World Bank Financed Agro-tech Project
Multinational Development Plan (MDP) for Hunan Project Region

Agricultural Integrated Development Office of Hunan Province

CCCC at Sun Yat-sen University

Feb 20, 2004
CONTENTS

Foreword ........................................................................................................................................ 1

Chapter 1. Survey of Nationalities in Hunan ................................................................................. 2

Chapter 2. Legal Foundation for Multinational Development Plan ............................................. 4
  I. All nationalities enjoy equal political, economic, social and cultural rights ................................ 4
  II. All nationalities enjoy equal to develop occupied lands and protect their lawfully earned income ......................................................................................................................... 4

Chapter 3. Camphor Development Project Areas in Xinhuang Dong
  Autonomous County ....................................................................................................................... 5
  I. Survey of Nationalities in Project Areas ................................................................................. 5
  II. Project’s Influences on Nationalities in Project Areas ........................................................... 7
  III. Institutional Capabilities of Government Departments Involved ........................................ 8
  IV. Relevant Measures and Arrangements .................................................................................. 8
  V. Expenses Estimate and Funding Plan ................................................................................... 10
  VI. Execution Timetable ........................................................................................................... 11

Chapter 4. Cow Embryo Transplantation Project Areas in Chengbu Miao
  Autonomous County ................................................................................................................... 13
  I. Survey of Nationalities in Project Areas ............................................................................... 13
  II. Project’s Influences on Nationalities in Project Areas ......................................................... 15
  III. Institutional Capabilities of Project Execution and Managerial Bodies ............................. 16
  IV. Relevant Measures and Arrangements ................................................................................. 16
  V. Expenses Estimate and Funding Plan ................................................................................... 19
  VI. Execution Timetable ........................................................................................................... 19

Chapter 5. Execution of Multinational Development Plan ................................................................. 21
  I. Principle of Execution ............................................................................................................ 21
  II. Strategy of Execution ........................................................................................................... 21

Chapter 6. Supervision and Evaluation of Multinational Development Plan ............................. 23
  I. Supervision Mechanism ........................................................................................................ 23
II. Irregular Supervision and Observation ................................................................. 23
Foreword

In the Hunan World Bank Financed Agro-tech Project, the projects involving minority areas include the Xinhuang Camphor Development Project and Hunan Cow Embryo Transplantation Project. The World Bank emphasizes on the significance of the present multinational situation to the execution of the project and the importance of multinational joint development, and suggests that an important index of the project’s result is to see whether the nationalities in the project areas, especially minorities, have been substantially developed by participating in the project. Based on the above considerations and the World Bank’s requirements, the Hunan Agricultural Integrated Development Office has made an investigation of the distribution, economy, politics, culture, project participation of the minorities in the project areas in collaboration with CCCC at the Sun Yat-sen University undertaking this project’s social assessment pursuant to the World Bank’s Policy OD4.20. the “World Bank Financed Agro-tech Project Multinational Development Plan for Hunan Project Region” is formed on this basis.

The data quoted by this plan comes from the local literatures, statistical data of the province, counties and Xiangs and the fieldwork, with reference to the MDPs for the past World Bank financed projects in Jiangxi, Xinjiang prepared by CCCC.
Chapter 1. Survey of Nationalities in Hunan

Hunan is situated on the south bank at the middle reaches of the Yangtze River. The province governs 14 cities/prefectures, 122 counties (districts), 2353 Xiangs/towns, a total population of 65.9585 million people, including an agricultural population of 51.9734 million people, 30.9643 million rural laborers.

Hunan is a multinational province with residents of all the 56 nationalities found in China. According to the 5th Census, the province has a Han population of 56.8635 million people, accounting for 89.9% of the total population, a minority population of 6.4107 million people, accounting for 10.1%. Among the minorities, those with a larger population include: Tujia 2.6395 million people, taking up 41.17% of the province’s total minority population; Miao 1.9215 million people, taking up 29.97%; Dong 842,100 people, taking up 13.14%; Yao 704,600 people, taking up 10.99%; Bai 125,600 people, taking up 1.96%; Hui 97,400 people, Zhuang 23,600 people, Mongolian 15,900 people, Manchu 8,206 people, Uigur 7,939 people, collectively taking up 2.77% of the province’s total minority population.

The minorities of Hunan are distributed in the 14 cities/prefectures, taking on the situation of large cross-inhabitation, local central inhabitation. Most of the minority population (about 85%) is found in remote areas in West, South and East Hunan, the remaining 15% population is scattered province-wide. In the mountainous areas west to the Wuling Mountain and Xuefeng Mountain, over 98% of the Tujia and Miao gathers. Over 96% of the Dong population lives west to the remaining range of the Guizhou Plateau and Xuefeng Mountain. The mountain areas between the Hunan-Guangxi, Hunan-Guangdong boundaries are main habitations of the Yao people.

Hunan has 1 national autonomous prefecture (Xiangxi Tujia-Miao Autonomous Prefecture, governing 1 city and 7 counties, founded in 1957), 7 national autonomous counties (Chengbu and Mayang Miao Autonomous Counties, Xinhuang, Zhijiang and Tongdao Dong Autonomous Counties,
Jingzhou Miao Dong Autonomous County, Jianghua Yao Autonomous County) and 100 national Xiangs. In addition, Sangzhi County and Yongding District in Zhangjiajie City also enjoy the preferential policies towards autonomous areas. The land area in the minority areas accounts for about 28% of the province’s total land area.

The nationalities in Hunan have a long history. Except that the Han nationality known as “Huaxia” in ancient times is an old nationality in Hunan, the Miao, Tujia, Dong and Yao nationalities have been living and multiplying in Hunan from of old. The Hui and Uigur nationalities immigrated into Hunan from other provinces. Almost every minority has its national language, customs and religious faith, but with the social development, the nationalities have borrowed from each other in culture and life, the major trend of equality and friendship between nationalities has taken shape.
Chapter 2. Legal Foundation for Multinational Development Plan

Pursuant to the relevant laws, regulations and local bylaws, the groups covered by the project areas can fully enjoy the lawful rights and interests as Chinese citizens on an equal basis. The preparation and execution of this MDP has a sufficient legal foundation.

