

**European Investment Bank Loan
Ecological Forestation Demonstration
Project in Northwest of Liaoning
Province**

SOCIAL ASSESSMENT REPORT

Institute of Sociology Liaoning Academy of Social Science (LASS)

2013-4

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(General report)**

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1. Project overview

1.1 Background

Liaoning Province is an important old industrial base with high industrialization and urbanization levels. The rapid growth of population and economic did a lot of pressure to ecological environment. Although it has been managed and protected for many years and the total exasperate trend has been kept down, the situation of ecological construction of forestry is still very severe. Because there is high historical “arrear”, the control measures is relative lag, and the ecocline between different regions was very large. Especially the northwest region is the one which had the most fragile ecological environment in Liaoning Province. It locates the south of Khorchin desert where the annual wind erosion and water erosion is very serious and the loss of soil and water, soil denudation are still above the serious standard. Its soil erosion modulus is up to $2000\text{t/hm}^2\cdot\text{a}$. Ecological potential safety hazard is still exists. Sandstorm takes place time after time in this region every year. Drought and sandstorm created great losses to agriculture and animal husbandry. These conditions make a direct influence on the development of national economy in this region, the growth of productions and incomes of farmers. It is still the central task to construct ecological forests vigorously and to improve the ecotope in this region.

Our general secretary Hu Jintao suggested “reforestation $1.3\times 10^7\text{hm}^2$ and increase forest growing stock $4.0\times 10^{11}\text{cm}^3$ ”; the forest coverage of our province reach to 45% till 2020. To achieve these goals, we will carry out comprehensive treatment project to control soil erosion and desertification energetically under the frame of <Liaoning Province Forestry Construction Development planning Outline>. We are making great efforts to increase vegetation, green space, forest coverage and forest stand quality. At the beginning of the year 2013, State Forestry Bureau published <National wood strategy reserve base construction program>. The construction of national wood strategy reserve base will improve forest quality and productivity of forest land. It is strategic measure to maintain wood safety in our country and express forests’ multiple functions. Under these construction goals, forest for water and soil conservation and major diameter will be constructed energetically. Meanwhile, we develop Chinese-date, *Xanthoce sorbifolia* Bunge and Hanfu apple etc. characteristic ecological economic forests base to increase the management efficiency and management incomes of foresters. This will improve living standard of farmers and promote the economic development of the region.

1.2 Project overview

1.2.1 Project composition and scope

The project plan to plant 23701.0hm^2 trees in Fuxin, Zhangwu, Beipiao, Kazuo, Jianping, Chaoyang, Lingyuan, Longcheng and Shuangta etc. 9 counties (county-level

cities or districts) which belonged to Chaoyang City and Fuxin City. Among the whole area, 13450.0hm² will be planted in hard sites which account for 56.7% of the total area; 6075.0 hm² will plant poplar forests with major diameter for wood preserve which account for 25.6% of the total area; 4176 hm² will be used for economic forests which account for 17.7% of the total area.

1.2.2 Social and economic benefits

(1)Social benefits

This project will improve the ecological environment and provide a good living surrounding for people. 2611000 per•day will be provided in the project region, farmers will gain ¥195870000 income apart from labor service conversion. 2373 per•day will be provided in the project region every year.

(2) Economic benefits

This project will be benefit for forest industrial development. New economic growth points will be formed to promote regional economic development. After the project is finished, the production value will reach ¥254485000. Hereinto, timber production value ¥921831000; economic forest production value ¥1672654000. The profit is The FIRR (financial internal rate of return) is The payback time of investment is years.

1.2.3 Project impacts

The project plan to plant 23701.0hm² trees in Fuxin, Zhangwu, Beipiao, Kazuo, Jianping, Chaoyang, Lingyuan, Longcheng and Shuangta etc. 9 counties (county-level cities or districts) which belonged to Chaoyang City and Fuxin City. Among the whole area, 13450.0hm² will be planted in hard sites which account for 56.7% of the total area; 6075.0 hm² will plant poplar forests with major diameter for wood preserve which account for 25.6% of the total area; 4176 hm² will be used for economic forests which account for 17.7% of the total area.

