, and Miao people are 13,394, accounting for 5.14%.
- c. In Gansu project area, the total population of project services is 365,826, among which 43,385 are ethnic minorities, accounting for 11.86%, including Hui and Dongxiang, among which Hui people are 19,928, accounting for 5.62% of total population, and Dongxiang people are 11,500, accounting for 3.25%.

(2) Screening Results of Ethnic Minorities in a Compact Community

Based on the discrimination of ethnic minorities, with the cooperation of various project institutions, social assessment team screen the distribution and settlement of the ethnic minorities via field survey, data collection and literature reference, and the results show:

Ethnic minorities in 209 project villages collectively attach to the project areas, including nationalities of Miao, Yi, Hui and Dongxiang.

- a. Among them, 10 project villages of 7 townships or towns in Guizhou project area are the residential villages of ethnic minorities, with the population of 14,725, among which 6,388 are of Miao nationality, accounting for 19.31%, and 3,633 are of Yi nationality, accounting for 10.97%, living primarily in Dafang County and Zhijin County of Bijie City.
- b. In Sichuan project area, 168 project villages of 43 townships or towns area are the residential villages of ethnic minorities, with the population of 168,577, among which 158,947 are of Yi nationality, accounting for 87.28%, distributing primarily in Liangshan Yi Autonomous Prefecture; 8,913 are of Miao nationality, accounting for 4.89%, living primarily in Xuyong County of Luzhou City.
- c. In Gansu project area, 31 project villages of 11 townships or towns area are the residential villages of ethnic minorities, with the population of 25,321, among which 13,821 are of Hui nationality, accounting for 43.11%, distributing primarily in Zhangjiachuan Autonomous County Tianshui City and Yongjing County Linxia Hui Autonomous Prefecture; 11,500 are of Dongxiang nationality, accounting for 35.87%, all living in Dongxiang Autonomous County Linxia Hui Autonomous Prefecture.

Table 7-10 Beneficial Population of Ethnic Minorities in Three Provinces

Province	Population	Han Nationality	Ethnic Minorities									
			Population	%	Miao Nationality	%	Yi Nationality	%	Hui Nationality	%	Dongxiang Nationality	%
Guizhou Province	33088	18363	14725	44.5	6388	19.31	3633	10.97	/	/	/	/
Sichuan Province	182120	13543	168577	92.57	8913	4.89	158947	87.28	/	/	/	/
Gansu Province	32058	6737	25321	78.98	/	/	/	/	13821	43.11	11500	35.87
Total	247266	38643	208623	84.37	15301	6.19	162580	65.75	13821	5.59	11500	4.65

Source: Provided by Project Office

Table 7-11 Discrimination Results of Ethnic Minorities in Project Areas

Screening Basis (World Bank OP4.10)	Miao Nationality	Yi Nationality	Hui Nationality	Dongxiang Nationality
Self-identified as a member of a unique minority cultural group, and the characteristic is acknowledged by others	√	√	√	√
Collectively attached to the residential areas or ancestral territories with unique geographical features in the project area, and dependent on the natural resources of these residential areas and territories	√	√	√	√
Having traditional culture, economic, social or political system, which are distinct from mainstream society and culture	√	√	√	√
Having minority languages, which is different from the official language of the country or the local area		√		√

(3) Conclusion

In accordance with the discrimination and screening of the ethnic minorities, the results show that the Miao, Yi, Hui and Dongxiang collectively attach to the project areas, and all the ethnic minorities show difference from the mainstream society in terms of economic structure, social organization structure,

production and living customs, language, social interactions, and religious belief. In order to have a better knowledge of the real demands and suggestions from the ethnic minorities to the project, ethnic minorities development plan should be made to ensure that the project activities can be organized and implemented in the form of ethnic minorities' cultural adaptability, details see *A Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas – Ethnic Minorities' Development Plan*.

8 Information Publication and Public Participation

8.1 Preparation Period of Information Publication and Public Participation

Since November, 2011, the Foreign Capital Center of State Council Leading Group Office of Poverty Alleviation and Development has been undertaking a series of investigation and public consultation in coordination with Guizhou province, Sichuan province, Gansu province and authorities at all levels. Simultaneously, during the preparation of the project, the feasibility authorized units, social assessment report authorized groups and related departments have proceeded to publicize the correlative information and previously adequate informed consultation and public participation.

The authorization of social assessment report is based on the questionnaire survey, focus panel, key multitude interview, stakeholders seminar and public participated activities. Detailed information concerning public participated activities can be obtained in Table 8-1.

(1) Notification and Publication of Project Information

Led by the State Council Office of Poverty Alleviation and Development, and organized by the Center of the Foreign Capital, the declaratory Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas was enrolled in the project planning from 2013 to 2015 of the National Development and Reform Committee and the Ministry of Finance by use of the World Bank loans

Guizhou Province: A) In September 2013, the report of authorized environmental assessment in Guizhou Province is due to be conducted. B) In 2013, the feasibility project units proceed to investigate the project area and authorize the feasibility study report.

Sichuan Province: A) On August 31, 2012, the Foreign Capital Project Management Center of Sichuan Provincial Project Office of Poverty Alleviation and Development held the meeting of the World Bank Poverty Reduction Project (Phase VI), with the attendance of the project municipal, prefecture, and county leaders of the Poverty Alleviation and Development Office. The preliminary designs, plannings and suggestions were discussed and deployed during the meeting. B) On September 27, 2012, the Center of Sichuan Provincial Foreign Capital issued the Notification on Making Adequate Preparation for the World Bank Poverty Reduction Project (Phase VI), which required the project counties to make well preparation for selected program of implementary area, and further practiced the organization and guarantee measures. The primary leaders of the Center of Sichuan Provincial Foreign Capital led the team to inspect and instruct on the spot in Zhaojue, Jinyang and Butuo counties in Liangshan prefecture. C) In April 2013, the Center of Sichuan Provincial Foreign Capital informed counties to work out the Project Proposal and Projected feasibility Study Report, and amended it for several times.

Gansu Province: A) The provincial project proposal of each project shall be reported before the 15th January, 2012, and the Provincial Development and Reform Committee and the Provincial Finance Department shall provide Commitment Letter. B) On July 25, 2012, the National Development and

Reform Committee and the Ministry of Finance printed and distributed the Notification on the Request for Alternative Project Planning During 2013-2015 Fiscal Year by the National Development and Reform Committee and the Ministry of Finance by Use of the World Bank Loans with the article volume [2012]2208 of the Foreign Capital of Development and Reform.

(2) Fieldwork

Fieldwork Situation in Guizhou Province A) On May 10-12, 2012, the Foreign Capital Center of the State Council of Poverty Alleviation and Development Sent officials to Guizhou Province to undertake the research of the World Bank Loans and Poverty Reduction Project (Phase VI). The research panel proceeded to the fieldwork by means of farmers interview, enterprises visitation, spot inspection, colloquia, the inspection of germination center, agricultural development specialized cooperatives, the program base of Poverty reduction. B) On April 27, 2013, the Center of Guizhou Provincial Poverty Alleviation and Development proceeded to Zunyi to investigate the preparation for the World Bank Loans and Poverty Reduction Project (Phase VI), and held colloquia to inspect the institution authorization, and the project expenditure. C) In September 2013, the first technology preparation group experts and the National Poverty Alleviation and Development inspected the situation in Guizhou Province.

Fieldwork Situation in Sichuan Province A) On October 15-19, 2012, the economist expert Wu liwei of the World Bank assumed the post of the Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas, leading his 15-member team undertake project identification in Sichuan Province. The team investigate infrastructure and industrial development of Zhaojue, Jinyang county successively, and listened to the preparation situation of the World Bank Poverty Reduction Project (Phase VI) reported by Liangshan prefecture and two counties. B) On December 19-20, 2012, the project leader of the Center of Sichuan Provincial Foreign Capital led a team to Xuyong and Gulin to investigate the preparation situation of the World Bank Poverty Reduction Project (Phase VI). C) On 13-16th June, 2013, the first technology preparation group of the World Bank inspected the situation in Sichuan Province.

Fieldwork Situation in Gansu Province A) On November 6-8, 2012, the identification group expert team of the World Bank Poverty Reduction Project (Phase VI) proceeded to Weiyuan, Longxi and Jingning counties to conduct an inspection. The identification group of the World Bank Poverty Reduction and Loans Project (Phase VI) inspected and identified the counties and villages of the World Bank Poverty Reduction and Loans Project (Phase VI), and obtained an overview of the project areas. B) On June 3-7, 2013, the preparation group of the Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas of the World Bank (World Bank Poverty Reduction Project (Phase VI)) conducted a fieldwork to Huanxian, Zhangjiachuan counties and Anding District.

From October to November 2013, the social assessment authorized units conducted a fieldwork to the project areas, paid a visit to three provinces, ten cities and 27 counties relating to the project, obtained the detailed information of the living condition of the residents who may tend to be influenced along the project areas by means of questionnaire, colloquia, interview, consulted the general public about the opinions and advice of the project implementation, and recorded it accurately.

(3) Focus Panel

On October 27 to November 29 in 2013, 138 focus panel meetings have been held, including 69 general panel meetings with a total number of 958 villagers, among whom 305 members are women accounting

for 31.84%, and 69 women panel meeting with a total number of 447 women. The meetings put great emphasis on the participation, requirement, and suggestion of the project area residents.

(4) Intensive Interview of the Villagers

On 27th October to 29th November in 2013, a personal intensive interview aiming at three provinces and 267 counties involving 206 people in the project areas was conducted, and 98 women accounting for 47.6%, 65 ethnic minorities people accounting for 31.6%, and 87 impoverished group people accounting for 42.2% are included. The content of the interview mainly concerned about the production and living condition of the interviewee, the opinions of the cooperation, the potential risks and influences of the project, and the views of the project designs, and implementation.

(5) Interview of the Key Multitude

The social assessment investigation group conducted an interview of 171 people, consisting of the project areas Office of Poverty Alleviation, Agricultural Bureau, Bureau of Animal Husbandry, the Bureau of Nationality and Religion, the Women's Federation and the relating departments, the Village Committees, Cooperative Person in Charge, Association Person in Charge, Agricultural Technology Experts and other key person. The interview aimed at obtaining the opinions and suggestion of the stakeholders to the project, putting emphasis on providing preferential advice to the project design and implementation.

(6) Institution Seminar

An interview of the institution person in charge of the Women's Federation, the project areas Office of Poverty Alleviation, Agricultural Bureau, Bureau of Animal Husbandry, the Bureau of Statistics, the Bureau of Nationality and Religion, and the Bureau of Civil Affairs was conducted and 37 institution seminars were performed. Besides, the information of women development situation, impoverishment, distribution of ethnic minorities, cooperative development situation of agriculture and husbandry was obtained, and the relevant policies, implement project, and the suggestion of the authorities were investigated.

Table 4-1 The procedures of Information Publication and Public Participation

Number	Participant Types	Time	Location	Participants	Remarks
1	Notification of Related Project Information	September,2013	Guizhou Project Areas	Related prefecture, township officials, village heads, villagers, the feasibility authorized units and environmental assessment authorized units	Authorization of Guizhou environmental assessment report; fieldwork of project areas by feasibility project units; authorization of the feasibility project study.
		August, 2012 to April, 2013	Sichuan Project Areas	Related prefecture, township officials, village heads, villagers, the feasibility authorized units and environmental assessment authorized units	The Foreign Capital Project Management Center of Sichuan Provincial Project Office of Poverty Alleviation and Development held the meeting of the World Bank Poverty Reduction Project (Phase VI), with the attendance of the project municipal, prefecture, and county leaders of the Poverty Alleviation and Development Office. The preliminary designs, plannings and suggestions were discussed and deployed during the meeting; The Center of Sichuan Provincial Foreign Capital issued the Notification on Making Adequate Preparation for the World Bank Poverty Reduction Project (Phase VI), which required the project counties to make well preparation for selected program of implementary area, and further practiced the organization and guarantee measures. The primary leaders of the Center of Sichuan Provincial Foreign Capital led the team to inspect and instruct on the spot in Zhaojue, Jinyang and Butuo counties in Liangshan prefecture; The Center of Sichuan Provincial Foreign Capital informed counties to work out the Project Proposal and Projected feasibility Study Report, and amended it for several times.
		January,2012 to December,2012	Gansu Project Areas	Related prefecture, township officials, village heads, villagers, the feasibility authorized units and environmental assessment authorized units	The National Development and Reform Committee and the Ministry of Finance printed and distributed the Notification on the Request for Alternative Project Planning During 2013-2015 Fiscal Year by the National Development and Reform Committee and the Ministry of Finance by Use of the World Bank Loans with the article volume[2012]2208 of the Foreign Capital of Development and Reform.

2	Fieldwork	May, 2012 to September, 2013	Guizhou Province	Experts Group of the World Bank, the Foreign Capital Center of the State Council of Poverty Alleviation and Development, the Foreign Capital Center of Guizhou Poverty Alleviation and Development	A) On 10-12 th May, 2012, the Foreign Capital Center of the State Council of Poverty Alleviation and Development Sent officials to Guizhou Province to undertake the research of the World Bank Loans and Poverty Reduction Project (Phase VI). The research panel proceeded to the fieldwork by means of farmers interview, enterprises visitation, spot inspection, colloquia, the inspection of germination center, agricultural development specialized cooperatives, the program base of Poverty reduction. B) On 27 th April, 2013, the Center of Guizhou Provincial Poverty Alleviation and Development proceeded to Zunyi to investigate the preparation for the World Bank Loans and Poverty Reduction Project (Phase VI), and held colloquia to inspect the institution authorization, and the project expenditure. C) In September, 2013, the first technology preparation group experts and the National Poverty Alleviation and Development inspected the situation in Guizhou Province.
		October, 2012 to June, 2013	Sichuan Province	Experts Group of the World Bank, the Foreign Capital Center of Sichuan Poverty Alleviation and Development, the first technology preparation group of the World Bank	A) On 15-19 th October, 2012, the economist expert Wu Liwei of the World Bank assumed the post of the Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas, leading his 15-member team undertake project identification in Sichuan province. The team investigate infrastructure and industrial development of Zhaojue, Jinyang county successively, and listened to the preparation situation of the World Bank Poverty Reduction Project (Phase VI) reported by Liangshan prefecture and two counties. B) On December 19-20, 2012, the project leader of the Center of Sichuan Provincial Foreign Capital led a team to Xuyong and Gulin to investigate the preparation situation of the World Bank Poverty Reduction Project (Phase VI). C) On June 13-16, 2013, the first technology preparation group of the World Bank inspected the situation in Sichuan Province.
		November, 2012 to June, 2013	Gansu Province	Experts Group of the World Bank,	A) On 6-8 th November, 2012, the identification group expert team of the World Bank Poverty Reduction Project (Phase VI) proceeded to Weiyuan, Longxi and Jingning counties to conduct an inspection. The identification group of the World Bank Poverty Reduction and Loans Project (Phase VI) inspected and indentified the counties and villages of the World Bank Poverty Reduction and Loans Project (Phase VI), and

					obtained an overview of the project areas. B) On 3-7 th June, 2013, the preparation group of the Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas of the World Bank (the World Bank Poverty Reduction Project (Phase VI)) conducted a fieldwork to Huanxian, Zhangjiachuan counties and Anding District.
		October to November, 2013	3 provinces, 10 cities and 27 counties related to the project areas	Social assessment authorized units	The social assessment authorized units conducted a fieldwork to the project areas, paid a visit to three provinces, ten cities and 27 counties relating to the project, obtained the detailed information of the living condition of the residents who may tend to be influenced along the project areas by means of questionnaire, colloquia, interview, consulted the general public about the opinions and advice of the project implementation, and recorded it accurately.
3	Questionnaire Survey	October to November, 2013	Related villages and residents of 3 provinces, 10 cities and 27 counties	10 cities and 27 counties of Guizhou Province, Sichuan Province, Gansu Province,	The contents of the questionnaire survey: the current situation of participant agricultural cooperatives, the requirement of the cooperatives, the assistance, project situation, and personal information requisite from the cooperative. The total number of effective questionnaire is 1506, among which 47.6% is from women.
4	Interview of the Key Multitude	October to November, 2013	Project Villages	Visit to the project area of 63 towns and 69 village collectivity; Interview of the related person in charge of county-level institution Women's Federation, Office of Poverty Alleviation, the Bureau of Nationality and Religion, Agricultural Bureau, Bureau of Animal Husbandry.	Information of the social and economic situation of the project areas, the development situation of the agriculture, husbandry, women development, and impoverishment; The consultation of the local requirement, attitude, opinions, and suggestion.
5	Intensive Interview of Residents	October to November, 2013	Related village and residents of the project	Investigation of the population influenced in the project area, and	Intensive interview of the residents in the project areas, and the information of the residents' living condition, project influences, attitude and suggestion.

				area		
6	Focus Panel	General Panel Meetings	October to November, 2013	Related villages of the project areas	69 general panel meetings with 958 attendance, including 305 women accounting for 30.15%	Basic information of the villages; Consultation of the attitudes, opinions, and requirements.
		Women Panel Meeting	October to November, 2013	Related villages of the project areas	69 women panel meetings; 447 attendance of the women group discussion	Emphasis on the attention to the attitudes, requirements and suggestions of women
7	Institution Seminar	October to November, 2013	Project office; related institutions	City(prefecture)-level, county-level of the project areas Office of Poverty Alleviation, the Women’s Federation, the Bureau of the Civil Affairs, the Bureau of Nationality and Religion, the Bureau of Labor and Social Security, the Bureau of Agricultural and Animal Husbandry, the Bureau of Land and Resources, Demolition Office and the related government departments.	Information of related policies, implement programs, suggestions of the authorities	

8.2 The Results of Public Participation

(1) The Situation of the Project Awareness and Perception

According to the statistics, 86.1% of the interviewees in the project areas have heard of the project, while 13.9% of the interviewees don't; among all the project provinces, the popularity of the project in Guizhou Province reaches the highest, accounting for 96.9%; the percentage in Gansu project areas is 88.3%, and 77.3% in Sichuan project areas. From the perspective of perception, 9.6% of the interviewees well perceive the project, 34.2% know the project, while 50.8% know little, 5.2% don't know, and 0.2% even never heard of the project. The statistics indicates that the majority has heard of the project, but just knows a little. During the fieldwork, most of the interviewees demonstrated that they had noticed the dissemination of the project, but had no idea about the detailed contents and arrangements..

Table 4-2 Perception of the Project to the Farmers

Provinces	Heard		Not Heard	
	N	%	n	%
Guizhou	284	96.9	9	3.1
Sichuan	412	77.3	121	22.7
Gansu	601	88.3	80	11.7
Total	1297	86.1	210	13.9

Source: Questionnaire survey data, with 1,507 effective questionnaires

Table 4-3 Perception Situation of the Program to Farmers (%)

Provinces	Well Perceived	Known	Known Little	Not Known	Never Heard
Guizhou	20.8	34.2	43.0	1.4	0.7
Sichuan	9.0	42.2	43.2	5.6	0.0
Gansu	4.9	28.7	59.7	6.7	0.0
Total	9.6	34.2	50.8	5.2	0.2

Source: Questionnaire survey data, with 1,507 effective questionnaires

(2) Perception of the Significance of the Project to Family

According to the social economic investigation results, 54.4% of the interviewees attach the great importance of the project to family; 37.7% think the project is important to family; 4.5% believe the project is of a little importance to family; while, 0.7% think not important, and 2.7% don't care about it. Obviously, the influenced interviewees generally hold that the project is of great significance to family. During the fieldwork, many interviewees expect the project could be implemented as soon as possible so that they can be benefited imminently.