I. All nationalities enjoy equal political, economic, social and cultural rights

In the light of the “Constitution of the PRC” and “Law of Regional National Autonomy of the PRC”, all minorities manage their affairs independently. The people’s congress and its standing committee of Hunan and the autonomous minority areas have also formulated local bylaws and regulations based on the multinational situation and national cultural features in Hunan, ensuring the enforcement of the above national laws and regulations. Accordingly, under the legal framework of the regional national autonomy system, the nationalities in the project areas can enjoy equal political, economic, social and cultural rights, minorities can further enjoy the corresponding preferences in all aspects.

Take political rights as an example. The principals of the Xiangs/towns, villages in the project areas are minority cadres. The principals of the departments directly leading the poverty relief development effort, such as the agricultural integrated development offices and poverty relief development offices of the 2 counties, are minorities. The past county heads were minorities. As a functional department of the county people’s government, the county national and religious administrations of the 2 counties are responsible for handling national and religious affairs, coordinating relations between nationalities and maintaining the interests of minorities. Most of their staff is minorities.

II. All nationalities enjoy equal to develop occupied lands and protect their lawfully earned income


Pursuant to the above legal documents, the nationalities in the project areas have equal opportunities in obtaining the land use right. At some places, ethnic groups with a smaller population have been treated specially as regards land. The differences in land area, quality and water source result from disparities between areas, irrelevant to any ethnic group. Accordingly, overall, the nationalities involved in the project have been institutionally guaranteed as to land resources. The “MDP” proposed by the project is a good legal foundation. Under the above legal framework, all ethnic groups in the project areas can have the right to participate in the project and be developed. This also provides a legal guarantee to the project and its specific coverage.
Chapter 3. Camphor Development Project Areas in Xinhuang Dong Autonomous County

I. Survey of Nationalities in Project Areas

1. Natural geography and camphor planting

Xinhuang Dong Autonomous County is situated in west-most Hunan, accounting for about 0.72% of the province’s total area. The territory is mainly mountainous region with the characteristic of plateau mountain in addition the general natural subtropical conditions. The climate and soil are suitable for the growth of camphor, which can be refined into natural borneol, used for the development of above 300 drugs and as a raw chemical material and an antiseptic.

2. Nationalities

The project areas involve the 4 Xiangs/towns of Bozhou, Xinglong, Fangjiacun, Dawanluo, covering 65 villages and 613 villager teams, inhabited by Dong, Hui, Miao, Han nationalities. The population of each Xiang/town and the proportions are shown below:

<table>
<thead>
<tr>
<th>Town/ Xiang</th>
<th>Total population</th>
<th>Minority population (%)</th>
<th>Agricultural population (%)</th>
<th>Dong Population</th>
<th>Per cent in this Xiang %</th>
<th>Hui Population</th>
<th>Per cent in this Xiang %</th>
<th>Miao Population</th>
<th>Per cent in this Xiang %</th>
<th>Han Population</th>
<th>Per cent in this Xiang %</th>
<th>Others Population</th>
<th>Per cent in this Xiang %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bozhou Town</td>
<td>12228</td>
<td>89.33</td>
<td>99.96</td>
<td>8678</td>
<td>70.98</td>
<td>5</td>
<td>0.04</td>
<td>2227</td>
<td>18.21</td>
<td>1305</td>
<td>10.67</td>
<td>13</td>
<td>0.1</td>
</tr>
<tr>
<td>Fangjiacun Xiang</td>
<td>14639</td>
<td>87.84</td>
<td>99.96</td>
<td>12569</td>
<td>85.86</td>
<td>272</td>
<td>1.86</td>
<td>18</td>
<td>0.12</td>
<td>1780</td>
<td>12.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dawanluo Xiang</td>
<td>9270</td>
<td>87.86</td>
<td>99.89</td>
<td>8129</td>
<td>87.69</td>
<td>16</td>
<td>0.17</td>
<td>1125</td>
<td>12.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Xinglong Town</td>
<td>20736</td>
<td>88.17</td>
<td>99.91</td>
<td>18143</td>
<td>87.5</td>
<td>77</td>
<td>0.37</td>
<td>2463</td>
<td>11.88</td>
<td>53</td>
<td>0.25</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As seen from the above table, most of the population in the project areas is agricultural population, the main part of which is Dong and other minorities. Among public servants, the proportion of Dong, Han, Miao and Hui is high.

3. Resources

The integrated agricultural development has been executed and the main infrastructure construction completed in the project areas. The project areas have 380,000mu mountainous areas, 40,600mu tilled lands, of which are 32,000mu paddy fields and 8,600mu dry lands. The per capita farmer possession of tilled land is 0.8-1mu. Now, 500mu camphor seedling bases and 20,000mu raw material forest bases have been constructed.

Agricultural, forestry, water conservancy, stockbreeding, agricultural machinery, operating and town enterprise stations have been set up at each town/Xiang, with a total staff of 72 persons. Each Xiang forestry station is staffed with 5 technicians. The basic technical conditions for project development are basically available.

People of different nationalities in the project areas live mainly in a cross-habitation way without any certain nationality occupying significantly better resources. However, in remote mountainous areas out of the project areas with inconvenient traffic, most residents are the Dong, Miao and other minorities.
4. Production

The local people mainly deal with planting and stockbreeding; some villagers are working outside or doing business. The marketing activities of farmers are focused on farm and sideline products, aquatic and animal products, fruits, forest products.

The local people have an increasingly strong sense of commodity and market and a strong desire for “becoming rich by diligence”. However, since the conditions are limited and the channels of becoming rich are still very limited. Except working outside, the main channel is farm work, featuring prolonged labor time and high labor intensity. For example, villager YHL at Tianlongtou Village in Bozhou Town would spend a lot of time on farm work. The following table shows his life in a July day.