1.2.4 Investment estimation and implementation plan

The total investment for the project is ¥480 million, hereinto, loans from European Investment Bank are €30 million, convert into ¥240 million (€1 = ¥8.0), accounting for 50% of the total investment. The domestic supporting funds are ¥240 million, accounting for 50% of the total investment. Among the domestic supporting funds, provincial supporting funds account for 15% (¥72 million), county level supporting funds account for 10% (¥48 million), forestation entities self-collected (can be commute into labor service) account for 25% (¥120 million).

2. Objective, Content and Methodology of Social Assessment

2.1 Objective of Social Assessment

It is aimed to analyze the impacts of the project on related stakeholders, identify potential social risks of the project, propose measures to reduce or avoid social risks, propose optimal project design to eliminate or reduce as much as possible negative social impacts due to the implementation of the project. As a result, the project design can be better in line with the development goal of the community where the project is located and more opportunities for the population of the project area can be provided and effects of the project implementation can be enhanced.

2.2 Social assessment content

According to the environment and social practice manual of the EIB, the social assessment team thinks that the major social impacts and risks of European Investment Bank Loan Ecological Forestation Demonstration Project in Northwest of Liaoning Province are that the forestation entities plant trees would have impacts on incomes and employments of farmers.

The main tasks of this mission include the following aspects:

- (1) To analyze the impacts of EIB loan project on farmers' income change
- (2) To analyze the impacts of EIB loan project on farmers' employment
- (3) To analyze the impacts of EIB loan project on state forest farms
- (4) To analyze the impacts of EIB loan project on vulnerable groups

2.3 Methodology of Social Assessment

It includes the following four methodologies:

(1)Collection and sorting of documents: the mission team members reviewed a large number of social assessment documents and local statistics data, visited related government departments to collect a great number of policies relating forest land contact policy and preferential policies about vulnerable groups.

(2)Seminars: A total of 8 seminars have been organized with related project people (except Longcheng district). The details of these seminars, including time, venue, participants and the content are seen in Annex 1.

(3)Interviews: The assessment team visited a number of individual contact person, vulnerable groups, manager of the forest farm and project implementation staffs who will be affected by this project (54 per •time), and conducted interviews with the affected people and beneficiaries to learn their opinion about the project and possible impacts resulted from the construction of the project.

(4)Questionnaire survey: A sample survey was conducted to survey the affected

individual contactors. A total of 122 valid questionnaires were collected, which accounts for 5% of the total number. Details of the questionnaire are seen in Annex 2.

3. Social and economic situations in the project area

3.1 Project area define

The project will affect Fuxin, Zhangwu, Beipiao, Kazuo, Jianping, Chaoyang, Lingyuan, Longcheng and Shuangta 9 counties (county-level cities or districts) which belonged to Chaoyang City and Fuxin City. The affected area will be 25156.06hm², the affected towns/streets will be 217, the affected villages/neighborhood committees will be 1901, the affected population will be 4533400 (hereinto, poverty-stricken population 516600 and rural poor population 341400). For details see table 3-1.

Table 3-1 Project impact scope

Order	Project region	Benefit scope(number)		Area (hm ²)	Population (10000)	Urban population (10000)	Rural population (10000)	Urban poor population (10000)	Rural poor population (10000)	Urban recipients (family)	Rural recipients (family)
		Towns/ streets	villages/neighborhood committees								
1	Fuxin County	36	390	6218	72.5	12.8	59.7	0.5	9.98	2000	15200
2	Zhangwu County	24	184	3641	41.5	7.7	33.8	0.5	2.7	6	1937
3	Beipiao City	36	252	44.69	58.20	17.10	41.10	4.50	2.00	18733	11068
4	Jianping County	31	259	4865	58.4	8.7	49.7	0.85	1.69	2800	4800
5	Kazuo County	22	193	2238	42.6	8.9	33.7	1.0	1.4	3200	4500
6	Lingyuan County	30	239	3278	64.98	13.53	51.45	3.12	0.94	15832	671
7	Chaoyang County	28	298	3757	57.3	3.5	53.8	0.4	13.0	1500	10000
8	Longcheng district	6	63	614.87	17.99	5.59	12.4	2.2	2	10800	1.1
9	Shuangta District	4	23	499.5	39.87	32.6	7.2	4.45	0.43	18460	2512
total		217	1901	25156.06	453.34	110.42	342.85	17.52	34.14	73331	50689.1