Table 4-4 Perception of the Significance of the Project to Family (%)

Provinces	Very Important	Important	Comparative Important	Not Important	Don't Care
Guizhou	58.0	39.6	0.7	0.7	1.0
Sichuan	54.4	34.3	4.9	0.9	5.4
Gansu	52.9	39.5	5.9	0.4	1.3
Total	54.4	37.7	4.5	0.7	2.7

Source: Data of questionnaire survey; Effective questionnaire: 1507

(3) Support of the Project

In the investigation of the support to the project, 95.7% of the interviewee support the project construction. Guizhou reaches the highest accounting for 98.6%; 0.4% of the interviewees oppose the project construction, and 3.9% of the interviewees don't care. The statistics indicates that the program is generally supported, and is popular among the villagers in project areas.

Table 4-5 Support of the Project from the Farmers

Provinces	Support		Oppose		Don't Care	
	n	%	n	%	n	%
Guizhou	289	98.6	1	0.3	3	1.0
Sichuan	498	93.4	3	0.6	32	6.0
Gansu	655	96.2	2	0.3	24	3.5
Total	1442	95.7	6	0.4	59	3.9

Source: Questionnaire survey data, with 1,507 effective questionnaires

The influenced people in the project areas support to construct the project, and simultaneously most of them, accounting for 94% agree to cooperate with the government to implement the project, while 1.8% are against, 3.5% don't care, and 0.7% have no idea.

Table 4-6 Farmers' Willingness to cooperate with Government to Implement the Project (%)

Provinces	Willing	Unwilling	Don't Care	Don't Know
Guizhou	95.6	2.0	1.7	0.7
Sichuan	92.5	1.5	6.0	0.0
Gansu	94.6	1.9	2.2	1.3
Total	94.0	1.8	3.5	0.7

Source: Questionnaire survey data, with 1,507 effective questionnaires

(4) Willingness to Volunteer to Work

Social economic investigation results indicate that 96% of the interviewees are willing to obtain jobs by the project, Gansu accounting for 98.1% reaches the highest, followed by Guizhou accounting for 96.9%; Sichuan accounting for 92.7% is the lowest. The statistics indicates that the enthusiasm of the influenced project areas is rather high, and the demand of jobs by the project is urgent for the reason of income increase.

Table 4-7 Willingness of the farmers to Volunteer to Work

Provinces	Willing		Unwilling	
	Number (n)	Percentage (%)	Number (n)	Percentage (%)
Guizhou	284	96.9	9	3.1
Sichuan	494	92.7	39	7.3
Gansu	668	98.1	13	1.9
Total	1446	96.0	61	4.0

Source: Questionnaire survey data, with 1,507 effective questionnaires

8.3 The Contents Included in the Project Implement Brochure

2.1 PROJECT IMPLEMENTATION PREPARATION

During the preparation of the project and the social assessment procedures , the previously unrestricted and informed participation and cooperation with the stakeholders, a series of project information publication and public participation have been conducted. In order to promote the enthusiasm stakeholders, especially the effective participation of the related stakeholders, improve their perception and participation of the project, guarantee the right to be informed, right to participate, right to supervise, right to express and right to decide of the objective people and related stakeholders, promote the achievement of the project with the lowest social cost in the implementation of the project, a brochure of community participation is required during the preparation of the project. The participant opportunity, methods and the rights and obligations during the participation should be clarified and systematized; the directly benefited or harmed groups, especially ethnic minorities, the impoverished and women should be insured.

2.2 WHOLE PROCESS OF PROJECT IMPLEMENTATION

The project community participant activities which include the main contents of the project participation, participants and their roles, methods and requirements of the participation are involved thoroughly in the whole procedures of the project preparation, implementation, operation and maintenance. The detailed plans of each project stage are listed in Table 8-8.

2.3 SUPERVISION AND EVALUATION OF PROJECT IMPLEMENTATION

Supervision and Evaluation Institution: The county project office is designated as the executive body of the interior supervision ; the supervision and evaluation of the third party shall be in the charge of independent supervision institution.

The contents and indicators of the supervision and evaluation: The detailed contents and indicators of the supervision and evaluation are clarified in the project implementation brochure.

The arrangements of the supervision and evaluation: The arrangements of the supervision and evaluation consist of the mid-evaluation, late-evaluation, social influences supervision, migration settlement supervision and the environmental influences supervision.

Table 4-8 Social Participation Activities Schedule

Project Stages	Participant Activities	Participant Methods	Participant Objects	Rules and Methods	Responsible Bodies	Results
Project Preparation Stage	Counselor Recruitment	Village Publicity	All villagers and village cadres	Put up the counselor recruitment notice in the villages; Publicize the results of the counselor recruitment in the villages	County project office	The villagers could be informed of the content and result of the counselor recruitment.
	Project Publicity Mobilization	Media Publicity	All villagers	Publicize the basic project situation of the villages in the city/ county/ area	Provincial project office, city/county/area project office	The villagers could be informed of the project information.
		Internet Publicity	All villagers	Publicize the project contents on the institution websites of the poverty alleviation.	City/county/area project office	The villagers could be informed of the project information.
		Village cadres meetings and the general assembly of villagers representatives	All villagers	The county project Office holds the meetings of village head or village secretary in cooperation with the township, and informs the basic project information.	The county project office, project township, village cadres	The villagers could be informed of the project information.
		Village Publicity(notices, banners, and broadcast)	All villagers	Publicize the key contents in the villages, with the publicity time no less than 2 weeks)	Village cadres	The villagers could be informed of the project information.

		Proposals Publicity	All villagers	Village cadres shall send to families after the reception of proposals	Village cadres	The villagers shall be informed of the project information.
Project Implementat ion Stage	Supervision and Management	Supervising the counselors	All villagers	Villagers shall take part in the supervision of counselors in information publicity and mobilization, cooperative foundation, training, industrial development planning and the operation situation.	Village cadres, city/county/ project office、 area	Evaluation of the counselors; Complaint situation of the counselors collected by the Village Committee and project office
		Supervision of the Project construction	All villagers, cooperatives	Supervision of the construction quality by the Villagers	The county project office, construction companies	he villagers could be informed of the construction situation
	Organization and Training	Cadres Training Publicity	Village cadre, counselors, villagers representativ es	Basic Project Situation, Industrial development planning, project operation procedures, establishment of stock cooperative, the requirements of the donation by cooperatives, infrastructure construction, and the village publicity and mobilization activities.	The county project Office	Publicity cadres shall be informed the basic project situation, industrial development planning, project operation procedures; Publicity cadres shall be informed the mobilization methods and contents.
		Villagers Publicity Mobilization Training	All villagers	Basic Project Situation; advantages and disadvantages of the operation procedures; industrial development planning, establishment of stock cooperative, the requirements of the donation by cooperatives, infrastructure construction, and the village publicity and mobilization activities.	Village cadres, counselors and villagers representatives	The villagers shall be informed the basic project contents, industrial development planning, and project operation procedures.

	Send out the publicity brochure	All villagers	Project Office shall send the brochures to all villagers by Village Committee.	The county project Office and village cadres,	The villagers shall be informed the basic project contents, industrial development planning, and project operation procedures.
Establishment/Reorganization the Cooperatives	Mobilization meetings of reorganizing the cooperatives	All villagers	Willing to participate in the reorganized general meeting of the cooperative, inform the project information, and conduct information publicity and vote of the reorganized cooperative.	Cooperative council, and the board of supervisors	The cooperative members are informed the project information, cooperative reorganization procedures, and vote results.
	Cooperative Arrangement Groups	All villagers	The right and obligations of the Cooperative arrangement group shall be informed. The group members shall be elected.	Village cadres and counselors	Villagers shall be informed the contents and procedures arranged by the cooperatives. The group members shall be generated cooperative arrangement group.
	Preparation Meeting	All villagers	The basic information of cooperatives, the conditions, and requirements to join in the cooperatives, and the income distribution shall be informed to the villagers. The requirements of the donation by cooperatives, and cooperative constitution draft.	Cooperative arrangement groups	The villagers shall be informed the basic project contents; The right and obligations of the Cooperative; The requirements of the donation by cooperatives, and cooperative constitution draft.
	Cooperative members general meetings	All cooperative members	Establishment of the Cooperative general conference agenda and the election shall be generated by voting; determination of the cooperative designation; the cooperative director of the council, members of the council, executive supervisor, members of the supervisory board; cooperative	Cooperative arrangement groups	Cooperative constitution and the management; the rolls of the generation of the council and the supervisory board; the contributive inventory of members; cooperative industrial development planning, and The management of the donation by cooperatives; The election of cooperative council and

			constitution; appointment of the cooperative financial personnel; cooperative industrial development schedule and project implementary plans; The management of the donation by cooperatives; the formulation of the cooperative interior management system; the percentage of women shall be no less than 30%, and the election results shall be publicized.		supervisor board; The population ratio of women, ethnic minority and impoverishment.
Construction Information Publicity	Put up the posters	All villagers, cooperatives	Construction personnel shall publicize the construction information once a month, and publicize the construction communicators and the contact information.	The county project office, and the construction companies	Villagers shall be informed of the construction situation
	Villagers' meeting	All villagers, cooperatives	Villagers meeting shall be held once the construction problems are found, and submit after the collection.	The county project office, and the construction companies	The results of project construction complaints
Construction Participation	Villagers volunteer to work	All villagers	Priority shall be given to the job-provision to the villagers in Infrastructure construction. 30% priority shall be given to women.	The county project office, and the construction companies	The situation of volunteer to work of villagers
Cooperative Operation	Operation Situation Publicity	Cooperative members, all villagers	Cooperative operation and the capital condition shall be arranged and publicized quarterly.	Cooperative council, supervisory board and counselors	Villagers shall be informed of the cooperative operation situation (the sales price of agricultural produce, and income distribution); percentage of members who participate in cooperative activities.

	Industrial and Cooperative training 训	agricultural and technological training of villagers	All villagers	According to the local development industrial, the expert training shall be organized. The ethnic minority and women shall be no less than 30%.	County project office, counselors and Village Committee	Investigation results of the training requirements; training plans; training photos; percentage of the impoverish members among those who have participated in the industrial training; percentage of women members among those who have participated in the industrial training
		Cooperative management training	Cooperative managers	The cooperative management shall be trained, and the cooperative members enjoy the equal opportunities to be trained	County project office, counselors and Village Committee	The number of cooperatives with the training experience of operation and management; the training record of the cooperative management personnel
		Send out the training brochures	All villagers	Send out the plantation and cultivation brochures to project areas villagers	County project office, counselors and Village Committee	The situation of the villagers' acquisition of training brochures
Project Operation Stage	Infrastructure maintenance	Appointment of maintenance personnel	All villagers	Dividing the maintenance personnel based on the influences of the infrastructure; the government shall employ the villagers to manage	County project office and Village Committee	The continuous management of the infrastructure
		Maintenance personnel training	Maintenance personnel	Infrastructure maintenance training shall be conducted to the maintenance personnel	County project office, Construction companies and Village Committee	The situation of the maintenance personnel training and textual information
		Maintenance expenditure management	Village Committee, Cooperatives and villagers	Implementation and supervisory system shall be formulated based on the expenditure management of infrastructure maintenance; supervision shall be conducted by the villagers	County project office and Village Committee	Expenditure management of infrastructure maintenance

	Complaints and Appeals	Clarification of the appeals procedures	villagers	Any discontent during the implementation and operation of the project shall be resorted to the complaints system. Detailed procedures are clarified in the Complaints and Appeals procedures.	Provincial project office, County project office and Village Committee	
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8.4 Complaints System

During the implementation and operation of the project, any discontent could be resorted to the complaints system. Detailed procedures are as followings:

Stage 1: Report to the Village Committee by means of written or oral form, and then the Village Committee works out the solution and records it by written form. The Village Committee should reply and solve within two weeks.

Stage 2: If the villagers are dissatisfied with the results, the appeal could be raised to the township project station, the county project office, the provincial project office, or the central project coordinative office after receiving the results. The management institutions should make out the final decision within 2 weeks.

The institutions receive the complaints and appeals from the villagers freely, while the reasonable cost generated from the project will be disbursed from the contingencies. The telephone numbers and the office address of the working personnel in charge of receiving the complaints and appeals shall be publicized.

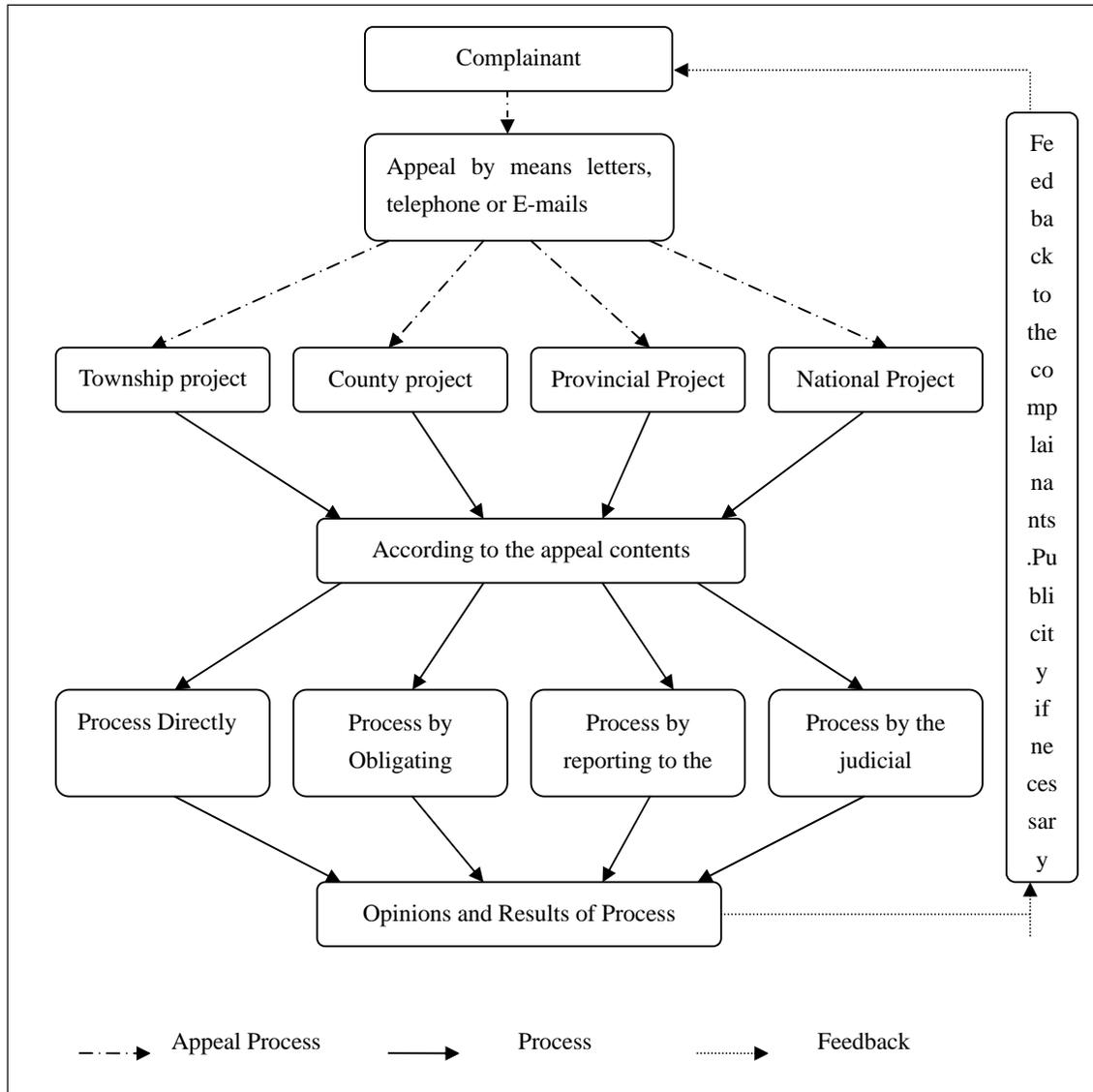


Figure 4-1 Complaint and Appeal Procedures

9 Action Plan and Implementatio

9.1 Project's Social Risk and Mitigation Measures

(1) Measures to Enhance Social Benefits of Project

1) Improving the Organizational Degree of Farmers

Through the construction of standardized cooperatives and training, organizational degree of farmers has been improved; meanwhile, the challenge is how to set up farmers' organization, and how to avoid marginalizing rural households. Therefore, it is recommended:

- ① Establish stock cooperatives in which farmers share interests and responsibility, and ensure the proportion of poor households with cards gradually reach 80 % or more;
- ② Carry out technical and management training for cooperative members, and strengthen the organization construction and standardized management, including constructing guidance/ guidelines for the development of cooperatives in the project area;
- ③ Conduct demonstration and guidance by building production base or model households, and organize rural households to participate in industrial development;
- ④ Set up an open and transparent revenue sharing mechanism, and enhance the sense of belonging to cooperatives of rural households.

2) Enhancing Subject Awareness and Self- development Capacity of Farmers

Project can enhance self-development ability of rural households, especially rural households' subject awareness. At the same time, the survey shows a lot of rural households do not understand cooperatives, rural households rarely really participate in the construction and operation process of cooperatives, and participants of cooperatives do not have a sense of belonging, which are the challenges we are facing. How to cultivate subject consciousness of rural households? How to allow the villagers to participate? How to conduct training? How to empower? To solve these problems is of great significance to improve subject awareness and self- development capacity of rural households. Therefore, it is recommended:

- ① Develop information disclosure and publicity as well as training programs throughout the early, mid and late stages of project (see project implementation manual), especially community mobilization and publicity in the early preparation stage of project;
- ② Through various publicity and participation ways such as villager congress and village group meetings, democratically elect members of Cooperatives Council and Supervisory Board. On the basis of right to know and voluntary, produce cooperative members, especially considering the needs and ideas of women, minorities and poor households;
- ③ Establish shareholding cooperative with broad participation of villagers and democratic management, and focus on solving the problem of insufficient funds for the poor households in participating in

cooperatives;

④ According to the urgency of the various training needs of the villagers, especially the characteristics and needs of the agricultural activities carried out by the villagers in four seasons, carry out skills and technical training related to industrial development as well as operation and management of cooperatives;

⑤ Project training time should avoid ethnic festivals, farming season and women housework time and fully consider the timetable throughout the year;

⑥ Training location should be near to villagers' settlements, which are easy to access, and take care for individual rural households in remote areas;

⑦ Training methods should vary from person to person and from area to area, maximize the use of the local language and verbal expression, complemented by videos, posters, brochures, etc.;

⑧ On the basis of respecting the willingness of women, minorities, poor households and other vulnerable groups, the publicity information of projects and cooperatives should be known to 80% or more of households (awareness rate of poor households with cards should be 100%). The participants of project training program should include 30% of women, 80% of poor households, and 30% of minorities (project areas for ethnic minorities).

⑨ It should regularly conduct random check of publicity and training situation, including twice a year in early stage of project, and once a year in other stages.

3) Improving Farmers' Ability to Withstand Market Risks

The key to the change of farmers' production and operation pattern, and the enhancement of their ability to withstand market risks, lies in establishing their own cooperatives, which can make villagers voluntarily join together to develop competitive industries. Therefore, the challenge is how to improve the ability of farmers to withstand market risks. Based on this, it is recommended:

① Conduct comprehensive assessment of agricultural public infrastructure project status and needs in project villages, build production shortcut, irrigation and other facilities as required, to avoid repeated use of funds to improve infrastructure in industrial development;

② Strengthen cooperative management and industrial development-related training to improve the sustainable development capacity of cooperatives, such as conduct training for administrative staff on a regular basis, including organizational and management capability training, standardized production training, efficient agricultural technology training, marketing and processing training of agricultural products, and so on;

③ Establish agricultural products collection points, storage distribution points, agricultural products trading market, agricultural market information release platform, agricultural products tracing and other supportive facilities and systems required by market-oriented agricultural development;

④ Within the constraints of technology and funds, carry out stock breeding base building, and develop a seed/breeder, cultivation, field management, sales or processing and other standardized construction in a unified manner.