<table>
<thead>
<tr>
<th>Time</th>
<th>5:00-9:30</th>
<th>9:30-13:30</th>
<th>13:30-14:30</th>
<th>14:30-18:30</th>
<th>18:30-22:00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>Get up, mow green feed for pigs, cook, dine</td>
<td>Do farm work, go home</td>
<td>Cook, dine</td>
<td>Do farm work, go home</td>
<td>Cook, dine, watch TV, sleep</td>
</tr>
</tbody>
</table>

YHL’s labors in a year include:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>Felling firewood</td>
<td>Farming</td>
<td>Weeding</td>
<td>Harvesting paddy</td>
<td>Growing rape</td>
<td>Hacking</td>
<td>Slack season</td>
</tr>
</tbody>
</table>

5. Income

The per capita annual income level of the project Xiangs/towns is below average in the whole county. The statistical data is as follows:

<table>
<thead>
<tr>
<th>Xiang/town</th>
<th>Bozhou Town</th>
<th>Fangjiacun Xiang</th>
<th>Dawanluo Xiang</th>
<th>Xinglong Town</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita annual income (yuan)</td>
<td>1682.0</td>
<td>1644.0</td>
<td>1254.0</td>
<td>1680.0</td>
</tr>
</tbody>
</table>

The income of the local people includes the planting income, such as from farm products, commercial forests, medicinal materials, seedling trees, vegetables, etc.; the stockbreeding income, such as from pig, cattle, sheep, chicken, duck, goose and aquatic products, etc.; the income from labor service and doing business. The camphor planting has become an important source of income of planters.

Camphor planters in the project areas in increased their annual income by about 3000yuan on average in 2002, of which 30% farmers in Tianlongtou Village in Bozhou Town installed telephone as a benefit from this.

6. Language

The Xinhuang Chinese dialect is a common language of masses of different nationalities and the main lingual communication tool in the county. Most masses in the project areas can comprehend Chinese spoken by outlanders and communicate with them. The minorities do not have their written languages and use Chinese in common. Inside the Dong and Miao nationalities, their national languages are still the main languages for communication.
The Hui people scattered in the project areas usually use the Xinhuang Chinese dialect and do not eat pork. On Moslem ceremonies, they use Arabic and Persian in a small scope.

In view of the present lingual situation in the project areas, the MDP shall involve more staff of these nationalities at minority villages and be executed in national languages. When a multinational activity is being held, Chinese can be used and a proper number of bilingual staff shall be provided. To protect national languages and cultures, the use national languages is encouraged.

7. Culture

While reserving their national traditions, different nationalities are glad to accept cultures from others. In the long-term coexistence, Mar 3 and Jun 6 have become festivals different nationalities gather and communicate; thrush feeding and fight has become a common hobby, the thrush festival is organized locally to serve as a platform or thrush lovers. These multinational gatherings may become occasions for publicity of multinational development under the Camphor Development Project.

The masses in the project areas have the habit of forestation, especially several fruit trees or landscape trees will be grown in front of and behind the house to beautify the environment. This will somewhat promote the project’s development.

8. Relations between nationalities

(1) Since the 1990s, Xinhuang County has been awarded the title exemplary collective and advanced county in terms of multinational solidarity by the State for 3 times. The SA Team’s investigation result on relations between nationalities coincides with the view of the administration of national and religious affairs, i.e., different nationalities in the county get along friendly, without ethnic bias or discrimination.

(2) It is found by the investigation that, there is almost no ethnic discrimination or obvious inequality in the project areas, which conforms to the response of local cadres and villagers. Most villages in the project areas are inhabited by Dong, Miao, Han, other nationalities in good relations. There is no necessary correlation between disparity in wealth and nationality. For example, the community map drawn by villagers of Shangtianlongtou Team at Tianlongtou Village in Bozhou Town shows, there are 3 nationalities—Dong, Miao and Han—in the team, of which the rich people are from the 3 nationalities, at equivalent richness. It is reflected by villagers here, different nationalities at the village have equality, no nationality is overwhelming or oppressing others.

II. Project’s Influences on Nationalities in Project Areas

1. Positive influences

(1) Income: Since the cigarette factory of Xinhuang County will be closed down in 2004, the county’s finance is faced with difficulty. The Camphor Development Project will become a new source of revenue for the local government. After the project is completed, farmers of the seedling tree bases and stock forest planting bases will increase their income by over 27 million yuan a year and nearly 10,000 seasonal jobs will be available, of which over 70% are for women. This will facilitate the poverty relief of minority farmers in poor mountainous areas.
(2) Relations between nationalities: Most residents in the project areas are minorities, including 19 nationalities of Dong, Miao, Yao, Tujia, etc. The execution of this project will promote the friendship between different minorities in cooperation.

(3) Women’s employment: Firstly, the project will provide job opportunities to women; secondly, the project will be based on the increase of farmer families’ income, which will improve the investment conditions in girls’ education and provide more future development opportunities to women in the project areas.

(4) Environmental protection: Farmers will earn income by picking leaf other than felling trees, as will effectively prevent soil loss, purify the air and protect the environment.

(5) Information: The project is extremely promising and will play an active role for the industrial restructuring in poor mountainous areas to solve the bad information and low technological level of farmers.

(6) Resource utilization: This project will utilize local resources to benefit local ethnic groups, improve the standard of living and lay a foundation for the ultimate poverty relief.

2. Negative influences

(1) Potential cultural impacts: The project’s execution may impose impacts on the minority in the project areas in the aspects of property concept and competition psychology.

(2) Different degrees of benefit: Different degrees of benefit might arise from the project, e.g., some farmers get more land to grow camphor, some get more advances to buy seedling trees, some develop faster than others thanks to the outstanding personal ability. In addition, the emergence of unfairness is not excluded in the project’s execution.

(3) Market: If the company cannot recover all branches and leaves delivered for sales by farmers, the interests of farmers will be harmed.

III. Institutional Capabilities of Government Departments Involved

1. The main government departments and leading groups involved in the MDP include the County Agricultural Development Office, County Administration of National and Religious Affairs, County Forestry Bureau, County Women’s Association, World Bank Financed Project Leading Group, etc. The reasons for selecting them are as follows:

1) County Agricultural Development Office: main responsible unit of the project. The main task of this unit is to strengthen the agricultural infrastructure construction, improve the agricultural production conditions and overall agricultural production capacity. The Office has above 10 years’ experience in integrated agricultural development and has now finished the low/medium yield field modification in 11 Xiangs/towns in the Wushui, Pingxi, Xixi basins, benefiting 21,000 farmer families and 94,000 people. This experience will be very helpful for their development of the camphor tree project.

2) Administration of National and Religious Affairs: department responsible for national and religious affairs, with quite a comprehensive perception of the nationalities in the county,
can direct the project staff to respect the history and culture of every nationality and do the work better in the minority areas.