3.2 Project area social and economic situation

There are 9 counties in the project area, with total population of 4308400, hereinto, female population 2100900 and nonagricultural population 1044100. In the year of 2011, the provincial Per Capital GDP is ¥26087.67, the average wages of on guard staffs are ¥25153.78, rural per capital net income is ¥7174.57, the rural per capital cultivated land areas are 8006m² and rural per capital forest land areas are 0.32hm². Broadcast and TV population coverage rate are 99.44% and 94.44% respectively. 7.82 full time teachers possessed by one hundred students. 7.18 medical institutions and 26.44 medical staff possessed by ten thousand people. For details see table 3-2, 3-3, 3-4.

Table 3-2: Project area population situation

Serial number	Project region	Total families (10000)	population (10000)	Female population (10000)	Recipients (families)	Nonagricultural population (10000)
1	Fuxin County	22.70	72.50	35.80	17200	9.10
2	Zhangwu County	6.10	19.00	9.40	—	0.40
3	Beipiao City	22.20	58.20	28.60	29801	20.10
4	Jianping County	19.92	58.40	28.40	7600	12.77
5	Kazuo County	13.90	42.60	20.50	7700	8.90
6	Lingyuan County	20.68	64.98	31.03	16503	13.53
7	Chaoyang County	17.30	57.30	27.50	11470	3.50
8	Longcheng district	14.20	17.99	8.80	21000	5.59
9	Shuangta District	13.28	39.87	20.06	20972	30.52
Total		150.28	430.84	210.09	132246	104.41

Table 3-3 project main economic indicators

Serial numbe	Project region	Per capital GDP (¥)	Primary: secondary:tertiary industry ratio(%)	On guard average wages (¥)	Rural per capital net income (¥)	Rural per capital cultivated land (m ²)	Rural per capital forest land (hm ²)
1	Fuxin County	18295	1.5:1.1:1	26374	8100	4400	0.21
2	Zhangwu County	23276	1.6:3.1:1	25329	7068	5802	0.42
3	Beipiao City	39585	1:3:1.3	30886	7757	2569	0.29

Serial number	Project region	Per capital GDP (¥)	Primary: secondary:tertiary industry ratio(%)	On guard average wages (¥)	Rural per capital net income (¥)	Rural per capital cultivated land (m ²)	Rural per capital forest land (hm ²)
4	Jianping County	29904	1:3.3:1.6	25300	7416	3775	0.37
5	Kazuo County	28380	2.1:3.6:2	30094	7345	1344	0.40
6	Lingyuan County	20600	1:2.5:1.7	12150	6171	50226	0.32
7	Chaoyang County	17297	1:1.9:1.3	18990	6000	1534	0.37
8	Longcheng district	25648	1:3.3:1.6	28193	6648	1104	0.16
9	Shuangta District	31804	1:12.6:17.5	29068	8066	1300	0.34
Average		26088	—	25154	7175	8006	0.32

Table 3-4 Project main social indicators

Serial number	Project region	Full time teachers (person/100 students)	Health agency (person/100 students)	Medical personnel (person/10000)	Broadcast population coverage rate (%)	TV population coverage rate (%)
1	Fuxin County	10	7	12	100	95
2	Zhangwu County	4.2	1.8	35.5	100	85
3	Beipiao City	8.2	0.72	50	100	100
4	Jianping County	7	1.3	39	100	85
5	Kazuo County	4.3	15.8	40.8	95	96
6	Lingyuan County	6.7	11	13.01	100	99
7	Chaoyang County	9	16	16	100	90
8	Longcheng District	14	6	13.5	100	100
9	Shuangta District	7	5	18.12	100	100
Average		7.82	7.18	26.44	99.44	94.44

3.3 Project area poverty status

3.3.1 Poverty status

The project area has an obvious urban and rural “dual structure”. The poverty problem mainly existed in rural area. Laid off workers, unemployed people and low income group were the main part of urban poverty population. At present, there are 8 provincial poor counties, hereinto; Jianping County, Kazuo County and Chaoyang County are national-level poor counties (figure 2-1). The poverty population in project area is 37630000 which account for 90.33% of the total. The rural poverty population is 232300. The subsistence allowances in different regions have different

levels (table 3-5).