4) Improving the Adaptation of Infrastructure to Rural household's Production, Livelihood Development and Requirements

Irrigation, public transport and other infrastructure can help rural households improve production and living conditions. Meanwhile, the challenge is how to build the infrastructures that are appropriate to rural households' production and livelihood development and requirements? And it should ensure infrastructure built can conduct sustainable operation and play a corresponding role. For this reason, it is recommended:

①By holding villager representatives meeting and village group meetings, adopting issue tree and other participatory approaches, discuss the infrastructure related to the production and livelihood of the villagers, and determine construction plans;

②Hand over the built public infrastructure, such as village road, production shortcut, irrigation facilities, etc. to the village collective ownership, and conduct supervision, management and maintenance; turn over storage, processing, marketing and other facilities and equipments related to industry value chain to cooperative collective ownership, and assume supervision, management and maintenance responsibilities.

5) Advancing Rural Households' Equitable Benefit and Sustainable Development

Increasing the chances of equitable benefit for rural households, making a real benefit for villagers, are the key to consolidate beneficiary connection of cooperatives, and promote sustainable development of rural households. Meanwhile, the challenge is how to empower the poor and make them integrate into cooperatives, so that the poor have a fair chance to benefit. Recommendations:

①Hold general meetings of members to discuss the development of cooperative income distribution mechanism and conduct publicity. Be sure to clarify the income distribution scale and order, determine the ratio of pre-aside funds, public welfare funds, relief funds, venture funds, development funds and other public accumulation in income distribution, and then determine the specific way of cooperatives' income distribution;

②Transform of the old cooperative ownership structure, and establish broad shareholding cooperatives jointly possessed by rural households;

③Regularly open revenue allocation results, file cooperative finance that accepts members' supervision and query;

④Establish sound complainant channels and mechanisms that are easy to operate;

⑤Conduct research on the equitable benefit mechanisms of rural households in the cooperatives.

6) Increasing Employment Opportunities for Rural Households, Improving Employment Environment, Enhancing Labor Unit Value and Promoting Rural Households' Income

Increase in rural households' income can be achieved by enhancing the unit value of labor, increasing employment opportunities, and improving employment conditions. Meanwhile, the challenge is how to increase income by improving the production factor of labor, especially by to improving poor rural households' resource situation. Suggestions:

①Combine the industries of project village with the wishes and needs of villagers, conduct training in seedling and nursery, crop cultivation and field management, disease prevention and control, stock breeding and breed improvement, forage planting and scientific farming methods, livestock disease control, high efficient agricultural science and technology, product processing and marketing and other

industrial value chain, and ensure that more than 30 percent of women and 30 percent or more of the minority population (in the project area of minority), 80 % or more of the poor households participate in the trainings;

②Organize the villagers to participate in infrastructure construction, and on the basis of respecting the wishes of the villagers, give 30% of the employment priority to poor households, minorities, women and other vulnerable groups.

(2) Measures to Reduce Social Risks

1) Avoiding the Risks of Land Acquisition and Land Management

In order to avoid or reduce the risk of land acquisition and land management in project, it is recommended:

Conduct publicity and mobilization, to make farmers understand cooperatives, rural industrial development opportunities and advantages and encourage them to voluntarily prepare land and join cooperatives.

Cooperatives raise money to convert land value into shares, and turn the land into cooperatives' production base, which needs to consider the quality and location of the land, assess the expected benefits and avoid forcing down the price of land as shares;

Reduce or avoid land acquisition and demolishing in the implementation process of project; If unavoidable, it needs to be in strict accordance with the *Resettlement Policy Framework* to carry out land acquisition and resettlement activities.

Ensure that cooperatives supported by projects follow the principle of voluntary participation of rural households, access to fair land management and equity arrangements;

Ensure that rural households can voluntarily choose whether to join the production base, without being affected by adjacent production bases;

Adopt the way of clear written contract to promote short-term and transparent land lease, rather than long-term land lease, so that poor rural households are free to opt out of cooperatives, especially in the conditions that immigrant household members return to village;

During the implementation of the project, if it needs to integrate land cooperatives to establish production bases, the World Bank / PMO of Guizhou Province should together review all land leasing and management programs in advance;

Confirm that the share arrangement, which require rural households to provide or transfer the land to cooperatives as a share option, will not be supported by the project.

2) Avoiding the Risk of Marginalizing Ecological Migration, Relocation Migration as well as such Immigrants in the Past

There exists ecological migration and relocation migration in project areas. In order to minimize the adverse effects of immigration and emigration immigration on the cooperatives construction and industrial development in project villages and promote the participation of immigrants and households, it is recommended:

①For immigrants moving into project villages, they can enjoy opportunities and rights of equal participation, industrial development, and equitable benefit;

②In combination of poverty reduction loans, poverty reduction assistance and other project supporting, it can provide ecological migration (especially poor households)with funding, technology and other support;

③For project villages planning to develop crop farming, it is necessary to adjust land for ecological migrants in order to help them participate in project; If not, then the village will not be supported in the project.

3) Avoiding the Risk of Unequal Benefit Caused by Conditional Grants of Cooperatives

In order to avoid monopoly use of grants by powerful group, it is recommended that:

①It should hold general meetings of members, to develop the use and management methods of grants through full discussion and consultation of cooperative members;

②It can take the policy to turn grants into the shares of members in cooperatives, and it needs to ensure the support of poor households is more 20-30 percent than ordinary ones;

③It can improve the internal organizational structure of cooperatives, in which specially assigned person take in charge of the management and use of grants, regularly public the use condition of grants, and accept the supervision of members.

4) Avoiding the Risk of Labor Shortages

In order to avoid labor shortages in projects, and promote the rational flow of rural labor resources, it is recommended that:

①It should strengthen publicity for the project, and publicity can be conducted in the period of massive return of migrant labor;

②It should establish cooperatives preparatory group to support and encourage students, migrant workers and other people to participate in the preparation and preparation of cooperatives, and it should ensure that at least one representative of ethnic minorities (ethnic minorities live together), a woman representative, a representative of poor households to assist peasants in project villages to carry out the preparation and setting up of cooperatives;

③It should conduct specialized training in the operation and management of cooperatives for cooperative management personnel elected by villagers, and actively carry out visit to cooperative excellent base;

④It should set up cooperatives counselor system, select counselors who are aware of policies, have strong organizational skills, are familiar with the local language and workable, and can be stationed in villages to carry out works, and it also should establish counselor management and appraisal system, which views the cooperative work of counselors as a basis for the assessment.

5) Avoiding the Risks of Public Infrastructure Operation and Management in Rural Areas

In order to avoid the appearance of situation that no person manage the built public infrastructure in rural areas and management and protection are conducted untimely, and to ensure the project continues to

generate benefit, it is recommended that:

- ① It should conclude the property, operation and management responsibilities of built rural infrastructure into operating manual and make clear description;
- ② It should develop village-level operation and management measures for public infrastructure.

Table 4-9 Social Action Plan for a Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas

Recommendations for Action	Target Group	Implementing Agency	Time	Specific Action	Funds Source	Monitoring Indicator
A-Measures to enhance social benefits of project						
1. Improving organizational degree of farmers	Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.	Project Management Office, Poverty Reduction Office, Agriculture and Animal Husbandry, and other relevant industry offices, township governments, village committees, etc.	2014-	①Focus on the establishment of stock cooperatives where farmers share interests and responsibilities, and ensure the proportion of poor households with cards gradually reach 80 % or more; ②Carry out technical and management training for cooperative members, and strengthen the organization construction and standardized management, including constructing guidance/ guidelines for the development of cooperatives in the project area; ③Conduct demonstration and guidance by building production base or model households, and organize rural households to participate in industrial development; ④Set up an open and transparent revenue sharing mechanism.	Project funds for comprehensive industry chain development (250.58 million yuan for Guizhou Province, 387.83 million yuan for Sichuan Province, 558.3916 million yuan for Gansu Province), and special funds of Agriculture and Animal Husbandry	①Contribution of rural households to cooperatives and allocation of shares of poor households; ②The number of households participating in the cooperatives, and the number and proportion of poor households, and voting record of poor households; ③Records of training times, number of participants, and contents, and records of poor households participating in the trainings; ④Guidance / guidelines for cooperative building; ⑤Demonstration construction of cooperatives; ⑥Cooperatives' income distribution.

<p>2. Improving self-development capacity of rural households and communities</p>	<p>Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.</p>	<p>PMO, Poverty Reduction Office, Agriculture and Animal Husbandry, Women's Federation, Bureau of Ethnic and Religious Affairs, and relevant industry offices, township governments, village committees, etc.</p>	<p>2014-</p>	<p>①Develop information disclosure and publicity as well as training programs throughout the early, mid and late stages of project (see project implementation manual), especially community mobilization and publicity in the early preparation stage of project; ②Through various publicity and participation ways such as villager congress and village group meetings, democratically elect members of Cooperatives Council and Supervisory Board. On the basis of right to know and voluntary, produce cooperative members, especially considering the needs and ideas of women, minorities and poor households; ③Establish shareholding cooperative with broad participation of villagers and democratic management, and focus on solving the problem of insufficient funds for the poor households in participating in cooperatives; ④According to the urgency of the various training needs of the villagers, especially the characteristics and needs of the agricultural activities carried out by the villagers in four seasons, carry out skills and technical training related to industrial development as well as operation and management of cooperatives; ⑤Project training time should avoid ethnic festivals, farming season and women housework time and fully consider the timetable throughout the year; ⑥Training location should be near to villagers' settlements, which are easy to access, and take care for individual rural households in remote areas; ⑦Training methods should vary from person to person</p>	<p>Project funds for comprehensive industry chain development (250.58 million yuan for Guizhou Province, 387.83 million yuan for Sichuan Province, 558.3916 million yuan for Gansu Province), and special funds of Agriculture and Animal Husbandry</p>	<p>①Records of training times, number of participants, and contents, and original records of poor households participating in the trainings; ②Rural households' awareness of and participation in cooperatives, and needs, suggestions and voting record of women, minorities, poor households; ③The number of households getting conditional grants from cooperatives, and the number of poor rural households and the amount of support payments; ④Evaluation of rural households on training time, place and mode selection; ⑤Contrast between training content and the training needs of rural households; ⑥Suitability of training to rural households' production and life; ⑦The number and proportion of women, minorities, and poor households participating in training; ⑧Records of spot check results</p>
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				<p>and from area to area, maximize the use of the local language and verbal expression, complemented by videos, posters, brochures, etc.;</p> <p>⑧On the basis of respecting the willingness of women, minorities, poor households and other vulnerable groups, the publicity information of projects and cooperatives should be known to 80% or more of households (awareness rate of poor households with cards should be 100%). The participants of project training program should include 30% of women, 80% of poor households, and 30% of minorities (project areas for ethnic minorities).</p> <p>⑨It should regularly conduct random check of publicity and training situation, including twice a year in early stage of project, and once a year in other stages.</p>		of project awareness and training.
3. Improving rural households' ability to withstand market risks	Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women	PMO, Poverty Reduction Office, Agriculture and Animal Husbandry, Trade and Industry Bureau, and relevant	2014-	<p>①Conduct comprehensive assessment of agricultural public infrastructure project status and needs in project villages, build production shortcut, irrigation and other facilities as required, to avoid repeated use of funds to improve infrastructure in industrial development;</p> <p>②Strengthen cooperative management and industrial development-related training to improve the sustainable development capacity of cooperatives, such as conduct training for administrative staff on a regular basis, including organizational and management capability training, standardized production training, efficient</p>	Project funds (417.12 million yuan for Guizhou Province, 535.67 million yuan for Sichuan Province, 651.891920 yuan million	<p>①The amount and proportion in total investment of built infrastructure;</p> <p>②The scale of repaired or new-built roads, drinking water facilities, irrigation facilities and other infrastructure;</p> <p>③Contributions of rural households to cooperatives;</p> <p>④The number of rural households participating in the</p>

	462.2 thousand.	township committees and village committees, etc.		<p>agricultural technology training, marketing and processing training of agricultural products, and so on;</p> <p>③Establish agricultural products collection points, storage distribution points, agricultural products trading market, agricultural market information release platform, agricultural products tracing and other supportive facilities and systems required by market-oriented agricultural development;</p> <p>④Within the constraints of technology and funds, carry out stock breeding base building, and develop a seed/breeder, cultivation, field management, sales or processing and other standardized construction in a unified manner.</p>	for Gansu Province) ^④ , and special funds of Poverty Reduction Office/Agriculture and Animal Husbandry and other relevant departments	<p>cooperatives, and the number and proportion of poor households;</p> <p>⑤Records of training times, number of participants, and contents;</p> <p>⑥Supporting facilities and institution building of relevant market-oriented development of industries;</p> <p>⑦Standardized production of industries related to cooperatives.</p>
4. Improving the adaptation of infrastructure to rural households' production,	Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.	PMO, Poverty Reduction Office, Agriculture and Animal Husbandry, design units, construction units, and relevant township	2014-2018	<p>①By holding villager representatives meeting and village group meetings, adopting issue tree and other participatory approaches, discuss the infrastructure related to the production and livelihood of the villagers, and determine construction plans;</p> <p>②Hand over the built public infrastructure, such as village road, production shortcut, irrigation facilities, etc. to the village collective ownership, and conduct supervision, management and maintenance; turn over storage, processing, marketing and other facilities and equipments related to industry value chain to cooperative collective ownership, and assume supervision,</p>	Construction funds for infrastructure of project (166.54 million yuan for Guizhou Province, 147.84 million yuan for Sichuan Province,	<p>①Infrastructure of project villages needs investigations and corresponding results;</p> <p>②The property ownership of public infrastructure, and responsible agency of operation and maintenance.</p>

^④This part of the project funds comes from the sub-project 1 (sub-project of modern industry value chain development) and sub-item 2 (sub-project of public infrastructure and service support).

liviho od develop ment and require ments		committees and village committees, etc.		management and maintenance responsibilities.	93.5003 million yuan for Gansu Province), and funds from Poverty Reduction Office / Agriculture and Animal Husbandry a nd other relevant departments	
5. Advanc ing rural househ olds' equitabl e benefit and sustaina ble	Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.	PMO, Poverty Reduction Office, Trade and Industry Bureau, and relevant universities, research institutions, township	2014-	①Hold general meetings of members to discuss the development of cooperative income distribution mechanism and conduct publicity. Be sure to clarify the income distribution scale and order, determine the ratio of pre-aside funds, public welfare funds, relief funds, venture funds, development funds and other public accumulation in income distribution, and then determine the specific way of cooperatives' income distribution; ②Transform of the old cooperative ownership structure, and establish broad shareholding cooperatives jointly possessed by rural households; ③Regularly open revenue allocation results, file	Project funds (252.58 million yuan for Guizhou Province, 389.63 million yuan for Sichuan Province, Gansu 558.9916 million yuan	①The number of households getting conditional grants from cooperatives, and the number of poor rural households and the amount of support payments; ②Voting records of poor households participating in the building of cooperatives; ③Original records of poor households participating in the activities of cooperatives; ④Specifics of income

develop ment		committees and village committees, etc.		cooperative finance that accepts members' supervision and query; ④Establish sound complainant channels and mechanisms that are easy to operate; ⑤Conduct research on the equitable benefit mechanisms of rural households in the cooperatives.	for Guansu Province) ^①	distribution mechanism, publicized results and the awareness of members; ⑤Results of old cooperative ownership reform; ⑥Publicity, filing as well as supervision and feedback records of income distribution of cooperatives; ⑦Results and records of complainants
6. Increas ing employ ment opportu nities for rural househ olds, improvi ng	Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.	PMO, Poverty Reduction Office, Agriculture and Animal Husbandry, design units, construction units, and relevant township committees	2014-	①Combine the industries of project village with the wishes and needs of villagers, conduct training in seedling and nursery, crop cultivation and field management, disease prevention and control, stock breeding and breed improvement, forage planting and scientific farming methods, livestock disease control, high efficient agricultural science and technology, product processing and marketing and other industrial value chain, and ensure that more than 30% of women and 30% or more of the minority population (in the project area of minority), 80 % or more of the poor households participate in the trainings; ②Organize the villagers to participate in infrastructure	Project funds (417.12 million yuan for Guizhou Province, 535.67 million yuan for Sichuan Province, 651.891920 million yuan for Gansu Province) ^②	①Records of training times, number of participants, and contents, and the number and proportion of women, minorities, and poor households participating in the trainings; ②The participation of rural households in the building of project infrastructure, and willingness to work and participation of poor households, minorities, and women.

^①This part of the project funds comes from the sub-project 1 (sub-project of modern industry value chain development) and sub-item 3 (sub-project of investment costs of poverty reduction mechanism through industrial development and promotion).

^②This part of the project funds comes from the sub-project 1 (a sub-project of modern industry value chain development) and sub-item 2 (sub-project of public infrastructure and service

employment environment, enhancing labor unit value and promoting rural households' income		and village committees, etc.		construction, and on the basis of respecting the wishes of the villagers, give priority of 30% employment opportunities to poor households, minorities, women and other vulnerable groups.		
B-Measures to reduce social risks of project						
1. Avoiding the risks of land acquisition and land management	Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities	PMO, Poverty Reduction Office, Bureau of Land resources, Agriculture and Animal Husbandry, relevant township committees and	2014-2018	①Cooperatives raise money to convert land value into shares, and turn the land into cooperatives' production base, which needs to consider the quality and location of the land, assess the expected benefits and avoid forcing down the price of land as shares; ②It should reduce or avoid land acquisition and demolishing in the implementation process of project; ③If it is unavoidable to involve land requisition and	Project funds (domestic funds)	①The standards and scale of cooperatives to treat the price of land as shares, and the participation of cooperative members; ②Land acquisition cases; reference to <i>Resettlement Policy Framework</i> ;

support).