3) Forestry Bureau & Women’s Association: Since the camphor tree project involves forestry and women participants, the MDP must be formulated and executed with the assistance of the Forestry Bureau and the Women’s Association.

4) World Bank Financed Project Leading Group: Before this project’s execution, there is little experience in cooperation between the County Agricultural Development Office, the Administration of National and Religious Affairs and other government agencies. In order to integrate their powers and well execute this MDP, the Xinhuang County Government has set up the World Bank Financed Project Leading Group including the county head and the chief of the County Agricultural Development Office. The Group will mainly support the County Agricultural Development Office and coordinate the cooperation between different departments.

2. Composition and task of Multi-ethnic Development Team: With the support of the World Bank Financed Project Leading Group, Agricultural Development Office has the capability to mobilize the Administration of National and Religious Affairs, Forestry Bureau and Women’s Association to participate in the execution of the MDP. The Administration of National and Religious Affairs, Forestry Bureau and Women’s Association shall assign backbone personnel to constitute the Multi-ethnic Development Team together with Agricultural Development Office’s personnel. The main task of the Multi-ethnic Development Team is the practical execution of this MDP. Before the launch of any specific activity, the team members will discuss an activity’ details; the team members will take part in the activity personnel; after the end of the activity, the members will sum up the experience timely. For example, before the “project publicity with the Eyebrow Painting Day”, the team will hold a discussion to discuss the venue, coverage and fund use of this activity; the members will take part in the activity in person based on the mutual understanding reached to give play to the professional advantage of each department; after the end of publicity, the team will hold a brief sum-up meeting to sum up the experience and make preparations for the next activity (see V, VI for details).

3. The key nongovernmental organization dealing with the government is the farmers’ association, which is a voluntary organization generated by the villagers to express their wishes and reflect their situation in the project’s operation. This farmers’ association has drawn the attention of the World Bank officials. Since its organizational power is still weak, it is planned to make them robust through the project’s execution.

IV. Relevant Measures and Arrangements

1. Since above 80% of affected farmers are minorities, disputes between farmers and the company, credit cooperative and government shall be settled on full negotiation and patient persuasion, to avoid converting any problem into a contradiction between nationalities.

2. Fully involve farmers of different nationalities in the whole course of the project: pay attention to Yao, Han and other small-population nationalities in the project areas, involve them
fairly, fully in the whole course of the project, avoid destroying the present situation of harmony between them.

3. Fully respect and protect the minorities’ traditional customs and religious faiths.

4. Conduct centralized training and on-site demonstration on all farmers involved in the project by means of project training courses, provide technical services to farmers by distributing technical materials.

5. In the general education of the MDP, give special health knowledge education to women.

6. Be fully concerned about the participation of local women and youth in training and the project company’s offering of job opportunities.

7. The government and project company shall coordinate each other to secure different funds, e.g., technical training expenses, village guidance expenses, road expansion cost, etc.

8. In respect of credit, provide small-grant loans to farmers through the rural credit cooperative to support the production fund for the project.

9. Since the finance of the project county is very strained, the provincial project office has planned to offer the counterpart fund that should have been financed by the county.

10. It is planned to continue to use the recovered compensated funds in the economic development of minority areas, using the funds for roads and bridges building is a first consideration.

11. Strive for other development projects to support the project areas, to improve the infrastructure in the project areas.

12. Explain the detailed contract rules to farmers, provide contract notarization and legal aid services.

13. Support farmers’ interests through such departments as people’s congress, complaint letter and visit office, economic administration and agricultural development offices.

14. Construct roads and bridges for villagers in stages to solve the most worrying traffic problem.

15. Boost the project steadily, avoid rash advance and formalism.

V. Expenses Estimate and Funding Plan

Xinhuang County is a state-level poor county that can hardly appropriates funds to develop the MDP. To execute this plan successfully, the project leading group, county agricultural development office and provincial agricultural development office have planned to appropriate RMB420,000 (about USD 50,000) from the incidental expenses of the project in full negotiation with the project company. In the project’s execution, an extra corresponding support fund may be appropriated as the case may be. The preliminary budget is:
1. Expenses for project publicity on national festivals and large gatherings: RMB120,000;

Main activities include: publicize the project on the national festivals Mar 3 (lunar calendar), Jun 6 (lunar calendar) and Dec 5 (Thrush Day) in conjunction with the national culture promotion project; publicize the latest information on the project and planting knowledge timely at periodical information centers, such as bazaars; publicize the project at fixed information release places, such as blackboard newspaper and wall newspaper, provide project training information.

2. Training expenses for national languages and cultures: 85,000yuan;

Aiming mainly at the project training staff and project staff dealing with farmers, the administration of national and religious affairs shall give them training on national languages and cultures, so that they will have the lingual and cultural knowledge necessary to communicate with different nationalities.

3. Health expenses: RMB20,000;

These are the general education expenses for women participants, aiming to initiate courses on health knowledge for women of different nationalities, present health articles, improve their sense of health.

4. Work injury expenses: RMB20,000;

Conduct education on safety in production; when injury at work arises in the project’s execution, these expenses will be used as medical expenses for the injured.

5. Credit support expenses: 35,000yuan;

These expenses will be granted to farmers in the form of small-grant loan via the credit cooperative.

6. Expenses for popularization of legal knowledge and legal aid: 40,000yuan;

Used to explain legal knowledge related to the project to farmers, reserve legal aid funds for them.

7. Expenses for natural disasters: 100,000yuan;

Give affected farmers certain compensations in case of a major natural disaster.