Table 3-5 Poverty status in project area

Project region	Fuxin	Zhangwu	Beipiao	Jianping	Kazuo	Lingyuan	Chao yang	Longcheng	Shuangta
Security standard	270	270	216	216	216	216	216	216	216
Urban registered unemployment rate (%)	4.50	——	3.23	2.90	3.90	0.20	4.50	4.30	4.10
Urban registered unemployment population (10000)	0.58	——	0.55	0.37	1.40	3.12	2.58	10.00	10.20
Actually incorporated Security standard (10000)	4.00	0.29	6.50	0.85	2.40	1.65	1.20	0.60	0.40
Rural poor population (10000) (< ¥1000)	9.98	——	0.22	1.50	1.40	0.94	1.00	2.50	0.30
Rural poverty incidence(%)	0.17	——	3.60	3.50	4.10	0.10	2.80	3.50	4.00

3.3.2 The benefit conditions of poverty population

The benefit degree of poverty population was paid special attention when designed the project process. Most of the poverty population will benefit from the project (table 3-6).

Table 3-6 the poverty conditions of the project area

Serial No.	Project region	Counties and county-level cities				Project area benefit population				Benefit ratio (%)			
		Total populaiton (10000)	Urban poverty (10000)	Rural poverty (10000)	Total poverty (10000)	Benefit population (10000)	Urban poverty (10000)	Rural poverty (10000)	Total poverty (10000)	Total population	Urban poverty (10000)	Rural poverty (10000)	Total poverty (10000)
1	Fuxin County	72.50	0.50	9.98	10.48	72.50	0.50	9.98	10.48	100	100	100	100
2	Zhangwu County	41.50	0.50	2.70	3.20	41.50	0.50	2.70	3.20	100	100	100	100
3	Beipiao City	58.20	4.50	2.00	6.50	58.20	4.50	2.00	6.50	100	100	100	100
4	Jianping County	58.40	0.85	1.69	2.54	58.40	0.85	1.69	2.54	100	100	100	100
5	Kazuo County	42.60	1.00	1.40	2.40	42.60	1.00	1.40	2.40	85	86	92	92
6	Lingyuan County	64.98	3.12	0.94	4.06	64.98	--	0.03	0.03	100	100	100	100
7	Chaoyang County	57.30	0.40	3.00	3.40	57.30	0.40	3.00	3.40	100	100	100	100
8	Longcheng District	17.99	2.20	2.00	4.20	17.99	2.20	2.00	4.20	100	100	100	100
9	Shuangta District	39.87	4.45	0.43	4.88	39.87	4.45	0.43	4.88	100	100	100	100
合计		453.34	17.52	24.14	41.66	453.34	14.40	23.23	37.63	98.33	98.44	99.11	99.11

3.4 minority conditions in project area

There are total minority populations of 379300, which accounted 8.33% of the total populations. Mainly includes Mongolian, Manchu, Hui ethnic etc. Mongolian has the most populations and Fuxin County and Kazuo County are Mongolian self-government counties. It is general that minority married with Han nationality. Most of the minority population can blend in the local culture and customs. For details see table 3-7.

Table 3-7 Minority populations' distribution of the project area

Serial No.	Project region	Minority No.	Minority population	Main nations		Living mode
				Type	Population	
1	Fuxin County	3	71230	Mongolian	60125	Live scattered
2	Zhangwu County	5	87575	Mongolian	45021	Settle
3	Beipiao City	24	35431	Mongolian	30641	Settle
4	Jianping County	13	20200	Mongolian	15000	Live scattered
5	Kazuo County	19	75292	Mongolian	73020	Settle
6	Lingyuan County	22	46000	Mongolian	22000	Live scattered
7	Chaoyang County	18	33405	Mongolian	31897	Community
8	Longcheng District	13	9200	Mongolian	8500	Patchwork
9	Shuangta District	12	986	Mongolian	883	Patchwork
Total			379319		287087	

4. Main stakeholder analysis

4.1 Identification of Stakeholders

The main stakeholders of this project include: all parties that have direct or indirect benefit relationships and affects on project success. The construction of this project will make positive or negative impacts on different people or institutes. The main stakeholders of this project include: benefit group, peasant household, vulnerable groups, forest farm workers, forest farm managers, local government, the project institution, the design institution and the implementation institution.