	240.9 thousand, and women 462.2 thousand.	village committees, etc.		<p>demolishing during the process of project implementation, it needs to be in strict accordance with the <i>Resettlement Policy Framework</i> to carry out land acquisition and demolishing activities.</p> <p>④It should ensure that cooperatives supported by projects follow the principle of voluntary participation of rural households, access to fair land management and equity arrangements;</p> <p>⑤It should ensure that rural households can voluntarily choose whether to join the production base, without being affected by adjacent production bases;</p> <p>⑥It should adopt the way of clear written contract to promote short-term and transparent land lease, rather than long-term land lease, so that poor rural households are free to opt out of cooperatives, especially in the conditions that immigrant household members return to village;</p> <p>⑦During the implementation of the project, if it needs to integrate land cooperatives to establish production bases, the World Bank / PMO of Guizhou Province should together review all land leasing and management programs in advance;</p> <p>⑧It should confirm that the share arrangement, which require rural households to provide or transfer the land to cooperatives as a share option, will not be supported by the project.</p>		
2. Avoiding	Guizhou Province, Sichuan Province and	PMO, Poverty Reduction	2014-2018	①For immigrants moving into project villages, they can enjoy opportunities and rights of equal	/	①The participation of immigrants moved into project

<p>the risks of marginalizing ecological migration, relocation migration as well as such immigrants in the past</p>	<p>Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.</p>	<p>Office, Development and Reform Commission / Board, and relevant township and village committees, etc.</p>		<p>participation, industrial development, and equitable benefit; ②In combination of poverty reduction loans, poverty reduction assistance and other project supporting, it can provide ecological migration (especially poor households)with funding, technology and other support; ③For project villages planning to develop crop farming, it is necessary to adjust land for ecological migrants in order to help them participate in project; If not, then the village will not be supported in the project.</p>		<p>villages in cooperatives, industrial development, and equitable benefit; ②The participation of emigrants moved out of project villages in cooperatives, industrial development, and equitable benefit.</p>
<p>3. Avoiding the risks of unequal benefit caused by conditional grants of cooperatives</p>	<p>Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.</p>	<p>PMO, Poverty Reduction Office, Agriculture and Animal Husbandry, and relevant township and village committees, etc.</p>	<p>2014-</p>	<p>①It should hold general meetings of members, to develop the use and management methods of grants through full discussion and consultation of cooperative members; ②It can take the policy to turn grants into the shares of members in cooperatives, and it needs to ensure the support of poor households is more 20-30 percent than ordinary ones; ③It can improve the internal organizational structure of cooperatives, in which specially assigned person take in charge of the management and use of grants, regularly public the use condition of grants, and accept the supervision of members.</p>	<p>Conditional grants for cooperatives for projects (213.46 million yuan for Guizhou Province, 345.65 million yuan for Sichuan Province, 512,1971 million yuan for Gansu Province)</p>	<p>①Development process and implementation of grants management methods; ②Number of rural households and poor households which have obtained conditional grant support from cooperatives, and the amount of support payments; ③Management staff and usage publicity of grants, and supervision and feedback records of members.</p>

<p>4. Avoiding the risk of labor shortages</p>	<p>Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.</p>	<p>PMO, Poverty Reduction Office, Agriculture and Animal Husbandry, and relevant township committees and village committees, etc.</p>	<p>2014-</p>	<p>①It should strengthen publicity for the project, and publicity can be conducted in the period of massive return of migrant labor; ②It should establish cooperatives preparatory group to support and encourage students, migrant workers and other people to participate in the preparation and preparation of cooperatives, and it should ensure that at least one representative of ethnic minorities (ethnic minorities live together) , a woman representative, a representative of poor households to assist peasants in project villages to carry out the preparation and setting up of cooperatives; ③It should conduct specialized training in the operation and management of cooperatives for cooperative management personnel elected by villagers, and actively carry out visit to cooperative excellent base; ④It should set up cooperatives counselor system, select counselors who are aware of policies, have strong organizational skills, are familiar with the local language and workable, and can be stationed in villages to carry out works, and it also should establish counselor management and appraisal system, which views the cooperative work of counselors as a basis for the assessment.</p>	<p>Project funds (21.0221 million yuan for Guizhou Province, 18.6539 million yuan for Sichuan Province, 17.375 million yuan for Gansu)^①</p>	<p>①Dissemination of project information; ②Composition and preparation of the preparatory group of cooperatives; ③Participation of management staff in training and investigation; ④Selection criteria, selection results, assessment criteria and assessment results of cooperatives counselors.</p>
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^①This part of the cost comes from the training funds in the cooperative development, and project funds of Sichuan Province comes from training funds in cooperative development.

<p>5. Avoiding the risk of public infrastructure operation and management in rural areas</p>	<p>Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand.</p>	<p>PMO, Poverty Reduction Office, Agriculture and Animal Husbandry, and the relevant township and village committees</p>	<p>2014-</p>	<p>①It should conclude the property ownership, operation and management responsibilities of built rural infrastructure into operating manual and make clear discretion; ②It should develop village-level operation and management measures for public infrastructure.</p>	<p>Self-raised by project villages / cooperatives</p>	<p>①Determination of rural infrastructure's ownership, operation and management responsibilities; ②Formulation of public infrastructure operation and management measures.</p>
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9.2 Measures to Promote Social Gender and Development

(1) Promoting Women's Participation in Projects

According to the field survey and observation, women are the main force of housework and agricultural production in project areas, with relatively low participation degree in village affairs in general, which is not significantly different between different ethnic groups. To promote the development of women and their equitable benefit from the project, it needs to strengthen the participation of women in all stages of the project. Suggestions:

1) During the establishment of cooperatives and the selection process of industrial development, it needs to focus on listening to women's needs and ideas in the project area; 2) It should ensure that cooperatives preparatory group and purchasing group has at least one female, and there is 30% of women participating in the development of cooperatives and industrial planning and other village meetings; 3) It should ensure 30% of women to participate in trainings undertaken by the project.

(2) Raising Women's Awareness of Cooperatives and Projects

The findings show that both women and men have relatively low awareness of cooperatives and projects; women's participation in cooperatives is significantly lower than that of men. In order to promote women's participation in the industrial development of cooperatives, it is recommended that:

1) in the whole process of projects information publication, advocacy and training, it should ensure that at least 30 % of women join, training time and location selection need to give priority to women's time and convenience, and it needs to try to use the local language, especially in the ethnic enclaves of Yi and Miao nationalities; 2) it should make use of the advantages of Women's Federation in information dissemination and training, and cooperate with Women's Federation to carry out information publication and training.

Table 4-10 Social Gender and Development Plan of a Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas

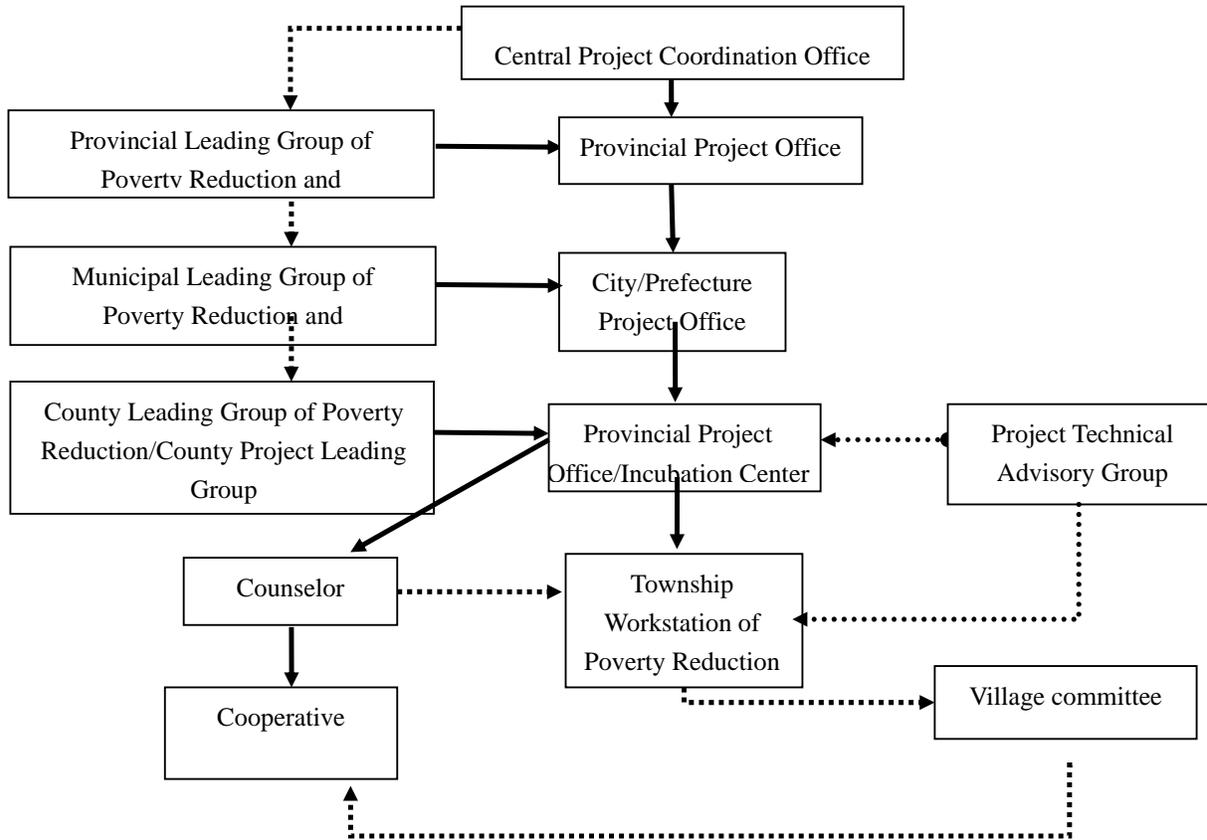
Recommendation for Action	Target Group	Implementing Agency	Time	Specific Action	Funds Source	Monitoring Indicator
1. Promoting women's participation in project	Guizhou Province, Sichuan Province and Gansu Province have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand	Design units, construction units, PMO, Women's Federation, and relevant township governments and village committees	During the implementation of project	① During the establishment of cooperatives and the selection process of industrial development, it needs to focus on listening to women's needs and ideas in the project area; ② It should ensure that cooperatives preparatory group and purchasing group has at least one female, and there is 30 percent of women participating in the development of cooperatives and industrial planning and other village meetings; ③ It should ensure 30% of women to participate in trainings undertaken by the project	Project funds for the development of comprehensive industrial value chain (250.58 million yuan for Guizhou Province, 387.83 million yuan for Sichuan Province, 558.3916 million yuan for Gansu Province), and special training funds from Women's Federation	① Records of women's requirements and suggestions; ② Employment figure of women; ③ The number and proportion of women in preparatory groups, purchasing groups and cooperatives, and women's voting records; ④ Original records of women's participation in the activities of cooperatives.
2. Raising women's awareness of cooperatives and	Guizhou Province, Sichuan Province and Gansu Province	Agriculture and Animal Husbandry,	During the implementation of project	① In the whole process of project information publication, advocacy and training, it should ensure that at least	Project training funds (21.0221	① Number of women participants in trainings; ② Training time and manner;

Recommendation for Action	Target Group	Implementing Agency	Time	Specific Action	Funds Source	Monitoring Indicator
project	have 27 counties, 538 administrative villages, with a total population of 946.4 thousand, of which poor people accounts for 342.9 thousand, minorities 240.9 thousand, and women 462.2 thousand	Bureau of Human Resources and Social Security, Women's Federation, PMO, and relevant township governments and village committees		30 % of women join, training time and location selection need to give priority to women's time and convenience, and it needs to try to use the local language, especially in the ethnic enclaves of Yi and Miao nationalities; ②It should make use of the advantages of Women's Federation in information dissemination and training, and cooperate with Women's Federation to carry out information publication and training.	million yuan for Guizhou Province, 18.6539 million yuan for Sichuan Province, 17.375 million yuan for Gansu Province)	③ Language used in training.

9.3 Implementing Agency and Time Schedule

(1) Implementing Agency

According to managerial demand of project and innovative features of improving farmers organization, the project has established a relatively complete sound organizational management framework. Departments, agencies fulfill their function and coordination, and jointly complete preparation, design, organization, management and implementation of the project and other works.



Note: The solid lines represent project management relationship, while dashed lines represent coordination or guidance relationship.

Figure 4-2 Structure Chart of Project Organization and Management

In order to do preparation of project and organization and leadership of implementation, the project counties have set up a leading group for the project and set up a project management office, which are equipped with full-time managers, in charge of coordination and specific works. Strong regulatory agencies of organization and implementation can ensure the realization of goals of poverty reduction projects, and also protect the involvement of stakeholders in the project.

Table 4-11 Implementing Agency of Project County

Province	City/Prefecture	Project County	Unit of Management Office	Contact	Office Phone
Guizhou Province	Bijie City	Dafang County	Foreign Capital Project Management Center of County Poverty Reduction Office	Gao Dengrong	0857-5236355
		Fangjin County	Foreign Capital Project Management Center of County Poverty Reduction Office	Liu Yun	0857-7625481
	Zunyi City	Tongzi County	Foreign Capital Project Management Center of County Poverty Reduction Office	Jiang Yi	0852-6623816
		Xishui County	Foreign Capital Project Management Center of County Poverty Reduction Office	Luo Shenghua	0852-2524813
		Chishui County	Foreign Capital Project Management Center of County Poverty Reduction Office	Wang Qun	0852-2861071
	Sichuan Province	Luzhou City	Gulin County	County Poverty Reduction Office	Wang Huailin
Xuyong County			County Bureau of Poverty Reduction and Immigration Affairs	Peng Qiang	0830-6233191
Yi Autonomous Prefecture of Liangshan		Jinyang County	County Office of Poverty Reduction and Development	Wu Anping	0834-8733419
		Zhaojue County	County Bureau of Ethnic, Religious, Poverty Reduction and Immigration Affairs	Asheng Youji	0834-8332029
		Meigu County	County Bureau of Poverty Reduction and Immigration Affairs	ChenYing	0834-8241792
		Butuo County	County Bureau of Poverty Reduction and Immigration	Duan Xingrong	0834-8531237

Province	City/Prefecture	Project County	Unit of Management Office	Contact	Office Phone
			Affairs		
Gansu Province	Dingxi City	Anding District	County Poverty Reduction Office	Liu Zhihua	18693218988
		Tongwei County	County Poverty Reduction Office	Li Fengzhi	18093265212
		Longxi County	County Poverty Reduction Office	Wang Jiancang	13830252006
		Tongwei County	County Poverty Reduction Office	Yang Juping	18919321169
		Linxtao County	County Poverty Reduction Office	Zhang Yulong	13993271486
	Tianshui City	Zhangjiachuan County	County Poverty Reduction Office	Li Xiaojuan	18993815026
	Qingyang City	Huan County	County Poverty Reduction Office	Xie Shigui	18298892208
		Huachi County	County Poverty Reduction Office	Li Junhong	13830453288
		Heshui County	County Poverty Reduction Office	Li Yunfeng	15097101812
		Zhengning County	County Poverty Reduction Office	Xu Wenhua	13993485359
	Pingliang City	Zhuanglang County	County Poverty Reduction Office	Zhang Xiaoming	18919336942
		Jingning County	County Poverty Reduction Office	Zhang Zhen	15249323400
	Hui Atonomous Prefecture of Linxia	Yongjing County	County Poverty Reduction Office	Xiao Yutang	0930-8832257
		Dongxiang Autonomous County	County Poverty Reduction Office	Ma Jinfu	0930-7121760
	Wuwei City	Gulang County	County Poverty Reduction Office	Wang Zhixiang	15214109676

Source: Project offices

(2) Capacity Building

In order to facilitate the smooth progress of the project and enhance capacity of implementing agencies of project, from 2012 to today, the key personnel of each PMO has participated in various training organized by the World Bank. Specific trainings involve the preparation of the feasibility report, project design, financial analysis, environmental assessment, social evaluation, etc.

Table 4-12 Statistics of Participation in Trainings of Implementing Agencies in Project Counties of Guizhou Province

No.	Training Time	Training Place	Participant	Training Contents
1	November, 2012	Guiyang	All project offices	Recognition of World Bank' delegation on project area in Guizhou
2	December, 2012	Guiyang	All project offices	Planning formulation in project area
3	January, 2013	Chishui, Guizhou	All project offices	First investigation of World Bank' delegation on project
4	February, 2013	Dafang, Guizhou	All project offices	Complication of project proposals
5	March, 2013	Chengdu	All project offices	Promotion meeting of project planning formulation
6	April, 2013	Lanzhou	All project offices	Promotion meeting of project planning formulation
7	July, 2013	Guizhou	All project offices	Compilation of project's feasibility report
8	July, 2013	Xishui, Guizhou	All project offices	Guidance of expert group on project's feasibility report
9	September, 2013	Chengdu	All project offices	Training on project financial analysis
10	September, 2013	Zunyi, Guiyang	All project offices	Second investigation of World Bank' delegation on project
11	October, 2013	Guiyang	All project offices	Revision meeting of project purchasing and feasibility report

Source: Project offices

Table 4-13 Statistics of Participation in Trainings of Implementing Agencies in Project Counties of Sichuan Province

No.	Training Time	Training Place	Participant	Training Contents
1	September 5 to 6, 2012	Beijing	All project offices	Project preparation work meeting
2	January 15 to 20, 2013	Luzhou, Sichuan	All project offices	Selection and review of project area and leading industry
3	March 18 to 22, 2013	Chengdu and Nanyun of Sichuan	All project offices	Preparation of project proposals and methods and requirements of feasibility report, and field visit to Nanchong on poverty reduction through industrial development
4	April 20 to 25, 201	Lanzhou, Gansu	All project offices	Sixth review meeting of World Bank on project design
5	May 2 to 10, 2013	Chengdu, Sichuan	All project offices	Collective discussion on and compilation of feasibility study report

6	May 20 to 22, 2013	Meigu, Sichun	All project offices	Training on village-level industrial development planning
7	June 13 to 17, 2013	Yongxu, Sichuan	All project offices	Training on compilation of feasibility report
8	August 2 to 15, 2013	Chengdu, Sichuan	All project offices	Compilation of feasibility report and project logical framework
9	September 3 to 6, 2013	Chengdu, Sichuan	All project offices	Compilation of project logical framework
10	September 23 to 29, 2013	Chengdu	All project offices	Collective discussion on, modification and perfection of feasibility study report
11	October 5 to 15, 201	Chengdu, Sichuan	All project offices	Compilation of feasibility report and project logical framework

Source: Project offices

Table 4-14 Statistics of Participation in Trainings of Implementing Agencies in Project Counties of Gansu Province

No.	Training Time	Training Place	Participant	Training Contents
1	January 5 to 7, 2012	Lanzhou	All project offices	Proposals compilation of A Pilot Demonstration Project of Industrial Poverty Reduction in Poverty-stricken Concatenated Areas, and Training on relevant knowledge
2	September 3 to 4, 2012	Lanzhou	All project offices	Study on relevant documents of World Bank, and notes of World Bank's project design of provincial DRC and financial experts
3	September 18 to 20, 2012	Lanzhou	All project offices	Compilation methods of World Bank's project requirements, working procedure, proposals and feasibility report
4	November 8 to 9, 2012	Lanzhou	All project offices	Relevant knowledge and requirements in project recognition period
5	January 14 to 15, 2013	Lanzhou	All project offices	Selection criteria of project village, design thinking of industrial project, project design plan, etc.(Sixth review meeting of World Bank on project design)
6	March 18 to 22, 2013	Chengdu and Nanchong of Sichuan	All project offices	Compilation methods and requirements of project proposals and feasibility report and field visit to Nanchong on poverty reduction through industrial development
7	April 8 to 9, 2013	Lanzhou	All project offices	Training on financial analysis, environmental impact assessment, social assessment and product requirement analysis
8	April 20 to 25, 2013	Lanzhou, Gansu	All project offices	Sixth review meeting of World Bank on project design

No.	Training Time	Training Place	Participant	Training Contents
9	June 25 to 27, 2013	Lanzhou	All project offices	Project design guideline(project design framework)
10	August 20 to 26, 2013	Lanzhou	All project offices	
11	September 3 to 6, 2013	Chengdu, Sichuan	All project offices	Project design framework and expense arrangement
12	September 24 to 26, 2013	Lanzhou	All project offices	Related work training of project preparation period

Source: Project offices

(3) Time Schedule

Implementation plan of project's social assessment is developed in accordance with reparation of project building and implementation process of activities. Specific implementation time may, due to deviations of overall progress of the project, make appropriate adjustments. The main phase of the project is divided into the preparation period, implementation period and the period of six months after completion of implementation.

a. Preparation period, work contents of social assessment include: project publicity, recognition of stakeholders of project and analysis of social impact, compilation of social assessment report, etc.

b. Implementation period, work contents of social assessment include: internal monitoring and external independent monitoring. Internal monitoring is undertaken by the PMO responsible, who should submit an internal monitoring report half-yearly to the World Bank; third-party independent monitoring agency, hired by the project owner, carry out the monitoring and evaluation of project's social impact, who should, before the implementation of project, prepare working outline, investigate the outline and tables, establish a monitoring system, clarify mandate, select monitoring sites, use a participatory methods to conduct social impact assessment and baseline survey and follow-up survey, and submit an annual external independent monitoring and evaluation report during project implementation period to the World Bank.

c. Within six months after completion of implementation, it should submit a final report of social assessment to the World Bank.