VI. Execution Timetable

<table>
<thead>
<tr>
<th>Time (2004-2007)</th>
<th>Activity</th>
<th>Organizer</th>
<th>Target group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 3, Jan 6 in lunar calendar every year, Thrush Day on Dec 5, regular bazaars</td>
<td>Publicity during national festivals, gatherings and bazaars</td>
<td>County national &amp; religious administration, county agricultural development office, technical department of camphor development company, each Xiang/town government, 2 village level committees, farmers’ association</td>
<td>Farmers of different nationalities in project areas and indirectly affected areas</td>
</tr>
<tr>
<td>Initial stage of project</td>
<td>National language and national cultural training</td>
<td>County national &amp; religious administration, technical department of camphor development company, county</td>
<td>Project trainers and other personnel dealing with farmers</td>
</tr>
<tr>
<td>Activity</td>
<td>Frequency</td>
<td>Implementing Body</td>
<td>Stakeholders</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td><strong>Agricultural Development</strong></td>
<td>Held annually at fixed time</td>
<td>agricultural development office, 2 village level committees, farmers’ association</td>
<td>Affected women</td>
</tr>
<tr>
<td><strong>Education on Women’s Health</strong></td>
<td>Education on women’s health</td>
<td>County women’s association, 2 village level committees, farmers’ association</td>
<td>Affected women</td>
</tr>
<tr>
<td><strong>Popularization of Legal Knowledge</strong></td>
<td>Initial and medium stages of project</td>
<td>County legal system office, county agricultural development office, Xiang/town government, 2 village level committees, farmers’ association</td>
<td>Affected farmers and volunteers</td>
</tr>
<tr>
<td><strong>Legal Aid</strong></td>
<td>Whole project execution period</td>
<td>County legal system office, county judicial bureau, complaint letter and visit office, agricultural development office, Xiang/town government, farmers’ association</td>
<td>Affected farmers asking for aid</td>
</tr>
<tr>
<td><strong>Education on Safety in Production, Compensation for Injuries</strong></td>
<td>Whole project execution period</td>
<td>County agricultural development office, county forestry bureau, project company, Xiang/town government, 2 village level committees, farmers’ association</td>
<td>Farmers of different nationalities in project areas</td>
</tr>
<tr>
<td><strong>Credit Support</strong></td>
<td>Whole project execution period</td>
<td>County agricultural development office, project company, Xiang/town government, 2 village level committees, farmers’ association</td>
<td>Farmers of different nationalities in project areas</td>
</tr>
<tr>
<td><strong>Market Development</strong></td>
<td>Whole project execution period</td>
<td>Project company, county agricultural development office, farmers’ association</td>
<td>Company’s clients</td>
</tr>
<tr>
<td><strong>Compensation for Natural Disasters</strong></td>
<td>Whole project execution period</td>
<td>County agricultural development office, project company, County national &amp; religious administration, Xiang/town government, 2 village level committees, farmers’ association</td>
<td>Farmers of different nationalities in project areas</td>
</tr>
<tr>
<td><strong>Mid-term Evaluation</strong></td>
<td>Biennially</td>
<td>Social assessment body</td>
<td></td>
</tr>
<tr>
<td><strong>Supervision and Observation of MDP Execution</strong></td>
<td>Held annually not at fixed time (except years of mid-term evaluation)</td>
<td>Social assessment body</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 4. Cow Embryo Transplantation Project Areas in Chengbu Miao Autonomous County

I. Survey of Nationalities in Project Areas

1. Geography

Chengbu is situated in EL109°58′—110°37′, NL25°58′—26°24′, being a county in mountainous areas. The county has a land area of 2647ha, of which the cultivated area is 1201ha. The total forest area is 2092ha, accounting for 79% of the total area, with a forest cover rate of 78.7%.

2. Nationalities

The construction areas of this project are Ruling Town, Maoping Town and Tingping Xiang, mainly inhabited by the Miao, Dong, Yao nationalities. See the table below for the national composition:

<table>
<thead>
<tr>
<th>National Composition in Project Areas of Hunan Chengbu Miao Autonomous County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Ruling Town</td>
</tr>
<tr>
<td>Maoping Town</td>
</tr>
<tr>
<td>Tingping Xiang</td>
</tr>
<tr>
<td>Zhuang</td>
</tr>
<tr>
<td>Tujia</td>
</tr>
<tr>
<td>Gaosha</td>
</tr>
<tr>
<td>Ruling Town</td>
</tr>
<tr>
<td>Maoping Town</td>
</tr>
<tr>
<td>Tingping Xiang</td>
</tr>
</tbody>
</table>

3. Resources

There are rich resources for cow breeding, including 1.37 million mu grasslands, over 20 places with a grassland area of above 10,000mu, 600,000mu grass mountains have been developed.

Milk, bamboo and deferred season vegetables have become the leading industries. The proportion of the traditional planting and stockbreeding has reduced from 65% in the mid 1990s to 35%, that of the milk, bamboo and deferred season vegetable industries has risen from 35% in the past to 65%, of which the gross output value of the milk industry is over 30 million yuan, accounting for 36% of the gross output value.

Above 90% of the villages in the project areas are connected to highway, 100% of the villages can use power. There are 3 fresh milk purchase stations, all specialized milk villages have established a dairy association, all staffed with milk professionals. There is a scientific system from disease prevention to scientific feeding. Most cow breeders have mastered the basic feeding knowledge and experience after several years’ practice and training, more than 95% of breeders have profited. The increasingly perfect agricultural production conditions have laid a good foundation for the further development of the dairy industry.
4. **Production**

The local people mainly deal with planting and stockbreeding; some villagers work outside. Since the cow breeding is profitable, farmers with startup fund are raising cattle, some villagers working outside have returned to the village to raise cattle. Farmers’ marketing activities center on farm and sideline products, animal and aquatic products, fruits and timber. Selling milk to the company is an important marketing activity of farmers.

The characteristic agriculture centering on the dairy industry has become an important pillar for the project areas and even the whole county. There is a good atmosphere for the development of the dairy industry, “raise cows by growing grass” has become an urgent desire of masses.

5. **Income**

The per capita income of the project Xiangs/towns is below average in the county, as shown below:

<table>
<thead>
<tr>
<th>Xiang/town</th>
<th>Ruling Town</th>
<th>Maoping</th>
<th>Tingping Xiang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita annual</td>
<td>1377.9</td>
<td>1164.27</td>
<td>1263.14</td>
</tr>
<tr>
<td>income (yuan)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The key sources of farmer household income in the project areas are cow breeding, working outside, planting of paddy rice, potato, corn and other traditional crops, anti-season vegetables, bamboo article processing, etc. In recent years, cow breeding has been the principal way to become rich.

6. **Language**

The Miao people in Chengbu can speak both the Miao language and Chinese, but don’t have the Miao written language. The Yao people also speak the Miao language. The Dong people in Changanying speak the Dong language. The minorities in Ruling Town, Maoping Town and Xiyan do not have their national languages.