Table 4-15 Implementation Schedule

Project Phase	Work Contents	Schedule
Preparation period	Publicity of project's relevant information	January, 2012 to October, 2013
	Recognition of stakeholders of project and analysis of social impact	November, 2013
	Public participation of stakeholders	Overall process
	Compilation of social assessment report	November, 2013 to April, 2014
	Announcement of social assessment report	May, 2015
	Approval of social assessment report	June, 2014
Implementation period	Monitoring and evaluation	From May to July 2015, submitting monitoring and evaluation reports of first phase(including basement survey), and during the implementation period (2015 to

Project Phase	Work Contents	Schedule
		2020) , submit an internal monitoring report semiannually, and submitting an external monitoring report annually
Period of six months after project completion	Summative evaluation	Submission of one summative evaluation of social assessment within half a year after the completion of implementation

9.4 .Monitoring and Evaluation

Monitoring and evaluation is to ensure that the project is implemented in accordance with the project objectives and project information disclosure, public participation and social management plan of the report design can get attention and be an important part of and implementation. Meanwhile, it is an important participation mechanism and correction mechanism in the project. To this end, the project has established a monitoring and evaluation mechanisms, including internal supervision and external monitoring and evaluation.

Internal supervision is the monitoring and evaluation conducted by the PMO on the implementation progress of project, implementation of social management plans, information disclosure, public participation in plans, project funds usage, and the implementation of rules and regulations. It should submit an internal monitoring report every six months.

PMO will engage an independent monitoring agency to carry out external monitoring of social management plan implementation. Independent monitoring and evaluation agency should conduct tracking monitoring and evaluation of the implementation of social management plan on a regular base, provide advisory opinions, and submit an annual monitoring and evaluation report to the World Bank. It should submit a final report of social evaluation within six months after project completion.

Attachments

Attachment I Field Survey Distribution Map

Attachment II Social Investigation Schedule and Contents

Attachment III Field Survey Pictures Collection

Attachment IV Minutes of Stakeholder Interviews

Attachment V Identification of Land Acquisition and Demolition in Project Areas

Attachment VI Identification of Farmer Cooperative Organizations in Project Areas

Attachment VII Villages Identified as Minority Settlements



Figure 3 Field Survey Distribution in the Project Area of Gansu Province

Attachment II: Social Investigation Schedule and Contents

Table 1 Social Investigation Schedule and Contents of the Social Assessment Group in Guizhou Project Area

Time	Location	Attendee	Main Items	Remarks
September 24-October 26	/	Social Assessment Group of Hohai University	Referring to literature and primarily compiling questionnaires, interview outlines and social assessment outlines	
October 28	Provincial Leading Group Office of Poverty Alleviation and Development	Director Shu, Director Xu, Director Pan, Director Li and the Social Assessment Group	Getting to know the latest project development and the situation of land requisition and demolition; filling in forms, arranging schedules and making coordinations	Group A
	Human Resources and Social Security Bureau, Bureau of Civil Affairs, Bureau of Statistics, Poverty Reduction Office of Dafang County	Competent departments	Holding interviews on key institutional information and collecting relevant institutional materials of Dafang County	Group B
	Shunfeng Professional Eco-Agricultural Farmer Cooperative of Haiba Village, Wenge Township, Dafang County; Dafang Saishidai Chinese Medicinal Herbs Cooperative of Bijiao Village, Maochang Town	Township Head, Village Head, Cooperative Director, villagers and the Social Assessment Group	Getting to know the basic information of Haiba Village and the cooperative, the project expectations and suggestions from villagers, current development of the gastrodia elata industry and the future plans of the cooperative; familiarizing basic information of Bijiao Village and the Saishidai Chinese Medicinal Herbs Cooperative, current development of radix pseudostellariae and codonopsis pinosula, development projects the cooperative intends to further and the project expectations and suggestions from villagers	Group B
October 29	Land and Resources Bureau,	Competent departments and the Social	Holding interviews on key institutional information	Group A

	Construction Bureau, Chinese Herbal Medicine Industrial Bureau, Bureau of Agriculture, Women's Federation, Bureau of Ethnic and Religious Affairs and other institutions in Dafang County	Assessment Group	and collecting relevant institutional materials of Dafang County	
	Qiongfang Pepper Plant of Dafang County, Jiulong gastrodia elata Planting Co., Ltd	Plant Manager Gao, Manager Wen and the Social Assessment Group	Getting to know the operation of the pepper plant and the gastrodia elata company, the cooperation with the cooperative, and Dafang local planting of gastrodia elata; visiting the seedling and planting base of gastrodia elata	Group B
October 30	Daozi Village, Heitu Township, Zhijin County	Director Yang, Director Liu, Director Hao, Township Head, Village Head, Villager Representative and the Social Assessment Group	Getting to know the expectations and concerns of villagers and the planting of bamboo fungus	Group B
	Baima Village, Xiongjiachang Township, Zhijin County	Director Yang, Director Liu, Director Hao, Township Head, Village Head, Villager Representative and the Social Assessment Group	Getting to know the expectations and concerns of villagers, the planting of bamboo fungus and the construction of the cooperative	Group B
	Xinzhai Village, Baini Township, Zhijin County	Director Hao, Village Secretary, Villager Representative and the Social Assessment Group	Getting to know the expectations and concerns of villagers, the planting of tea and the construction of the cooperative	Group B
October 31	Municipal Agricultural Committee, Bureau of Civil Affairs Human Resources and Social Security Bureau, Land and Resources Bureau, Bureau of Ethnic and Religious Affairs, Bureau of Statistics, Women's Federation and	Director Chen of Commercial Crop Development Office of the Municipal Agricultural Committee, Director Yang of the Development and Planning Department, Director Wang of the Technical Training Department, Office Director Xu, Secretary Wu of the Plant Protection Station, Director Chen	Holding interviews on key institutional information and collecting relevant institutional materials of Bijie City	Group A

	Poverty Reduction Office of Bijie City	of the Agricultural Economic Operation and Management Station and other directors; the Social Assessment Group		
November 1	Municipal Poverty Reduction Office, Bureau of Civil Affairs, Bureau of Statistics, Land and Resources Bureau, Bureau of Ethnic and Religious Affairs, Women's Federation, Human Resources and Social Security Bureau, etc.	Competent departments and the Social Assessment Group	Holding interviews on key institutional information and collecting relevant institutional materials of Zunyi City	Group A, B and C
	Land and Resources Bureau, Human Resources and Social Security Bureau, Employment Bureau, Bureau of Civil Affairs, Women's Federation, Bureau of Ethnic and Religious Affairs and other institutions of Tongzi County	Competent departments and the Social Assessment Group	Collecting relevant institutional materials of Tongzi County; getting to know the policies related with land requisition and house demolition and the compensation and settlement plans in Tongzi; getting to know the implementation of old-age insurance of urban and rural residents and the land-requisitioned farmers; getting to know the labor force transfer training and rural tourism training; understanding the development of women and minority nationalities in Tongzi and corresponding supporting policies	Group A
November 2	Lejing Village, Huaqiu Town, Tongzi County (developing rural tourism) and Xinghe Village, Huaqiu Town (developing the industry of raising Huaqiu local chicken)	Section Chief Jiang, Director Jiang, Director Li of Poverty Reduction Office of Tongzi County, Secretary Li of the Discipline Inspection Commission of Lejing Village, Villager from Lejing Village, Secretary Mu of Xinghe Village, Head of the Animal Husbandry Station, Villager from Xinghe Village and the Social Assessment Group	Getting to know current rural tourism development of Lejing Village, the existing problems, the villagers' recognition of the project and their understanding of the cooperative; getting to know the basic information of Xinghe Village, the raising of Huaqiu local chicken, existing problems and the villagers' understanding of the cooperative	Group A

November 2	Yangjiu Village, Xianyuan Town, Xishui County (developing rural tourism)	Section Chief Lin of the Municipal Poverty Reduction Office, Director Li, Director Mu and Section Chief Luo of Poverty Reduction Office of the County, Committee Member Huang of Xianyuan Town, Secretary Ma of Yangjiu Village, Village Head Wang and villagers of Yangjiu Village	Getting to know current rural tourism development in Yangjiu Village, existing problems, villagers' recognition of the project and their understanding of the cooperative	Group B
November 3	Da'an Village, Liangcun Town, Xishui County (developing the industry of raising north Guizhou Ma goats)	Section Chief Lin of the Municipal Poverty Reduction Office, Director Li, Director Mu and Section Chief Luo of Poverty Reduction Office of the County, Chairman Zhong of the NPC of Liangcun Town, Secretary Luo of Da'an Village and Director Song	Getting to know basic information of Da'an Village, the raising of north Guizhou Ma goats, existing problems and villagers' recognition of the cooperative	Group B
	Forum of Poverty Reduction Office of Xishui County	Competent departments including Poverty Reduction Office, Human Resources and Social Security Bureau, Bureau of Ethnic and Religious Affairs, Bureau of Statistics, Agriculture and Animal Husbandry Bureau, Women's Federation, Land and Resources Bureau, Bureau of Civil Affairs and other seven project townships	Holding interviews on key institutional information and collecting relevant institutional materials of Xishui County	Group B
November 2	Human Resources and Social Security Bureau, Bureau of Civil Affairs, Land and Resources Bureau, Bureau of Statistics, Bureau of Ethnic and Religious Affairs, Dendrobium Office, Women's Federation, Poverty Reduction Office and Agriculture	Bureau Director Zhu, Bureau Director Tang, Bureau Director Dai, Bureau Director Yang, Bureau Director Yang, Director Yanghuai, Chairman Ma Hongxia, Bureau Director Deng and the Social Assessment Group	Holding interviews on key institutional information and collecting relevant institutional materials of Chishui City	Group C

	and Animal Husbandry Bureau			
	Hongxing Village, Shibao Township, Chishui City (developing the raising of dendrobium)	Bureau Director Deng, Director Guo, Village Head, Village Secretary Yuan Runming, Village Director, Villager and the Social Assessment Group	Getting to know basic information of Hongxing Village, the planting of dendrobium and the plans, the existing problems, villagers' expectations and suggestions, construction and planning schemes of the cooperative	Group C
November 3	Yuhuang Village, Guandu Town, Chishui City (developing the industry of raising black-bone chicken)	Bureau Director Deng, Director Guo, Village Head, Village Secretary, Village Director Gong, Villager and the Social Assessment Group	Getting to know basic information of the village, the raising of black-bone chicken, existing problems and difficulties, plans and concerns towards the cooperative and the villagers' expectations	Group C
	Longquan Original Ecological Dendrobium Industrial Co., Ltd of Chishui City	Bureau Director Deng, Director Guo, the Manager, the employees and the Social Assessment Group	Getting to know information about the cultivating of main seeds and seedlings of the dendrobium industry; visiting and exploring the dendrobium base and understanding its growth	Group C

Table 2 Social Investigation Schedule and Contents of the Social Assessment Group in Sichuan Project Area

Time	Location	Attendee	Main Items	Remarks
November 4	Land and Resources Bureau, Women's Federation, Bureau of Ethnic and Religious Affairs, Bureau of Agriculture, Poverty Reduction Office, Bureau of Statistics, Human Resources and Social Security Bureau, Agricultural Committee and	Competent departments and the Social Assessment Group	Holding interviews on key institutional information and collecting relevant institutional materials of Gulin County	

	Association of Industry and Commerce of Gulin County			
	Tongxin Village, Masi Miao Nationality Township, Gulin County (developing the industry of walnuts)	Director Luo of the Masi Miao Nationality Township, Director Wu of Poverty Reduction Office of Gulin County, Engineer Li and the Social Assessment Group	Getting to know basic information of the planting of walnuts in Tongxin Village, perspectives from women of minority nationalities and opinions of villagers on developing the cooperative and walnut industrial chain	Group A
	Yulin Village, Jiaoyuan Township, Gulin County (developing the industry of sweet oranges and walnuts)	Township Head Yue of Jiaoyuan Township, Director Wang of Poverty Reduction Office of Gulin County, Head of Yulin Village, Principal of the Cooperative, Village Secretary and the Social Assessment Group	Getting to know the basic information of the planting of naval oranges and walnuts in Yulin Village; paying attention to the expectations and needs of women and minority nationalities and the current development as well as future plans of the cooperative	
November 5	Institutional Forum of Xuyong County	Competent departments and the Social Assessment Group	Holding interviews on key institutional information and collecting relevant institutional materials of Xuyong County	
November 6	Tianba Miao Nationality Village of Shuiliao Yi Nationality Township, Xuyong County (developing the industry of raising beef cattle)	Director Peng of Poverty Reduction Office of Xuyong County, Head Yang of Shuiliao Township, Head of Tianba Village, Clerical Assistant of Tianba Village, Villager Representative of Tianba Village and the Social Assessment Group	Getting to know basic information of Shuiliao Township and Tianba Village, raising of the beef cattle in Tianba Village and the opinions of villagers towards the cooperative; visiting the Sweet Orange Demonstration Garden	Group A
	Yantang Village, Shiba Township, Xuyong County (developing the industry of sweet oranges)	County Project Office staff, the Village Secretary and the Social Assessment Group	Getting to know basic information of Yantang Village; giving priority to expectations and needs of minority nationalities and women as well as the future plans of the cooperative	Group B
November 7	Arriving at Xichang	Director Xia of Poverty Reduction Office of Liangshan Prefecture and the Social Assessment Group	Getting to know the information, schedule adjustment and arrangement of Liangshan Prefecture Project	
November 8	Arriving at Jinyang County	County Project Office staff and the Social Assessment Group	Consulting with the Project Office of Jinyang County on work arrangement and organizing the work of collecting	Group A

			materials	
November 9	Yida Village, Yida Township, Jinyang County	Village Secretary, Village Head, Principal of the Cooperative, Director Xia and the Social Assessment Group	Getting to know basic information of the village, current industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	Group A
	Rekejue Village, Rekejue Township, Jinyang County	Village Secretary, Village Head, Principal of the Cooperative, Director Xia and the Social Assessment Group	Getting to know basic information of the Village, current industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	
	Youfang Village, Lugao Town, Jinyang County	Village Secretary, Village Head, Principal of the Cooperative, Director Xia and the Social Assessment Group	Getting to know basic information of the Village, current industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	
	Tangjiawuji Village, Mayizu Township, Jinyang County	Village Secretary, Village Head, Principal of the Cooperative, Director Xia and the Social Assessment Group	Getting to know basic information of the Village, current industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	
November 10	Konjac Office of Jinyang County	Director Siwang Lawu, Director Xia of the Prefecture Poverty Reduction Office, Principal of the County Poverty Reduction Office, Proprieter Yang Youge and the Social Assessment Group	Getting to know the planting of amorphophallus albus, encountered problems and the experience and lessons; getting to know current operation mode of the amorphophallus albus Cooperative, the situation of land circulation and farmers' participation as well as the problems	Group A
November 11	Hejue Village, Liuqie Township, Zhaojue County	Head of Liuqie Township, Deputy Township Head, Clerical Assistant of Hejue Village, villagers and the Social Assessment Group	Getting to know basic information of the Village, current industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	Group A
	Dimo Village, Dimo Township,	Poverty Reduction Office, Village Head Ergu	Getting to know basic information of the Village, current	

	Zhaojue County	Lire of Dimo Village and the Social Assessment Group	industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	
	Erdanwu Village, Saladipo Township, Zhaojue County	Director of Poverty Reduction Office, Head of the Erdanwu Village, villagers, Director Xia and the Social Assessment Group	Getting to know basic information of the Village, current industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	
	Wazi Village, Saladipo Township, Zhaojue County	Director of Poverty Reduction Office, Village Secretary of Wazi Village, villagers, Director Xia and the Social Assessment Group	Getting to know basic information of the Village, current industrial development and development of the cooperative; holding relevant interviews and forums; collecting materials	
November 8	Human Resources and Social Security Bureau, Bureau of Civil Affairs, Land and Resources Bureau, Bureau of Statistics, Bureau of Ethnic and Religious Affairs, Women's Federation, Poverty Reduction Office and Bureau of Agriculture of Meigu County	Chairman Zhao of the Project Office, Bureau Director Li Chengkun of Poverty Reduction Office, Chairperson Mahai Wuhui of Women's Federation, Bureau Director Wu Liwen of Bureau of Agriculture, Liu Guanghua of Human Resources and Social Security Bureau, Chen Baolin of Bureau of Civil Affairs, Liu Jun of Bureau of Statistics, Luo Yan of the Employment Management Bureau and the Social Assessment Group	Holding interviews on key institutional information and collecting relevant institutional materials of Meigu County	Group B
	Project Office of Poverty Reduction Office of Meigu County	Chairman Zhao, Director Chen, Section Chief Liu and the Social Assessment Group	Getting to know the preparation and implementation outlines for the project, the construction mode of the cooperative, industrial development outlines and the Bimo Culture of the Yi Nationality	Group B
November 9	Gengze Village, Babu Town, Meigu County	Chairman Zhao, Section Chief Liu, Director Chen, Project Office staff, Village Secretary, villagers and the Social Assessment Group	Getting to know the expectations of villagers on industrial selection; further understanding the Yi Nationality culture and attitudes, expectations and needs from the villagers towards the cooperative	Group B

	Waluo Village, Jiukou Township, Meigu County	Chairman Zhao, Section Chief Liu, Township Head and Secretary of Jiukou Township, Project Office staff, Village Head Jisha Laji, Village Secretary, villagers and the Social Assessment Group	Getting to know current industrial development of Waluo Village and the economic and industrial structure of the village; listening to the voices of villagers airing opinions on industrial development	Group B
	Luoeyigan Village, Luoeyigan Township, Meigu County	Chairman Zhao, Section Chief Liu, Project Office staff, Village Secretary of Luoeyigan Village, villagers and the Social Assessment Group	Getting to know current industrial development of Luoeyigan Village, the economic and industrial structure of the village, project needs and suggestions from the Yi Nationality and future plans for the cooperative	Group B
	Office of the Immigration Bureau for Poverty Reduction	Mr./Ms. Ge from the International Service Institution, Principal Qiejiluo of the Texi Village Cooperative, Lu Xiao, Director Chen and the Social Assessment Group	Getting to know current situation of the institution, activity implementation of the institution in Project Village and suggestions on the Poverty Reduction Project; familiarizing the construction of the cooperative, its current development, the difficulties it run into and the development plans; summarizing the experience	Group B
November 10	Ashengrida Village, Tuoju County, Butuo County	Chief of Butuo County, Bureau Director of the Immigration Bureau for Poverty Reduction, Group Head Duan, Bureau Director and the staff of Bureau of Agriculture, Bureau Director and the staff of Animal Husbandry Bureau, Township Head, Village Head, Village Secretary, villagers and the Social Assessment Group	Getting to know the project awareness of villagers in the Project Village, current development and needs of the beef cattle industry, needs and suggestions from the cooperative and the situation of the social organization in the village.	Group B
	Ripai Village, Tuoju Town, Butuo County	Chief of Butuo County, Bureau Director of the Immigration Bureau for Poverty Reduction, Group Head Duan, Bureau Director and the staff of Bureau of Agriculture, Bureau Director and the staff of Animal Husbandry Bureau, Township Head, Village Head, Village	Getting to know the project awareness of villagers in the Project Village, current development and needs of the Potato industry, needs and suggestions from the cooperative and the situation of the social organization in the village like the management mode of “Party Branch plus Association”.	Group B