7. **Culture**

The Miao, Dong, Yao nationalities in the project areas have similar folk customs and cultures, such as being hospitable, drinking oil tea and sweet wine, living by nationality and surname. The festivals are “Mar 3”, “Apr 8”, “Jun 6”. The traditional sports include walking on stills, scrambling for firecrackers, distorting shoulder pole, playing dragon lantern, squeezing nozzle tip, climbing pole, etc. The songs include folk songs, chorus and shaking song etc. The traditional dances include shaking dance, group dance, straw sandal dance, bench dance, etc.

Though the local minorities have been deeply influenced by the Han nationality historically, especially in culture, production, life and marriage, the indigenous minorities have still kept their characteristics in customs and languages.

The Miao, Dong, Yao people in Chengbu like to live together by nationality beside mountain and river. In the north Qiugang region, most people live in earth brick houses, red brick houses and brick-wood tiled houses, generally in 2 stories, the lower story for human and the upper as warehouse. Since the 1980s, a few families have begun to build modern reinforced brick masonry storied buildings and use electric cookware.
8. Relations between nationalities

The relations between different nationalities in the project areas are harmonious. While reserving their national traditions, the nationalities are glad to accept cultures from other nationalities. For example, at Aishang Village under Tingping Xiang, the respondent villagers say the nationalities have equality and there is almost no boundary of nationality.

II. Project’s Influences on Nationalities in Project Areas

1. Positive influences

   (1) Influence on local living standard: This project will fully mobilize the activity of local masses for raising cows, increase the income of farmers and the government, improve the local living standard. In the meantime, the popularization of advanced agro-techniques in this project will effectively improve the agro-technical level of local farmers and lay a good foundation for the future development. It is predicted the cow breeding scale in the project areas will be 4,000 heads, the annual increase in milk output will be 28,000t, 1,000 job opportunities for 500 cow breeders will be provided, the annual increased income of farmers will be over 18.16 million yuan.

   (2) Influence on relation between nationalities: The successful execution of the project will drive minority masses to get rich by way of technology and labor, drive their development radically, which will be significant to the steady social development. Since the local boundary between nationalities is weakening and the relations between nationalities have been harmonious. This project’s execution will not impose any negative impact on the relations between nationalities but will promote the communication between the local nationalities and help build up friendly relations.

   (3) Influence on women’s status: According to the preliminary investigation and statistics, many young adult laborers in the agricultural labor forces in the project areas are working outside in Guangdong, Zhejiang, Shanghai, etc. about 3/4 of the agricultural labor in the areas is being undertaken by women. Accordingly, the cow breeding task under this project will mainly be operated by women; the subject of popularization of the embryo transplantation and breeding techniques will also be women. While becoming rich utilizing agro-techniques, women will also enjoy higher status both at home and in the society.

   (4) Significance of environmental protection: By constructing grass slopes, cowsheds, silo bins and methane tanks, this project will be significant for environmental protection. The project will also increase the unit output of stockbreeding in the project areas, reduce the dependence of extensive dairy production on grassland resources and generate active ecological benefits by practicing rational mode of breeding and improving cow breeds.

2. Negative influences

   (1) Possible influence on local minority cultures: As far as we know, this project will impose no direct impact on the local minority cultures. However, the project execution departments will also pay close attention to this throughout the project and report any problem to the superior, the World Bank and the corresponding consulting agency.
(2) Degree of participation and differentiation in wealth: Since the project fund is limited, not every farmer with the will of participation can join the project. In addition, a small number of experienced and conditioned farmers may obtain more resources for development by going ahead; those with higher ability of learning may benefit more. These might give rise to further differentiation in wealth among local farmers and could hardly be avoided during the project. The project management departments shall endeavor to work on this field and help the groups relatively disadvantaged in project participation.

(3) Feeling lost psychologically: Though these areas are Miao habitats, there are also residents of the Han nationality and other minorities. If the nationalities with a smaller population and the disadvantaged groups in different nationalities cannot be given consideration to, the resulting psychology of loss might trigger or intensify contradictions between or inside nationalities, and will finally hinder the goal of joint prosper and development between nationalities.

(4) Adverse impact on environment: The scientific pen breeding popularized in the project design embodies the concept of environmental protection. However, if improperly handled, the pen breeding might pollute the living environment of farmers to some extent. In addition, driven by economic benefits, farmers might enlarge the scale of breeding blindly, increasing the load of livestock, so that grasslands will not be regenerated and the local environment deteriorated.

III. Institutional Capabilities of Project Execution and Managerial Bodies

All levels of integrated agricultural development offices responsible for the leadership and supervision of this project have years of experience in agricultural development and are able to obtain investments and necessary activity funds. A number of experienced project management and supervision personnel will be available to effectively coordinate the relations between project executors—Yahua Company and farmers, dairy association, 2 village level committees and government departments concerned, and have considerable capabilities in handling various contradictions and problems. Yahua Company is a strong joint-stock enterprise that has the institutional capabilities necessary for this project.

Different from other projects in Hunan, this project is directly affiliated to the provincial agricultural development office, so that the county agricultural development office is not yet fully involved in the management and supervision of this project. Considering the local government’s coordination and real time supervision will be necessary in the future project execution, it is planned to involve the county agricultural development office comprehensively in this project.

The NGO dealing with the government is mainly dairy association, which is an organization initiated by villagers spontaneously to express their wills and reflect the situations. Since its organizational power remains weak, it is planned to further develop it through the project.

IV. Relevant Measures and Arrangements

1. Since affected farmers are mostly minorities, disputes between farmers and the company, credit cooperative and government shall be settled on full negotiation and patient persuasion, to avoid converting any problem into a contradiction between nationalities.
2. In the project execution, give full consideration to the interests of Han farmers in these minority areas and give them equal opportunities in participating in the project.

3. To guarantee the equal benefit of the minorities the project areas, in the project managerial bodies and dairy association, minority masses, especially minority women, shall be fully involved.

4. Since farmers live apart, the company’s cost for organizational operation and technical training is higher, it is planned to allow for sufficient funds to ensure the execution thereof.

5. Be accurate and transparent in taking steps to ensure the company’s quality inspection on the milk provided by farmers to eliminate farmers’ fear of dark box operation by the company. Promote farmers to master the techniques to be popularized in the project forwardly with strict, accurate standard milk quality inspection, build up the idea that “whoever skillful will benefit long” among farmers.