		Secretary, villagers and the Social Assessment Group		
November 11	Moci Village, Meisa Township, Butuo County	Bureau Director of the Immigration Bureau for Poverty Reduction, Group Head Duan, Bureau Director and the staff of Bureau of Agriculture, Bureau Director and the staff of Animal Husbandry Bureau, Township Head, Village Head, Village Secretary, Cooperative Director, villagers and the Social Assessment Group	Getting to know basic information of the village, the industrial development structure, villagers' participation in the project and the preparation as well as current situation of the cooperative	Group B
	Rijiu Village, Bu'er Township, Butuo County	Bureau Director of the Immigration Bureau for Poverty Reduction, Group Head Duan, Bureau Director and the staff of Bureau of Agriculture, Bureau Director and the staff of Animal Husbandry Bureau, Township Head, Village Head, Village Secretary, villagers and the Social Assessment Group	Getting to know basic information of the village, current situation of beef cattle breeding, suggestions on industrial development and the opinions on the project	Group B

Table 3 Social Investigation Schedule and Contents of the Social Assessment Group in Gansu Project Area

Time	Location	Attendee	Main Items	Remarks
November 13	Arriving at Zhangjiachuan County, Tianshui City	Staff of County Project Office and the Social Assessment Group	Consulting with Zhangjiachuan County Project Office on work arrangements and organizing materials collection work	Group A
November 14	Longkou Village, Malu Township, Zhuangjiachuan County	Section Chief Li of Poverty Reduction Office of Tianshui City, Director Li of County Poverty Reduction Office, Village Secretary Du Cunxiang, villagers, Principal of the Cooperative and the Social Assessment Group	Getting to know the cattle raising in Longkou Village, current problems and difficulties, construction of the cowshed and future plans for the cooperative	Group A

	Kangwang Village, Malu Township, Zhangjiachuan County	Section Chief Li of Poverty Reduction Office of Tianshui City, Director Li of County Poverty Reduction Office, Village Director Li Yingxue, villagers and the Social Assessment Group	Getting to know current problems and difficulties in the breeding industry of Kangwang Village, expectations and suggestions from villagers, construction of the cowshed and future plans for the cooperative	Group A
November 15	Poverty Reduction Office of Zhangjiachuan County, Women's Federation, Bureau of Ethnic and Religious Affairs, Bureau of Agriculture, Animal Husbandry Bureau and other institutions	Competent departments and the Social Assessment Group	Holding interviews on key institutional information and collecting relevant institutional materials of Zhangjiachuan County	Group A
November 16	Sanyou Village, Yanjia Township, Zhangjiachuan County	Village Head Zhou Wantong of Sanyou Village, villagers of Sanyou Village, Section Chief Li of Poverty Reduction Office of Tianshui City, Director Li of County Poverty Reduction Office, Liu Xing, Township Head of Yanjia Township and the Social Assessment Group	Getting to know cattle raising in Sanyou Village, construction of the cowshed and preparation for the cooperative	Group A
November 17	Arriving at Tongwei County, Dingxi City	Staff of County Project Office and the Social Assessment Group	Consulting with Tongwei County Project Office on work arrangements and organizing materials collection work	Group A
November 18	Shitan Village, Biyu Township, Tongwei County	Head of Biyu Township, Head of Shitan Village, villagers of Shitan Village, Director Bao of County Foreign Aid Center, Li Fengzhi and the Social Assessment Group	Getting to know cattle raising of villagers in Shitan Village, villagers' awareness of the project and suggestions from them	Group A
	Shuangbao Village, Pingxiang Town, Tongwei County	Head of Pingxiang Town, Head Li of Shuangbao Village, villagers of Shuangbao Village, Director Bao of County Foreign Aid Center, Li Fengzhi and the Social Assessment Group	Getting to know cattle raising of villagers in Shuangbao Village, operation of the Cattle-Raising Cooperative and suggestions from villagers	Group A

November 19	Institutional interviews of Tongwei County	Bureau of Agriculture of Tongwei County, Agricultural Economic Operation and Management Station, Women's Federation of Tongwei County, Animal Husbandry Bureau of Tongwei County and the Social Assessment Group	Getting to know project-related policy support and implementation from the institutions of Tongwei County	Group A
	Institutional interviews of Longxi County	Director Wei of Bureau of Agriculture in Longxi County, Bureau Director Mao of Bureau of Chinese Herbal Medicine Development, Director Wang of Poverty Reduction Office	Getting to know support for traditional Chinese herbal medicine industrial development from the institutions of Longxi County and current situation of the industry	Group A
November 20	Kezhai Village, Kezhai Township	Director Wang of Poverty Reduction Office, Head of Kezhai Village, Principal Shi Xincun of the Cooperative and the Social Assessment Group	Getting to know the planting of the Chinese herbal medicine of Kezhai Village, problems and difficulties in the planting process, suggestions on the project from villagers and future plans and preparations for the cooperative	Group A
	Hujiawa Village, Kezhai Township	Director Wang of Poverty Reduction Office, Head of Hujiawa Village and the Social Assessment Group	Getting to know the planting of the Chinese herbal medicine of Hujiawa Village, problems and difficulties in the planting process, suggestions on the project from villagers and future plans and preparations for the cooperative	Group A
	Women's Federation of Longxi County	Chairperson Zhou of Women's Federation and the Social Assessment Group	Getting to know women's development in Longxi County, women-related activities under way, supporting policies, future plans and the influence of the project on women	Group A
November 21	Bureau of Agriculture of Min County, Animal Husbandry Bureau, Women's Federation, Poverty Reduction Office and Bureau of Ethnic and Religious Affairs	Director Yao of Bureau of Agriculture, Bureau Director Wu and Director Mei of Animal Husbandry Bureau, Director Yao of Women's Federation, Director Yang of Poverty Reduction Office and the Social Assessment Group	Getting to know the support and relevant policies for the project from the institutions in Longxi County and the implementation	Group A

November 22	Lvjing Village, Lvjing Town, Min County	Deputy Chief of Lvjing Town, Director Guan in poverty reduction staff, Head of Lvjing Village and the Social Assessment Group	Getting to know basic information of Lvjing Village, needs and difficulties in raising sheep and fern hemp pigs, villagers' suggestions on the cooperative and future plans for the cooperative	Group A
	Qingtu Village, Shendu Township, Min County	Deputy Township Head of Shendu Township, Director Yang of Poverty Reduction Office, Head of Qingtu Village and the Social Assessment Group	Getting to know basic information of Qingtu Village, breeding difficulties, expectations of villagers and future plans for the cooperative	Group A
November 23	Arriving at Weiyuan County	staff of County Project Office and the Social Assessment Group	Consulting with Weiyuan County Project Office on work arrangements and organizing materials collection work	Group A
November 24	Wuzhu Village, Wuzhu Town, Weiyuan County	Head Zheng of Wuzhu Town, Weiyuan County, Principal Liu Yonghong of Wuzhu Certified-Seed Potato Professional Cooperative, Principal Yue Jiwu of Idyll Cooperative and the Social Assessment Group	Getting to know basic information of Wuzhu Village, planting of certified-seed potatoes in the village, difficulties in raising the potatoes and villagers' needs, current development of the cooperative and future plans.	Group A
	Shuijiayao Village, Shangwan Township, Weiyuan County	Head of Shuijiayao Village, Village Secretary, Principal of Shennong Professional Cooperative, Poverty Reduction Office of Weiyuan County and the Social Assessment Group	Getting to know basic information of Shuijiayao Village, the village farming conditions, farming difficulties that villagers run into and the villagers' needs	Group A
November 25	Bureau of Agriculture of Tongwei County, Potato Office, Epidemic Prevention and Control Office	Director Wang, Director Liu and the Social Assessment Group	Holding interviews on key institutional information and collecting relevant institutional materials of Tongwei County	Group A
November 13	Xuwan Village, Yongjing County, Gansu Province	Director of Poverty Reduction Office of Linxia Prefecture and Section Chief Dong, Director Hao, Director Che, Engineer Xiao, Township Head, Village Head, Village Secretary, Accountant, villagers and the Social Assessment Group	Getting to know basic situation of the village, current development of the potato industry, construction and operation of the cooperative, current operation of the Mutual Aid Cooperative, project needs from the villagers of the Project Village, and etc.	Group B

	Wanzi Village, Yongjing County	Director of Poverty Reduction Office of Linxia Prefecture and Section Chief Dong, Director Hao, Director Che, Engineer Xiao, Township Head, Village Head, Village Secretary Zhou, villagers and the Social Assessment Group	Getting to know basic information of the village, current development of the sheep-raising industry, villagers' project needs and current situation and future plans of partnership breeding.	Group B
November 14	Tanzi Village, Yongjing County	Director Hao, Secretary Che, Engineer Xiao, Township Head, Village Head, Village Secretary, villagers and the Social Assessment Group	Getting to know basic information of the village, operation of the mutual aid cooperative for industrial development, needs and suggestions of the cooperative, operation of the "One Discussion for One Case" Project and the current situation of partnership breeding	Group B
	Bureau of Agriculture, Animal Husbandry Bureau, Women's Federation, Bureau of Finance of Yongjing County	Section Chief Dong of Linxia Prefecture Poverty Reduction Office, Secretary Che, Engineer Xiao, people in charge like bureau directors of the institutions and the social Assessment Group	Holding interviews on key institutional information and collecting additional materials	Group B
November 16	Qiaolu Village, Dongxiang County	Section Chief Zhang of Linxia Prefecture Poverty Reduction Office, Director Ma of County Poverty Reduction Office, Engineer Ma, Head and Secretary of Dashu Township, Principal of the Cooperative, villagers and the social Assessment Group	Getting to know basic information of the village, current development and needs of the sheep-raising industry, operation of the Mutual Aid Cooperative and reflection of the culture of Dongxiang Nationality in the project	Group B
	Dashu Village, Dongxiang County	Section Chief Zhang of Linxia Prefecture Poverty Reduction Office, Director Ma of County Poverty Reduction Office, Engineer Ma, Head and Secretary of Dashu Township, Principal of the Cooperative, villagers and the social Assessment Group	Getting to know basic information of the village, current development and needs of the sheep-raising industry, operation of the Mutual Aid Cooperative and reflection of the culture of Dongxiang Nationality in the project	Group B
	Xuyeli Village, Dongxiang County	Section Chief Zhang of Linxia Prefecture Poverty Reduction Office, Director Ma of	Getting to know basic information of the village, current development and needs of the sheep-raising industry,	Group B

		County Poverty Reduction Office, Engineer Ma, Head of Suonan Town, Principal of the Cooperative, villagers and the social Assessment Group	operation of the Mutual Aid Cooperative and reflection of the culture of Dongxiang Nationality in the project	
November 18	Agriculture and Animal Husbandry Bureau of Gulang County, Wuwei City, Land and Resources Bureau, Water Conservancy Bureau, Traffic Bureau, Bureau of Ethnic and Religious Affairs, Women's Federation, Bureau of Finance, Bureau of Statistics, Human Resources and Social Security Bureau, Bureau of Civil Affairs and Immigration Office for Poverty Reduction	Director Hu of Immigration Office for Poverty Reduction, Director Wang, competent departments and people in charge of the institutions and the Social Assessment Group	Holding interviews on key institutional information and collecting materials according to the materials list	Group B
November 19	Dananchong Village, Huangyangchuan Town, Gulang County	Director Hu of Poverty Reduction Office, Director Wang, Head of Huangyangchuan Town, Village Secretary, villagers and the Social Assessment Group	Getting to know basic information of the village, historical and current development of the sheep-raising industry, industrial needs and development suggestions, etc.	Group B
	Hengliang Village, Hengliang Township, Gulang County	Director Hu of Poverty Reduction Office, Director Wang, Head of Hengliang Township, Village Secretary, Principal of the Cooperative, villagers and the Social Assessment Group	Getting to know basic information of the village, historical and current development of the sheep-raising industry, industrial needs and development suggestions and the operation of the cooperative, etc.	Group B
November 21	Kangriwan Village, Manwa Township, Lintao County	County Chief Yang, Director Chang of Poverty Reduction Office, Director Zhang, Secretary of Township Party Committee, Village Secretary,	Getting to know basic information of the village, planting and breeding structure, expectations and suggestions on developing the sheep-raising industry	Group B

		villagers, etc.; the social assessment group		
	Ershilipu Village, Longmen Town, Lintao County	County Chief Yang, Director Chang of Poverty Reduction Office, Director Zhang, Town Head, Principal of the Cooperative, Village Secretary, villager and the Social Assessment Group	Getting to know basic information of the village, planting and breeding structure, expectations and suggestions on developing the sheep-raising industry and operation of the cooperation, etc.	Group B
November 22	Institutional Forum of Lintao County	Bureau of Agriculture, Animal Husbandry Bureau, Women's Federation, Bureau of Finance, Land and Resources Bureau, Poverty Reduction Office and the Social Assessment Group	Holding forums on key institutional information and collecting materials according to the materials list	Group B
November 23	Malian Village, Xiangquan Town, Anding District	Director Liu and Director Wang of Poverty Reduction Office, Town Head, Village Secretary, villagers and the Social Assessment Group	Getting to know basic information of the village, planting and breeding structure, expectations and suggestions on developing the sheep-raising industry	Group B
	Taiping Village, Lujiagou Town, Anding District	Director Liu and Director Wang of Poverty Reduction Office, Town Head, Village Secretary, villagers and the Social Assessment Group	Getting to know basic information of the village, planting and breeding structure, expectations and suggestions on developing the sheep-raising industry	Group B
November 24	Institutional Forum of Anding District	Poverty Reduction Office, Bureau of Agriculture, Animal Husbandry Bureau, Women's Federation, Bureau of Civil Affairs, Human Resources and Social Security Bureau, Bureau of Statistics, Bureau of Ethnic and Religious Affairs, Land and Resources Bureau and the Social Assessment Group	Holding forums on key institutional information and collecting materials according to the materials list	Group B
November 25	Institutional Visits in Dingxi City	Poverty Reduction Office, Animal Husbandry Bureau, Bureau of Agriculture, Women's Federation, Bureau of Civil Affairs, Human	Holding forums and collecting materials	Group B

		Resources and Social Security Bureau, Bureau of Statistics, Bureau of Ethnic and Religious Affairs, Land and Resources Bureau and the Social Assessment Group		
November 13	Poverty Reduction Office of Qingyang Office	Poverty Reduction Office, staff of the institutions and the Social Assessment Group	Holding institutional forums and collecting materials according to the materials list	Group C
November 14	Poverty Reduction Office of Huan County	Poverty Reduction Office, County Chief, staff of the institutions and the Social Assessment Group	Holding institutional forums and collecting materials according to the materials list	Group C
	Shiqiang Cultivation and Breeding Professional Cooperative	Director Zhang of County Poverty Reduction Office, Engineer Xie, Director Shao of Municipal Poverty Reduction Office and the Social Assessment Group	Holding interviews in the cooperative	Group C
November 15	Huangjiashan Village, Yanwu Township, Huan County	Director Zhang of County Poverty Reduction Office, Engineer Xie, Director Shao of Municipal Poverty Reduction Office, Village Secretary, villagers and the Social Assessment Group	Basic information of Huangjia Village, current problems and difficulties in sheep raising, expectations and requirements of the villagers on the project and preparation for the cooperative	Group C
	Gaozhagou Village, Benbo Town, Huan County	Director Zhang of County Poverty Reduction Office, Engineer Xie, Director Shao of Municipal Poverty Reduction Office, Village Secretary Li Jiguo, villagers, Principal of the Cooperative and the Social Assessment Group	Basic information of Gaozhagou Village, current problems and difficulties in sheep raising, expectations and requirements of the villagers on the project and preparation for the cooperative	Group C
	Menjiazhai Village, Quzi Town, Huan County	Director Zhang of County Poverty Reduction Office, Engineer Xie, Director Shao of Municipal Poverty Reduction Office, Village Director Yuan Weihua, villagers and the Social Assessment Group	Basic Information of Menjiazhai Village, current problems and difficulties in sheep raising, needs and suggestions of women, problems villagers run into in developing the sheep raising industry and preparation for the cooperative	Group C

November 16	Huachi County	Director Shao of Municipal Poverty Reduction Office and the Social Assessment Group	Getting to know project situation of Huachi County and schedule adjustment and coordination	Group C
November 17	Chenghao Village, Wujiao Township, Huachi County	Director Shao of Municipal Poverty Reduction Office, three cadres of County Poverty Reduction Office, Deputy Township Head of Wujiao Township, Village Secretary Mu Wanjue, Principal of the Cooperative, villagers and the Social Assessment Group	Basic information of Chenghao Village, development of the village mutual aid fund, difficulties in the cultivation and breeding industry, current operation of the cooperative and future plans	Group C
	Baima Village, Baima Township, Huachi County	Director Shao of Municipal Poverty Reduction Office, three cadres of County Poverty Reduction Office, Township Secretary Zhang Wuning, Deputy Township Head Wang Haigang, Village Secretary, Principal of the Cooperative, villagers and the Social Assessment Group	Basic information of Baima Village, difficulties in project implementation, difficulties villagers run into in cultivation and breeding and their needs and future plans for the cooperative	Group C
November 18	Huachi County	Staff of County Poverty Reduction Office, people in charge of the institutions and the Social Assessment Group	Holding interviews on key institutional information and collecting materials according to the materials list	Group C
	Heshui County	County Chief, staff of County Poverty Reduction Office, people in charge of the institutions and the Social Assessment Group	Holding institutional forums in Heshui County and collecting materials according to the materials list	Group C
November 19	Hejiapan Village, Hejiapan Township, Heshui County	Director Shao of Municipal Poverty Reduction Office, three cadres of County Poverty Reduction Office, cadres of the Township, Village Secretary Cao Dexiao, Principal of the Cooperative, villagers and the Social Assessment Group	Basic information of Hejiapan Village, apple-planting of villagers, current problems and difficulties and operation of the cooperative	Group C

November 20	Mawa Village, Banqiao Township, Heshui County	Director Shao of Municipal Poverty Reduction Office, three cadres of County Poverty Reduction Office, cadres of the Township and Village, Village Secretary Wu, Principal of the Cooperative, villagers and the Social Assessment Group	Basic information of Mawa Village, apple-planting of villagers, women's needs, current problems and difficulties and operation of the cooperative	
	Before noon: Heshui County	the Social Assessment Group	Sorting out office work	Group C
	After noon: Zhengning County	Staff of County Poverty Reduction Office, people in charge of the institutions and the Social Assessment Group	Holding institutional forums and collecting materials according to the materials list	Group C
November 21	Xiwu Village, Yulinzi Town, Zhengning County	Three cadres of County Poverty Reduction Office, cadres of relevant townships and villages, Village Secretary Wu, villagers and the Social Assessment Group	Basic information of Xiwu Village, apple-planting of villagers, focusing on the needs of women and poverty-stricken population, problems and difficulties in planting and future plans for the cooperative	Group C
	Shangguanhuang Village, Yongzheng Township, Zhengning County	Three cadres of County Poverty Reduction Office, cadres of relevant townships and villages, Principal of the Cooperative, Village Secretary Li Xihuai, villagers and the Social Assessment Group	Basic information of Shangguanzheng Village, apple-planting of villagers, focusing on the needs of women and poverty-stricken population, problems and difficulties in planting, current operation of the cooperative and future plans	Group C
	Dongshantou Village, Gonghe Town, Zhengning County	Three cadres of County Poverty Reduction Office, cadres of relevant townships and villages, Principal of the Cooperative, villagers and the Social Assessment Group	Basic information of Dongshantou Village, apple-planting of villagers, focusing on the needs of women, problems and difficulties in planting, current operation of the cooperative and future plans	Group C
November 22	Arriving at Qingyang City	the Social Assessment Group	Collecting materials and sorting out the office work	Group C
November 23	Before noon: Pingliang City	Staff of Municipal Poverty Reduction Office and the Social Assessment Group	Arranging the schedule and sorting out the office work	Group C
	After noon: Zhuanglang County	the Social Assessment Group	Sorting out the office work	Group C