6. The currently fixed repayment period of 3 years is too short, the World Bank and National ADO are suggested to prolong the period to about 5 years. If a farmer repays the loan with the income from selling fresh milk in full, the fund for breeding calves will be insufficient.

7. The cow epidemic prevention effort of the project will involve the local stockbreeding bureau and agricultural development office, administration of national and religious affairs to save costs and improve the efficiency.

8. The technical training and market knowledge training will be 2 important aspects in multinational developments. To guarantee the actual effect of the training, effort shall be paid in the following ways in addition to the lingual requirement:

   (1) Absorb local knowledge in the technical training;

   (2) Pay attention to the participation and training of women and youth;

   (3) Solicit opinions from local grassroots cadres in the training to decide whether it is necessary to conduct the training by sex;

   (4) The technical training will be given for technicians, dairy service personnel and milk breeders respectively. The technical training for breeders will be given in levels with different focuses. For example, for just started farmers, the training will be focused on basic management; for experienced and large-scale farmers, the focus will be breeding and epidemic prevention;

   (5) Involve all levels of technological departments: It is planned to list the modern stockbreeding technical training in the technical training programs of the county commission for science and technology, county stockbreeding bureau, county poverty relief office and county agricultural development office. The project will arrange necessary training expenses to support this.

9. A certain amount of fund will be appropriated to open cow breeding courses in association with high schools and secondary technical schools, to be given by technical experts
and selected freely by students. It is also planned to open night schools with the teaching facilities and resources of primary schools, high schools, secondary technical schools. Voluntary cow breeders may attend the night school free of charge.

10. On the traditional Miao festivals, such as Mar 3, Jun 6 and Sep 9 in the lunar calendar, the project management departments and the executive company will appropriate a certain amount of fund to conduct technical training and information transfer at the gathering points and organize the local minorities to publicize the project and general knowledge on cow breeding.

11. The local relations between nationalities are harmonious, the difference between nationalities is mainly embodied in the lingual difference. However, most minorities can comprehend and speak Chinese and read Chinese books. The project publicity and technical training can be conducted in Chinese. Based on the consideration of protecting and carrying forward the national cultures, it is still planned to use a national language (such as Miao language) or two languages in areas where the national language is popular in daily life, especially remote minority villages.

12. According to the World Bank’s pertinent provisions, investment will be made in proven projects being executed or to be executed. These projects shall include the Chengbu County stockbreeding bureau’s ongoing “5-year Dairy Technical Training Program”, Chengbu County energy office’s ongoing “Rural Methane Tank Construction Project” and Chengbu County planning bureau’s “10,000mu Natural Grassland Recovery & Harnessing Project” under preparation. As a result of negotiation between the provincial agricultural development office and Yahua Company, a certain amount of fund will be appropriated to support the dairy technical training given by the Chengbu County stockbreeding bureau. In addition, some subsidies will be provided to the county energy office’s rural methane tank construction and the planning bureau’s natural grassland recovery & harnessing project.

Therefore, we think it possible to combine the development plans of Yahua Company and the Chengbu County Government for concerted actions towards the common development goal, so that the limited funds, human and material resources can be integrated to maximize the social and economic benefits. For example, if both plan to give technical training on dairy, the parties may fully negotiate each other.

13. It is planned to appropriate a certain amount of fund in popularizing legal knowledge and offering legal aids, including the legal knowledge on contracting, interest guarantee, settlement of disputes; legal services on contract authentication, notarization, arbitration and civil action. It is planned to support farmers’ interests via the people’s congress, complaint letter and visit office, economic administration and agricultural development offices.

14. Geographically, Chengbu can be divided into high cold mountainous areas, remote mountainous areas and hilly areas. According to different natural environments and resources, a development plan that suits the environment and resources will be formulated. For the cow project, herding or pen breeding of cow, the sheep herding technique that is suitable for the environment and climate and epidemic control measures will be determined as the case may be.
V. Expenses Estimate and Funding Plan

Chengbu is a state-level poor county with rather difficult finance. To execute this MDP successfully, the provincial agricultural development office has planned to appropriate RMB830,000 (about USD 100,000) from the incidental expenses of the project in full negotiation with Yahua Company. In the project’s execution, an extra corresponding support fund may be appropriated as the case may be. The preliminary budget is:

1. Main activities include: publicity on the national festivals and major gatherings (conduct project publicity and technical popularization by way of blackboard newspaper and wall newspaper, free offering of technical manuals and project manuals on festivals and major bazaars, such as Mar 3, Apr 8, Jun 6 in the lunar calendar): 165,000yuan;

2. Bilingual training and publicity: 92,000yuan;

3. Cow breeding courses and night school courses at junior and senior high schools and secondary technical schols: 215,000yuan;

4. Popularization of legal knowledge and legal aid: 98,000yuan;

5. Expenses for cooperation with the execution of the county stockbreeding bureau’s “5-year Dairy Technical Training Program”, county energy office’s “Rural Methane Tank Construction Project”, and the county planning bureau’s “10,000mu Natural Grassland Recovery & Harnessing Project”: 260,000yuan.