November 24	Gesi Village, Wanquan Town, Zhuanglang County	Two cadres of County Poverty Reduction Office, people in charge of relevant townships, Principal of the Cooperative, Village Secretary, villagers and the Social Assessment Group	Basic information of Gesi Village, current apple-planting situation, problems and difficulties villagers run into in apple-planting, current operation of the cooperative and future plans	Group C
	Wangping Village, Zhudian Town, Zhuanglang County	Two cadres of County Poverty Reduction Office, people in charge of relevant townships, Principal of the Cooperative, villagers, Village Head and the Social Assessment Group	Basic information of Wangping Village, current apple-planting situation, problems and difficulties villagers run into in apple-planting, current operation of the cooperative and future plans	Group C
November 25	Institutional forums of Zhuanglang County	Relevant institutions of the County, cadres of township institutions and the Social Assessment Group	Holding interviews on key project information and collecting materials according to the list	Group C
November 26	Arriving at Jingning County	County Poverty Reduction Office and the Social Assessment Group	Coordinating the schedule, arranging work and sorting out the office work	Group C
November 27	Gaoliu Village, Gucheng Township, Jingning County	Two cadres of County Poverty Reduction Office, people in charge of relevant townships, Principal of the Cooperative, villagers, Village Head and the Social Assessment Group	Basic information of Gaoliu Village, current apple-planting situation, problems and difficulties villagers run into in apple-planting, needs of women and the poverty-stricken population, current operation of the cooperative and future plans	Group C
	Wacha Village, Xixiang Township, Jingning County	Two cadres of County Poverty Reduction Office, people in charge of relevant townships, Principal of the Cooperative, villagers, Village Secretary and the Social Assessment Group	Basic information of Wacha Village, current apple-planting situation, problems and difficulties villagers run into in apple-planting, needs of women and the poverty-stricken population, current operation of the cooperative and future plans	Group C
November 28	Before noon: Weiwan Village, Jieshipu Town	County Poverty Reduction Office, cadres of township institutions, villagers and the Social Assessment Group	Basic information of Weiwan Village, current apple-planting situation, problems and difficulties villagers run into in apple-planting, expectations of villagers on the cooperative, current operation of the cooperative and future plans	Group C

	After noon: Meeting Room on the Fourth Floor of Jingning Hotel	Relevant cadres of the county institutions and the Social Assessment Group	Holding institutional forums and collecting relevant materials	Group C
From November 29 to January 8, 2014	/	Social Assessment Group of Hohai University	Sorting out materials, filling in questionnaires, analyzing data and preparing the report draft	

Attachment III: Field Survey Album



**Male Forum of Haiba Village, Dafang County,
Guizhou Province**



**General Forum of Yangjiu Village, Xishui County,
Guizhou Province**



**Institutional Forum of Xishui County, Guizhou
Province**



**Head Interview of Xinzhai Village Cooperative in
Zhijin County, Guizhou Province**



Rural Households Filling in Questionnaires in Hongxing Village, Chishui City, Guizhou Province



Village Secretary Interview in Hongxing Village, Chishui City, Guizhou Province



Women Forum of Yulin Village, Gulin County, Sichuan Province



Women Forum of Tongxin Village, Gulin County, Sichuan Province



Male Forum of Yantang Village, Xuyong County, Sichuan Province



Women Forum of Tianba Village, Xuyong County, Sichuan Province



**Village Secretary Interview in Youfang Village,
Jinyang County, Sichuan Province**



**Male Forum of Youfang Village, Jinyang County,
Sichuan Province**



**Male Forum of Wazi Village, Zhaojue County,
Sichuan Province**



**Male Forum of Erdanwu Village, Zhaojue County,
Sichuan Province**



**Women Forum of Gengze Village, Meigu County,
Sichuan Province**



**Villagers Filling in Questionnaires in Waluo Village,
Meigu County, Sichuan Province**



**Women Forum of Ripai Village, Butuo County,
Sichuan Province**



Institutional Forum of Butuo County, Sichuan Province



**Institutional Forum of Anding District, Gansu
Province**



**Women Forum of Taiping Village, Anding District,
Gansu Province**



**Women Forum of Riwan Village, Lintao County,
Gansu Province**



**Villagers Interview in Hengliang Village, Gulang
County, Gansu Province**



**Male Forum of Qiaolu Village, Dongxiang County,
Gansu Province**



**General Forum of Wacha Village, Jingning County,
Gansu Province**



**Head Interview of the Professional Jinmao Apple
Farmer Cooperative in Zhuanglang County, Gansu
Province**



**Interview at Rongchang Professional Farmer
Cooperative of Small Tailed Han Sheep Breeding in
Huachi County, Gansu Province**



**Villagers Interview in Huangjiashan Village, Huan
County, Gansu Province**



**Male Forum of Menjiashai Village, Huan County,
Gansu Province**



Male Forum of Yanjing Village, Min County, Gansu Province



Male Forum of Shangguanzhuang Village, Zhengning County, Gansu Province

Attachment IV: Minutes of Stakeholder Interviews

Minutes 1: Women Forum of Xinghe Village, Tongzi County, Zunyi City, Guizhou Province

Discussion time: *In the morning on November 2, 2013*

Discussion Location: *Xinghe Village Committee*

Participants: *5 people, including 3 in poverty*

Record of Main Contents:

1. Project Understanding

Women have not heard of this project, but have a certain degree of understanding of cooperatives. After being informed of the contents of the project, women are very supportive and have high enthusiasm.

2. Feeding Chicken

- 1) Women are more worried about chickens that are likely to get sick, since this situation has happened before, caused a relatively high death rate. And now, without professional and technical personnel guidance, problems can only be resolved by themselves.
- 2) There exists lack of funds. At present, chicken market is very broad, which has occurred short supply. This makes each household want to feed more chickens. But because there is no money to buy forage, so there is no way to for them to expand the scale.
- 3) They are worried about sudden power outage. Since the Xinhe Village is a part of lightning struck area, thunderstorm is common in this area, which leads the electric power sector to take power down measures. Power down is the biggest fear of the households that have hatching machines with eggs in the process of hatching.
- 4) Hatching and brooding of chicks has temperature requirements, and warm keeping needs firewood and electricity, which may cause a large portion of funding and is a burden for women.

3. Project Suggestions

- 1) Want to get technical support and can get guidance from technical staff when encounter a problem.
- 2) Hope that project funds can be reasonably used to meet the needs of expansion.
- 3) Hope that the government provide contact information of emergency relief, and can seek help when face an emergency (epidemic, market risk).
- 4) In terms of training method, women want to have a professional on-site guidance, accompanied with DVD release, which can make them learn yourself in the absent of guidance staff.



Minute 2: Key information Man Interview of Yantang Village, Xuyong County, Luzhou City, Sichuan Province

Discussion Time: *In the Afternoon of November 6, 2013*

Discussion Location: *Yantang Village*

Interviewee: *Secretary Xu of Yantang Village*

Record of Main Contents:

1. Village Condition

Yantang Village has a population of 2550 in 480 households, with labor force accounting for more than 50%. The village has a minority population of 1356, including 7 Miao people, and the rest of the Yi people. Ethnic minority has basically finished Hanification, and their lifestyle is not much different from Han nationality. The village has land of 5400 mu, which is basically mountainous land, where plants sweet orange of 1600 mu and chestnut of 1000 mu. Arable land is 800 mu, where mainly plants corn, pepper, sweet potato, watermelon and so on. But the main crops of the village are sweet orange and chestnut, which are cash crops, and sweet orange is the main cash crop of Chishui River Valley.

2. Sweet Orange Planting

- 1) This village, located in the Chishui River Valley, is a famous sweet orange producing area. The sweet orange produced in this village has good quality, high sugar, and good look, loved by consumers. Currently, the village plants 1,600 mu of sweet orange, and plans to expand to 2,000 mu in the future. 90% of the villagers are planting sweet orange, and it is estimated that price of this year is around 4-5 yuan per jin.
- 2) The main two difficulties in orange planting: First, pest control is rather difficult; second, sweet orange has relative high requirement for soil, fertilizer and water, especially irrigation water, which directly affects the growing, size and quality of sweet orange.
- 3) Good harvest years can bring income to sweet orange planter. Planting income is more than wage income, but the drought year is very difficult, and harvest of sweet orange depends on the weather, which is because there is no irrigation water, and people are helpless facing this situation

3. Sales Status

- 1) Sweet oranges of good quality can be sold through the channels contacted by the county and township levels of governments. At the same time, it can carry out publicity and the price is in accordance with the market price. But now the local orange do not has its own trademark.
- 2) The oranges with small size and poor quality are sold to foreign buyers by the villagers themselves, which accounts for a large part of sales.



Minutes 3: Interview of Ortolan Cooperative Principal in Huichuan Town, Weiyuan County, Dingxi City, Gansu Province

Discussion Time: *In the Afternoon of November 24, 2013*

Discussion Location: *Huichuan Town, Weiyuan County*

Interviewee: *Xu Long, Principal of Ortolan Cooperative*

Record of Main Contents:

1. Basic Information of the Cooperative

Established in May 2013, it has 7 shareholders when registered with funds of 200 thousand yuan. It adopts the way that funds can be seen as shares, with funds allocation ratio as 4:1.5:1.5:0.75:0.75:0.75:0.75. Organizational structure is divided into Council and General Meeting of Cooperative Members, which is made up of 7 people and 9 members respectively. The cooperative has built raising zone. Cooperative adopts the form of "cooperative + base + farmers + company".

2. Sales of Sheep

The cooperative is in collaboration with Gansu Shenlong Company. At present, it has applied for designated slaughtering procedures. The output sheep of cooperative can be slaughtered at designated slaughterhouse. 60 parts of sheep have been packaged to be sold as semi-finished medicated foods and greens, combined with local herbs, with gross profit about 50 %, which is distributed by slaughter and processing sector. Matters about packaging of Chinese herbal medicine and sheep have been contacted with Gansu Agricultural University and the Gansu Provincial Academy

of Agricultural Sciences. Relative base has been established in Gansu Agricultural University, and special lab has been set up in the office building.

Achievements have been obtained: first, the only one designated sheep slaughtering point in Weiyuan County; second, Yuangudui trademark has been created. These are created as companies, since cooperative has own difficult in doing these things.

3. Sheep Raising and Surrounding Environment

Raising zone is faced with greenhouse vegetable base across the street. Sheep manure can give or sell to vegetable base. There is a lot of farmland surrounding raising zone to grow food, which can produce straw. In the other hand, sheep manure and straw can be used for biogas fermentation. Some villagers have biogas digester to conduct forage cultivation and processing.

4. Project Design

- 1) Sheep breeding: Cooperative purchases sheep, and the dead or wounded ones is replaced by company within two weeks.
- 2) Sheep raising: farmers raise sheep and cooperative provides technology and services. Cooperative is responsible to carry out quarantine in collaboration with veterinary stations, which needs one veterinarian in township, one person in service station and two technical experts in cooperative.
- 3) Slaughter and purchase: it is purchased at protected price, which is slightly higher than the market price.

Dividend: Market price is 14 yuan per jin, price of finished meat is 28 yuan per jin, and the price of sheep meat in supermarket is 55 yuan per jin, which can generate 47% of middle income. 7% is returned to the cooperative for provident fund and villagers dividends.



Minutes 4: General Forum of Tangjiawuji Village, Liangshan County, Sichuan Province

Discussion Time: *In the Morning of November 10, 2013*

Discussion Location: *Tangjiawuji Village Committee*

Interviewee: *14 villagers, including six women with 5 in poverty, and all are Yi people*

Record of Main Contents:

1. Planting Situation

The main crops planted by villagers are green pepper and *amorphophallus albus*, and agricultural crops are corn,

sweet potato, pea, and so on. Since from 1997, the villagers has begun to plant amorphophallus albus, with a little plant area and unstable market price. From the beginning of last year, the planters become more and more, with more than 100 households. But every household plants a area from 2 to 4 mu. One mu of amorphophallus albus requires 1,000 jin seedlings. Fresh amorphophallus albus can gain good sale, so it sells as soon as it is dug. Generally, amorphophallus albus is intercropped with pepper or corn, which is more profitable than intercropping sweet potato.

2. Development Issues

- 1) It has difficulties in buying seeds and fertilizer, which can only be purchased in the market;
- 2) There is no planting training, and all techniques are groped out by the farmers themselves, so there exits space to improve nurturing seedlings and planting technique;
- 3) There is no advanced irrigation equipment, and farmer can only use buckets to carry water;
- 4) Price of amorphophallus albus is not stable, suddenly up and down of price has a tremendous impact on the enthusiasm of the villagers;
- 5) Pest problem. In 2011, soft rot cut the out by 20 percent, which cause great economic burden for farmers.

3. Cooperative Conditions

There is no cooperative or similar organization in the village. Villagers have no knowledge on cooperative, but they consider it beneficial and want to join cooperative. It would be better not to pay entrance fee. Cooperative is responsible for providing the means of production and sales. If cooperative has base, they are also willing to go to work in there.

4. Women and Poor People

Women go to work in the fields after eating breakfast at about 7:30, come back home to take a break in the afternoon and continue to work until it is dark. If the Men are at home, women and men to work, the labor intensity of women is almost equal to that of men. 70% of the household chores are done by women. Plowing and other heavy works are done by men, and carrying water, weeding and other light works are generally done by women. The village has no special policies and specific measures for the poor.



Minutes 5: Interview of Agriculture Economy Station Chief in Agricultural Bureau of Dongxiang County, Linxia Prefecture, Gansu Province

Discussion Time: *In the Afternoon of November 16, 2013*

Discussion Location: Agricultural Bureau of Dongxiang County

Interviewee: *Chief Yin*

Record of Main Contents:

1. Cooperative

- 1) The county has 43 cooperative organizations, 39 cooperatives (21 cattle and sheep breeding cooperatives, and the others are potato buying and selling cooperatives and pepper planting cooperatives), and four associations (Sheep Raising Association, Dongxiang Boiled Mutton Association, Potato Planting Association). The promoters are all capable brains.
- 2) Raising cooperatives generally is composed of a dozen people, who participate in cooperatives by becoming a shareholder. The construction of cooperatives demands to build farms, conduct centralized breeding, buy cattle and forage in a unified manner, as well as carry out unified plague prevention and sales. Small farms also need investment of more than 200 thousand yuan, and only large-scale can generate profits.
- 3) The operation of cooperatives needs to make profit, and adopts profit-oriented policy. Livestock raising needs to increase investment, and gradually achieve scale benefit;
- 4) Scale of livestock raising cannot be too big, since large scale cause difficulty in preventing epidemic diseases. The number of cooperative should increase gradually. Ordinary farmers can not benefit due to the little number of participants. Now, it is lack of supporting service cooperatives, and the contents of services can include corn farming, planting, harvesting and so on.

2. Training

Agriculture Economy station has conducted training, which was done by hired professionals. Cooperatives have not carried out group training yet, but conducted some communications and exchanges. The reason is the lack of training funds.

3. Project Suggestions

- 1) The most critical matter is the selection of chairman, who should have the sense of service and can play a leading role;
- 2) Normalized standards should be established in all aspect to form the system that can be followed;
- 3) Profit making of projects can be utilized to encourage farmers to involve in projects;
- 4) Ordinary farmer has weak participation ability, which need the appropriate supportive policies.

Attachment 5: Identification of Land Acquisition

Table 1: Table of Migration Effects from Land Acquisition and Demolition on the Project in Québec Province

City	County	Name of Subproject	Forming Jurisdiction	Village Involved	Project Context	Fees and Land Cost (M\$)	Including Government Land	Acquisition (M\$)	Arable Land If Acquired (ha)	Population Affected by Land Acquisition	Land Transfer (ha)	Type of Transfer	Transfer Cost (M\$)	Mode of Acquiring Collective Land			Other (to be specified)	Population Involved in Land Acquisition	Government (M\$)	Collective (M\$)	Affected Infrastructure (to be specified)	Other Effects (to be specified)	Remarks
														No Acquisition, Village Considers That Land and Acquired in the Village (ha)	With or Without Village Approval of Village's Choice of Land Acquisition or Other Form of Acquisition of Land Controlled by Village	Other (to be specified)							
Trois Rivières		Restructuring of the downtown office tourism	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction	Building office space for 1000 m ²	1								1	Yes	No							
																							Restructuring of the rural tourism
		Parking space for rural tourism	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction	Building parking space for 4000 m ²	4									4	Yes	No						
																							Garage processing plant
		Sleeping quarters for the crew of the ship	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction	600 m ²	0.75										0.75	Yes	No					
																							Tourist mobile
		Tourist mobile	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction	1000 m ²	1.12										1.12	Yes	No					
																							Building water
		Treatment of sewage from rural hotels (with the existing wastewater treatment plant in rural areas)	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction	200 m ²	2										2	Yes	No					
																							Water treatment equipment purchase
Provision of water equipment for Québec life guard	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction	Building office space for 1000 m ²	0.12										0.12	Yes	No							
																					2000 m ² residential development of Québec life guard housing	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction
Building water treatment plant and associated in Lévis	Municipal Term, Georges Tremblay, Forming Jurisdiction	Lévis Village, Lévis, Forming Jurisdiction	Building 2000 m ² treatment, wastewater plant, 2000 m ² associated in Lévis	0.2										0.2	Yes	No							

Project Name	Project ID	Project Type	Project Status	Project Start	Project End	Project Budget	Project Actual	Project Variance	Project Risk	Project Impact	Project Notes
Project A	001	Construction	Completed	2020-01-01	2020-12-31	1000000	1000000	0	Low	High	Project completed on time and within budget.
Project B	002	Software	In Progress	2020-03-01	2021-06-30	500000	450000	50000	Medium	Medium	Project is behind schedule due to resource constraints.
Project C	003	Marketing	On Hold	2020-02-01	2020-11-30	200000	200000	0	Low	Low	Project is on hold due to budget cuts.
Project D	004	Research	Completed	2020-04-01	2020-10-31	300000	300000	0	Low	Medium	Project completed successfully with minor delays.
Project E	005	Operations	In Progress	2020-05-01	2021-03-31	700000	600000	100000	High	High	Project is significantly behind schedule and over budget.

Project Name	Project ID	Project Type	Project Status	Project Start	Project End	Project Budget	Project Actual	Project Variance	Project Risk	Project Impact	Project Notes
Project F	006	Construction	Completed	2020-06-01	2020-12-31	800000	800000	0	Low	Medium	Project completed on time and within budget.
Project G	007	Software	In Progress	2020-07-01	2021-09-30	600000	550000	50000	Medium	Medium	Project is behind schedule due to technical challenges.
Project H	008	Marketing	On Hold	2020-08-01	2020-11-30	150000	150000	0	Low	Low	Project is on hold due to budget cuts.
Project I	009	Research	Completed	2020-09-01	2020-10-31	250000	250000	0	Low	Medium	Project completed successfully with minor delays.
Project J	010	Operations	In Progress	2020-10-01	2021-06-30	900000	800000	100000	High	High	Project is significantly behind schedule and over budget.