VI. Execution Timetable

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Organizer</th>
<th>Target group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 3, Apr 8, Jun 6 in lunar calendar every year and large bazaars</td>
<td>Publicity during national festivals and large gatherings</td>
<td>County national &amp; religious administration, county stockbreeding bureau, Technical department of Yahua Company, each Xiang/town government, 2 village level committees, dairy association</td>
<td>Farmers of different nationalities in project areas and indirectly affected areas</td>
</tr>
<tr>
<td>Cover the whole project execution period, in step with the project’s training program</td>
<td>Bilingual training and publicity</td>
<td>Technical department of Yahua Company, county stockbreeding bureau, County national &amp; religious administration, 2 village level committees, dairy association</td>
<td>Minorities among affected farmers</td>
</tr>
<tr>
<td>Whole project execution period</td>
<td>Set up cow breeding courses and night school courses at junior/senior high schools and secondary technical schools</td>
<td>County educational committee, Yahua Company, county agricultural development office, county stockbreeding bureau, junior/senior high schools and secondary technical schools in project areas, 2 village level committees, dairy association</td>
<td>Affected farmers and their children and volunteers of different nationalities</td>
</tr>
<tr>
<td>Initial and medium stages of project</td>
<td>Popularization of legal knowledge</td>
<td>County legal system office, county agricultural development office, Xiang/town government, 2 village level committees, dairy association</td>
<td>Affected farmers and volunteers</td>
</tr>
<tr>
<td>Whole project execution period</td>
<td>Legal aid</td>
<td>County legal system office, judicial administration, complaint letter and visit office, Xiang/town government, dairy association</td>
<td>Affected farmers asking for aid</td>
</tr>
<tr>
<td>Whole project execution period</td>
<td>In support of the “5-year dairy technical training program” of</td>
<td>County stockbreeding bureau, Yahua Company, Xiang/town</td>
<td>Farmers of different nationalities in project</td>
</tr>
<tr>
<td>Activity</td>
<td>Responsible Parties</td>
<td>Farmers Impacted</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>---------------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>Whole project execution period</td>
<td>In support of the “rural methane construction project” of county energy office</td>
<td>Farmers of different nationalities in project areas</td>
<td></td>
</tr>
<tr>
<td>Whole project execution period</td>
<td>In support of the “10,000mu natural grass restoration &amp; harnessing project” of county planning bureau</td>
<td>Farmers of different nationalities in project areas</td>
<td></td>
</tr>
<tr>
<td>Whole project execution period</td>
<td>Listen to affected farmers’ complaints on illegal occupation of their land, grassland resources and handle timely</td>
<td>Affected farmers</td>
<td></td>
</tr>
<tr>
<td>Biennially</td>
<td>Mid-term evaluation</td>
<td>Social assessment body</td>
<td></td>
</tr>
<tr>
<td>Held annually not at fixed time (except years of mid-term evaluation)</td>
<td>Supervision and observation of MDP execution</td>
<td>Social assessment body</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 5. Execution of Multinational Development Plan

I. Principle of Execution

1. Policy guarantee

   Discrimination against and repulsion of minorities are strictly prohibited, any invasion into the lawful rights and interests of Han people in minority areas shall also be avoided. In the project execution, pay special attention to the minorities or Han nationality outside the main nationalities, prevent them from being unfairly treated in acquiring funds, rights and interests. The project design and execution shall fully solicit inputs from masses of different nationalities and a practical development project will be designed based on national characteristics. In the project execution, fully respect the will of different nationalities and do not force any nationality to accept any executive plan that disaccords with their subjective will.

2. Financial support

   In the project execution, give priority to the financial need of the minorities in the project areas, offer minority villages more gratuitous counterpart funds. The government will also secure all funds in a planned way outside the proposed coverage of construction to improve the infrastructure of minority villages, such as tractor plowing paths, irrigation canals, water tanks, and provide a good foundation to the project.

3. Technical support

   The project execution departments will give full play to the technical popularization personnel at the county, Xiang and village levels, boost the development, training, introduction and popularization of applied technologies, promote the departments and personnel concerned to provide better services to masses of different nationalities.

II. Strategy of Execution

1. Give full play to the county administration of national and religious affairs, so that it is informed of this project and has the consulting right for minority complaints on this project.

2. At the Chengbu project areas, establish dairy associations at the township levels; at the Xinhuang project areas, develop the existing farmer associations. Encourage and support these associations to take a full part in the project design and execution and exercise full-course supervision over the executive units of the project.

3. Ensure the equal right of participation of different nationalities in the project areas by involving them in association activities. For ethnic groups with a smaller population, relevant measures will be taken to ensure they are represented at the association.

4. The project execution units will keep in close relations with the dairy associations in Chengbu or the farmer associations in Xinhuang, the associations will have right to propose suggestions on projects involving their territorial scope. The execution units will study such suggestions and give support to those beneficial to the project’s execution.
5. Respect the experienced elderly in the project areas, exert their local knowledge and listen to their opinions and views about the project.

6. In order to ensure the equal participation of different nationalities in the project, the general local language will be used to develop publicity and technical training on the project. A nationality with special requirement for using its national language shall try to be satisfied. Specifically, the effort will cover the following aspects: a) the project manual, training materials and loan contract will be explained of taught with necessarily multiple languages based on the local national composition; b) upon contracting with the illiterate, introduce the contract in a language comprehensible to the other party; and c) in the technical training, use several major local languages. Where there is any special requirement from a nationality of a smaller population, appropriate measures will be taken, such as translation or extra training program.

7. The MDP will be implemented by the project company and many government agencies concerned, e.g., agricultural development office, national and religious administration, stockbreeding bureau or forestry bureau.

8. Since most participants in the project areas are minority women, the project managers shall listen to inputs from the women’s association.
Chapter 6. Supervision and Evaluation of Multinational Development Plan

I. Supervision Mechanism

The supervision and evaluation of the project’s execution apply also to the supervision and evaluation of the MDP’s execution. The budget for the supervision and evaluation of MDP is RMB 75,000 yuan. However, the supervision mechanism and methodology should be different. It is planned to establish 3 independent but closely cooperative mechanisms.

a. Mechanism established by farmers in the project areas;

b. Supervision and evaluation by supervisors organized by the World Bank;

c. Supervision by all levels of government supervisory departments.

II. Irregular Supervision and Observation

To ensure the MDP’s execution, irregular supervisions and observations will be conducted every year to learn about the MDP’s execution and an observation report will be submitted to the World Bank and provincial project office. Irregular supervisions and observations shall be:

a. Performed by an independent academic institution outside the province;

b. The supervisory and observational agency shall be determined through negotiation by the World Bank and provincial project office;

c. An observation report shall be submitted to the World Bank and provincial project office;

d. The observation results will be fed back to all levels of project offices for timely rectification.

The project’s social assessment is an important basis for project design and establishment, and also a compulsory procedure in the project execution and supervision. The social assessment shall cover the execution of the MDP, which shall be done in the form of staged mid-term evaluation presided by the social appraisers organized by the World Bank. Such mid-term evaluation should:

a. Be performed by an independent academic institution outside the province;

b. The evaluation agency shall be determined by the World Bank and provincial project office through negotiation;

c. Have a full understanding of the MDP’s execution, an assessment report will be submitted to the World Bank and provincial project office;

d. The observation results will be fed back to all levels of project offices for timely rectification.