Attachement 7: Villages identified as minority Settlement

Table 1 How Minorities in Bijie City, Guizhou Province Are Affected

Province	City	County	Township	Administrative Village	Households	Population	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities	
Guizhou	Bijie City	Dafang County	Lvtang Township	Gaochao	892	3900	2190	56.15	Miao, Bai	Yes	Yes	
			Machang Town	Xinfeng	861	2700	1882	69.7	Miao, Chuanqing	Yes	Yes	
			Lihua Township	Changchun	2543	9103	992	10.9	Miao, Yi	Yes	Yes	
			Maochang Town	Bijiao	926	3700	1789	48.35	Miao, Yi	Yes	Yes	
				Yongjiu	756	2337	1424	60.93	Miao, Yi	Yes	Yes	
		Subtotal				5978	21740	8277	38.07			
		Zhijin County	Guiguo Town	Qimo Village	920	3928	2025	51.55	Miao, Yi, Yilao	No	Yes	
			Xiongjiachang Township	Nuochong Village	530	2210	650	29.41	Miao, Yi, Yilao	No	Yes	
				Chuandongba Village	416	1686	1212	71.89	Miao, Chuanqing	Yes	Yes	
				Baima Village	612	2248	1742	77.49	Miao, Mongol, Hui	Yes	Yes	
			Baini Township	Xinzhai Village	329	1276	819	64.18	Miao, Yi	No	Yes	
			Subtotal				2807	11348	6448	56.82		

Total	8785	33088	14725	44.50			
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Table 2 How Minorities in Xuyong County, Bijie City, Sichuan Province Are Affected

Province	City	County	Township	Administrative Village	Households	Population	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities			
Sichuan	Luzhou City	Xuyong County	Chishui Town	Chishui	1116	3587	3412	95.12	Miao, Yi, Zhuang	No	Yes			
				Shuangshan	582	2556	1192	46.64	Miao	No	Yes			
				Nanshan	364	1568	618	39.41	Miao	No	Yes			
			Shuilao Township	Shuilao	833	3487	2216	63.55	Miao, Yi	Yes	Yes			
				Chahe	558	2869	2003	69.82	Miao, Yi	Yes	Yes			
				Tianba	391	2333	1683	72.14	Miao, Yi	Yes	Yes			
				Haiya	687	2693	1512	56.15	Yi, Miao	Yes	Yes			
				Daba	303	1365	953	69.82	Yi, Miao	Yes	Yes			
			Shiba Township	Yantang	489	2309	1356	58.73	Yi	Yes	Yes			
				Anle	434	1713	749	43.72	Yi, Miao	Yes	Yes			
			Total					5757	24480	15694	64.11			

Table 3 How Minorities in Yi Autonomous Prefecture of Liangshan, Sichuan Province Are Affected

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
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Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
Sichuan	Yi Autonomous Prefecture of Liangshan	Jinyang County	Xiangling Township	Shangzhai Village	204	1078	204	1078	100.00	Yi	Yes	Yes
				Xiazhai Village	160	926	160	926	100.00	Yi	Yes	Yes
			Dexi Township	Degu Village	559	1655	220	1098	66.34	Yi	Yes	Yes
			Mayizu Township	Tangjiawuji Village	551	2600	480	2400	92.31	Yi	Yes	Yes
			Taoping Township	Luojie Village	474	2000	280	1400	70	Yi	Yes	Yes
				Keye Village	243	1283	243	1283	100	Yi	Yes	Yes
			Mufu Township	Longwangmiao Village	299	1100	120	600	54.55	Yi	No	Yes
				Laoxiangtang Village	210	900	210	900	100	Yi	No	Yes
			Pilai Town	Liangping Village	169	700	169	700	100	Yi	Yes	Yes
				Tanshan Village	332	1300	60	300	23.08	Yi	Yes	Yes
			Xiaoyinmu Township	Bojiwan Village	210	900	210	900	100	Yi	Yes	Yes
			Honglian Township	Shamapingzi Village	306	1200	100	500	41.67	Yi	Yes	Yes
			Lugao Town	Youfang Village	337	1500	60	300	20	Yi	Yes	Yes
			Yida Township	Baoer Village	240	856	240	856	100	Yi	Yes	Yes
				Yida Village	209	735	209	735	100	Yi	Yes	Yes
				Wawu Village	190	668	190	668	100	Yi	Yes	Yes
				Shaluo Village	96	407	96	407	100	Yi	Yes	Yes
				Gageda Village	172	759	172	759	100	Yi	Yes	Yes
			Bingdi	Muniguer Village	150	599	150	599	100	Yi	Yes	Yes

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities			
			Township	Buluo Village	173	788	173	788	100	Yi	Yes	Yes			
			Nanwa Township	Shubo Village	279	1275	279	1275	100	Yi	Yes	Yes			
				Nigulada Village	257	1180	257	1180	100	Yi	Yes	Yes			
			Siwo Township	Niboluo Village	297	1078	297	1078	100	Yi	Yes	Yes			
				Zhalangu Village	215	789	215	789	100	Yi	Yes	Yes			
				Siwo Village	173	620	173	620	100	Yi	Yes	Yes			
			Tugou Township	Jiluo Village	157	620	157	620	100	Yi	Yes	Yes			
				Zhongzi Village	260	1108	260	1108	100	Yi	Yes	Yes			
			Yimohe Township	Duriluo Village	280	866	280	866	100	Yi	Yes	Yes			
				Jifu Village	181	871	181	871	100	Yi	Yes	Yes			
				Guti Village	188	977	188	977	100	Yi	Yes	Yes			
			Rekejue Township	Dongfeng Village	223	764	223	764	100	Yi	Yes	Yes			
				Youdi Village	83	491	83	491	100	Yi	Yes	Yes			
				Yongfeng Village	126	481	126	481	100	Yi	Yes	Yes			
				Bingyidi Village	169	639	169	639	100	Yi	Yes	Yes			
				Rekejue Village	216	835	216	835	100	Yi	Yes	Yes			
			Subtotal					8388	34548	6850	29791	86.23			
			Butuo County	Temuli Town	Zeluo Village	257	1050	257	1050	100	Yi	Yes	Yes		
					Guangming Village	232	938	232	938	100	Yi	Yes	Yes		
					Siqie Village	290	1060	290	1060	100	Yi	Yes	Yes		
		Suxia Village			233	891	233	891	100	Yi	Yes	Yes			
		Ji'nai Village			295	750	295	750	100	Yi	Yes	Yes			
		Riqie Village			216	828	216	828	100	Yi	Yes	Yes			

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities	
				Geze Village	172	615	172	615	100	Yi	Yes	Yes	
			Lada Township	Shouzi Village	205	868	205	868	100	Yi	Yes	Yes	
				Dianzi Village	175	876	175	876	100	Yi	Yes	Yes	
				Tuoju Town	Shizui Village	376	1486	376	1486	100	Yi	Yes	Yes
			Laoji Village		289	975	289	975	100	Yi	Yes	Yes	
			Yahe Village		260	1160	260	1160	100	Yi	Yes	Yes	
			Feitulu Village		360	1460	360	1460	100	Yi	Yes	Yes	
			Ashengrida Village		204	928	204	928	100	Yi	Yes	Yes	
			Laojiugui Village		286	1086	286	1086	100	Yi	Yes	Yes	
			Baoliangguer Village		222	540	222	540	100	Yi	Yes	Yes	
			Feige Village		249	940	249	940	100	Yi	Yes	Yes	
			Xiaguo Village		406	1640	406	1640	100	Yi	Yes	Yes	
			Ripai Village		421	1556	421	1556	100	Yi	Yes	Yes	
			Buer Township		Buer Village	265	980	265	980	100	Yi	Yes	Yes
					Rijiu Village	273	1011	273	1011	100	Yi	Yes	Yes
				Luodu Village	266	984	266	984	100	Yi	Yes	Yes	
				Zhuerku Village	273	1010	273	1010	100	Yi	Yes	Yes	
				Labozuo Village	207	766	207	766	100	Yi	Yes	Yes	
				Heimenzi Village	224	829	224	829	100	Yi	Yes	Yes	
			Luogu Township	Abao Village	300	1022	300	1022	100	Yi	Yes	Yes	
				Wadu Village	340	1341	340	1341	100	Yi	Yes	Yes	
				Poli Village	226	939	226	939	100	Yi	Yes	Yes	
			Meisa	Moci Village	219	856	219	856	100	Yi	Yes	Yes	

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities	
			Township										
			Subtotal		7741	29385	7741	29385	100				
		Meigu County	Bapu Town	Jiwei Village	330	1420	330	1420	100	Yi	Yes	Yes	
					Taqian Village	247	755	247	755	100	Yi	Yes	Yes
					Gengze Village	268	1094	268	1094	100	Yi	Yes	Yes
					Dage Village	210	860	210	860	100	Yi	Yes	Yes
					Sanhe Village	368	1147	368	1147	100	Yi	Yes	Yes
					Sale Village	228	963	228	963	100	Yi	Yes	Yes
				Jueluo Township	Jueluo Village	494	1420	494	1420	100	Yi	Yes	Yes
					Pagu Village	247	710	247	710	100	Yi	Yes	Yes
					Ze'e Village	350	1005	350	1005	100	Yi	Yes	Yes
					Dian'a'ni Village	373	1072	373	1072	100	Yi	Yes	Yes
				Jingyetexi Township	Texi Village	150	560	150	560	100	Yi	Yes	Yes
					Dushi Village	105	394	105	394	100	Yi	Yes	Yes
					Caizhu Village	120	481	120	481	100	Yi	Yes	Yes
					Xigansa Village	276	723	276	723	100	Yi	Yes	Yes
					Guohe Village	247	720	247	720	100	Yi	Yes	Yes
					Puqian Village	228	837	228	837	100	Yi	Yes	Yes
				Nongzuo Township	Nongzuo Village	230	1119	230	1119	100	Yi	Yes	Yes
					Jiagu Village	276	723	276	723	100	Yi	Yes	Yes
					Yise Village	267	881	267	881	100	Yi	Yes	Yes
					Wayijue Village	243	1019	243	1019	100	Yi	Yes	Yes
			Kae Village		124	420	124	420	100	Yi	Yes	Yes	

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
				Wa'nigu Village	143	605	143	605	100	Yi	Yes	Yes
			Jiukou Township	Wawu Village	342	1546	342	1546	100	Yi	Yes	Yes
				Waluo Village	223	896	223	896	100	Yi	Yes	Yes
				Waluoqianha Village	132	1223	132	1223	100	Yi	Yes	Yes
				Jiukou Village	295	1325	295	1325	100	Yi	Yes	Yes
				Bowoku Village	271	1124	271	1124	100	Yi	Yes	Yes
			Luoeyigan Township	Yibowo Village	327	1973	327	1973	100	Yi	Yes	Yes
				Luoeyigan Village	93	364	93	364	100	Yi	Yes	Yes
				Azhuowawu Village	107	387	107	387	100	Yi	Yes	Yes
				Xinnong Village	235	702	235	702	100	Yi	Yes	Yes
			Lamuajue Township	Wani Village	294	1439	294	1439	100	Yi	Yes	Yes
				Yiminxin Village	375	1518	375	1518	100	Yi	Yes	Yes
				Lada Village	130	578	130	578	100	Yi	Yes	Yes
				Madu Village	286	996	286	996	100	Yi	Yes	Yes
				Luobucaiga Village	307	1287	307	1287	100	Yi	Yes	Yes
				Hema Village	238	982	238	982	100	Yi	Yes	Yes
			Longmen Township	Wagujue Village	288	1122	288	1122	100	Yi	Yes	Yes
				Hongbi Village	64	245	64	245	100	Yi	Yes	Yes
				Taha Village	170	680	170	680	100	Yi	Yes	Yes
				Ertuo Village	160	494	160	494	100	Yi	Yes	Yes
				Shubuyiluo Village	186	741	186	741	100	Yi	Yes	Yes
				Ermaqian Village	165	495	165	495	100	Yi	Yes	Yes
				Hagu Village	211	851	211	851	100	Yi	Yes	Yes

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities			
			Yiguojue Township	Erhe Village	174	677	174	677	100	Yi	Yes	Yes			
				Gutuo Village	197	686	197	686	100	Yi	Yes	Yes			
				Yideamo Village	238	887	238	887	100	Yi	Yes	Yes			
				Erma Village	131	547	131	547	100	Yi	Yes	Yes			
			Waxi Township	Waxi Village	186	931	186	931	100	Yi	Yes	Yes			
				Laluo Village	213	1147	213	1147	100	Yi	Yes	Yes			
				Dalaamo Village	107	517	107	517	100	Yi	Yes	Yes			
				Nimuze Village	110	530	110	530	100	Yi	Yes	Yes			
			Subtotal					11779	45818	11779	45818	100			Yes
			Zhaojue County	Jiefang Township	Jinchi Village	246	904	246	904	100	Yi	Yes	Yes		
		Nianzi Village (Yanziluo Village)			163	716	163	716	100	Yi	Yes	Yes			
		Aluwazi Village (Wazi Village)			178	716	178	716	100	Yi	Yes	Yes			
		Jiefang Village			245	1035	245	1035	100	Yi	Yes	Yes			
		Bintu Village (Huopu Village)			166	548	166	548	100	Yi	Yes	Yes			
		Dajue Village			227	874	227	874	100	Yi	Yes	Yes			
		Lamo Village			185	620	185	620	100	Yi	Yes	Yes			
		San'gang Township		Mazimo Village (Mazipu Village)	186	970	186	970	100	Yi	Yes	Yes			
				Yangpeng Village (Yangpeng Village)	270	1135	270	1135	100	Yi	Yes	Yes			

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
				Saxiariamodi Village (Xiamo Village)	276	1236	276	1236	100	Yi	Yes	Yes
				Yipoboshou Village	268	1073	268	1073	100	Yi	Yes	Yes
			Nidi Township	Waliluo Village (Wali Village)	227	865	227	865	100	Yi	Yes	Yes
				Shujuewawu Village (Wawu Village)	117	415	117	415	100	Yi	Yes	Yes
				Yimushujue Village (Naituo Village)	210	670	210	670	100	Yi	Yes	Yes
			Wanchang Township	Tuanjie Village	326	1298	326	1298	100	Yi	Yes	Yes
				Xiluo Village	254	987	254	987	100	Yi	Yes	Yes
				Dashitou Village	240	780	240	780	100	Yi	Yes	Yes
			Saladipo Township	Erdahuo Village (Erdanwu Village)	421	1625	421	1625	100	Yi	Yes	Yes
				Boliege Village (Gaoshan Village)	432	1235	432	1235	100	Yi	Yes	Yes
				Waxia Village (Waxia Village)	363	1239	363	1239	100	Yi	Yes	Yes
			Sikai Township	Yilimu Village	462	2833	462	2833	100	Yi	Yes	Yes
				Suosuolada Village	279	1603	279	1603	100	Yi	Yes	Yes
				Geluoamo Village	297	1936	297	1936	100	Yi	Yes	Yes
				Waguonaituo Village	264	1461	264	1461	100	Yi	Yes	Yes
				Legejue Village	146	991	146	991	100	Yi	Yes	Yes

Province	City	County/District	Township/Street	Administrative Village	Households	Population	Minority Households	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities			
				Haogu Village	363	1849	363	1849	100	Yi	Yes	Yes			
				Sawaluoqiebo Village	340	1595	340	1595	100	Yi	Yes	Yes			
				Sawaluoer Village	138	756	138	756	100	Yi	Yes	Yes			
			Dimo Township	Baer Village	250	1594	250	1594	100	Yi	Yes	Yes			
				Bozuo Village (Bozuo Village)	127	933	127	933	100	Yi	Yes	Yes			
				Ekü Village	102	671	102	671	100	Yi	Yes	Yes			
				Dimo Village (Lamoshede Village)	233	1578	233	1578	100	Yi	Yes	Yes			
				Wagu Village	243	1821	243	1821	100	Yi	Yes	Yes			
				Erwu Village (Maluoluoxia Village)	225	1383	225	1383	100	Yi	Yes	Yes			
				Erbu Village (Teluomo Village)	297	2003	297	2003	100	Yi	Yes	Yes			
				Liuqie Township	Haipuluoxia Village	154	741	154	741	100	Yi	Yes	Yes		
					Hejue Village	165	930	165	930	100	Yi	Yes	Yes		
			Liuenmada Village		171	897	171	897	100	Yi	Yes	Yes			
			Liuqie Village		189	1035	189	1035	100	Yi	Yes	Yes			
			Sikegewu Village		133	703	133	703	100	Yi	Yes	Yes			
			Aboluo Village		176	1070	176	1070	100	Yi	Yes	Yes			
			Aduwaxia Village		110	565	110	565	100	Yi	Yes	Yes			
			Subtotal					9864	47889	9864	47889	100			
			Total					37772	157640	36234	152883	96.98			

Province	Prefecture	County	Township/Street	Administrative Village	Households	Population	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
Gansu	Hui Autonomous Prefecture of Linxia	Dongxiang Autonomous County	Chuntai Township	Hexian Village	273	1508	1508	100	Dongxiang	Yes	Yes
			Dashu Township	Dashu Village	265	1318	1318	100	Dongxiang	Yes	Yes
				Zhengjia Village	159	642	642	100	Dongxiang	Yes	Yes
				Nanyangwa Village	137	670	670	100	Dongxiang	Yes	Yes
				Qiaolu Village	158	843	843	100	Dongxiang	Yes	Yes
			Gaoshan Township	Bulenggou Village	68	345	345	100	Dongxiang	Yes	Yes
				Sale Village	168	836	836	100	Dongxiang	Yes	Yes
			Daban Town	Yaoshui Village	298	1458	1458	100	Dongxiang	Yes	Yes
			Yanling Town	Dayan Village	260	1350	1350	100	Dongxiang	Yes	Yes
			Suonan Town	Muye Village	122	769	769	100	Dongxiang	Yes	Yes
				Machang Village	191	1045	1045	100	Dongxiang	Yes	Yes
				Tuanjie Village	142	716	716	100	Dongxiang	Yes	Yes
			Total					2241	11500	11500	100

Table 5 How Minorities in Dongxiang Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province Are Affected

Table 6 How Minorities in Hui Autonomous County of Zhangjiachuan, Tianshui City, Gansu Province Are Affected

Province	City	County	Township	Administrative Village	Households	Population	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
Gansu	Tianshui	Hui	Malu	Baiyang	157	734	7400	62.66	Hui	Yes	Yes

Province	City	County	Township	Administrative Village	Households	Population	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
	City	Autonomous County of Zhangjiachuan	Township	Village							
				Baoping Village	166	747			Hui	Yes	Yes
				Baoliang	253	1132			Hui	Yes	Yes
				Caochuan	120	542			Hui	Yes	Yes
				Changning Village (Shizhuangke included)	330	1530			Hui	Yes	Yes
				Datan Village	220	1273			Hui	Yes	Yes
				Douya Village	108	510			Hui	Yes	Yes
				Huayuan Village	144	663			Hui	Yes	Yes
				Jinchuan Village	406	2002			Hui	Yes	Yes
				Kangwang Village	144	681			Hui	Yes	Yes
				Linfeng Village	125	584			Hui	Yes	Yes
				Siwan Village	44	194			Hui	Yes	Yes
				Yanjia Township	Dachang Village	276	1217			Hui	Yes
				Total	2493	11809	7400	62.66			

Table 7 How Minorities in Yongjing County, Hui Autonomous Prefecture of Linxia, Gansu Province Are Affected

Province	Prefecture	County	Township	Village	Households	Population	Minority Population	Minority Percentage (%)	Minority Type	Minority Village	Whether Minorities Live in Compact Communities
Gansu	Hui Autonomous Prefecture of Linxia	Yongjing County	Wangtai Town	Wanzi Village	205	887	887	100	Hui	Yes	Yes
				Yangshan Village	185	788	788	100	Hui	Yes	Yes
				Wangtai Village	250	1235	1235	100	Hui	Yes	Yes
			Xiaoling Township	Xuping Village	286	1264	1221	96.6	Hui	Yes	Yes
				Tumen Village	275	1250	1250	100	Hui	Yes	Yes
				Goutan Village	263	1198	1040	86.81	Hui	Yes	Yes
			Total					1464	6622	6421	96.96