4.2 Main demands of stakeholders

Different stakeholders have different demands. It is good for identifying main social matters, avoiding potential social risks and promoting achievement of the project. After using questionnaire survey, interview, informal discussion, observation etc. methods, we communicated with main stakeholders sufficiently. For details see table 4-1.

Table 4-1 Demands analysis of stakeholders the project referred

Serial No.	Main stakeholders	Demands
1	Benefit groups	Improve living condition, environment quality and diminish the impacts of project construction
2	Peasant household	Improve incomes and living standard. Provide some professional skill guidance.
3	Vulnerable groups	Provide fair chance to join the project. Improve incomes and living standard. Provide some professional skill guidance.
4	Forest farm workers	Improve incomes and living standard. Provide some professional skill guidance.
5	Forest farm manager	Increase forestation scales and general incomes. Provide some professional skill trainings.

4.3 Main stakeholders impact analysis

The construction of this project will bring different impacts to different stakeholders. It is effectively to distinguish, control and avoid the social risks that through analyzing impacts on the main stakeholders.

Table 4-2 Impacts analyzing of stakeholders

stakeholders	Roles	Positive	Negative	Incidence
Local residents	Beneficiary	Improved environment quality	Noise; raise dusts; traffic jam and so on.	More positive
Farmers	Contractor	Improve living standard and increase incomes	Low rate of return to investment	More positive
Vulnerable groups (low income families)	Contractor	Improve living standard and increase incomes	Low rate of return to investment	More positive
Forest farm workers	Contractor	Improve living standard and increase incomes	Low rate of return to investment	More positive
Forest farm managers	Contractor	Increase forestation scale and increase total incomes.	Not obvious economic benefits	More positive
Local government	Management organization	Improve environment and city overall image	Maybe need more government funding	More positive
Enforcement body	Management organization	Acquire ecological and economic benefits	Obstruction in construction progress	More positive
Design organization	Serving	Acquire design fees	Can't reach the design objectives.	More positive

4.4 Impact analysis of peasant household individual contract forest land

4.4.1 Scope of influence definition

From the analysis of table 4-2, we can see that living standards and economic incomes of peasant household will have more impacts from the project. The number of the peasant household impacted by the project is 3328, hereinto, 112 are minimum living standard families and 173 are needy households. The forest land areas of peasants joined voluntarily are 15800hm² which accounted 66.5% of the total forestation areas. For details see table 4-3 and table 4-4.

Serial No.	Project region	Difficult sites water and soil conservation	Poplar large-size timber repertory forests	Economic forests (hm ²)	Total (hm ²)
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		forests (hm ²)		(hm ²)				
		State	Individual	State	Individual	State	Individual	
1	Fuxin County	1115	—	2100	—	186	—	2401
2	Zhangwu County	—	—	2400	—	—	264	2664
3	Beipiao City	—	2426	315	20	—	234	2995
4	Jianping County	300	367	1418	334	300	1034	3753
5	Kazuo County	625	1534	59	99	—	280	2597
6	Lingyuan County	—	2255	—	109	—	598	2962
7	Chaoyang County	—	2709	119	41	—	210	3079
8	Longcheng District	—	800	—	40	—	974	1814
9	Shuangta District	—	1319	—	20	—	122	1461
Total		2040	11410	5411	663	486	3716	23726

Table 4-3 Forestation scales of this project

Table 4-4 Peasant households joined voluntarily in the project

Serial No.	Project region	Town	Villages	Households	Minimum living standard households	Needy households	Own plow lands (hm ²)	Own forest lands (hm ²)	Forestation lands joined in this project (hm ²)	Difficult sites water and soil conservation forests (hm ²)	Poplar large-size timber repertory forests (hm ²)	Economic forests (hm ²)
1	Fuxin County	--	--	--	--	--	--	--	--	--	--	—
2	Zhangwu County	4	12	67	--	--	23	420	264	--	--	264
3	Beipiao City	25	59	194	3	8	106	2934	2680	2426	20	234
4	Jianping County	10	59	735	15	15	21	280	1735	367	334	1034
5	Kazuo County	21	79	1140	93	135	690	2212	1913	1534	99	280
6	Lingyuan County	12	54	134	--	--		--	2962	2255	109	598
7	Chaoyang County	20	48	774	--	--	26	8640	2960	2709	41	210
8	Longcheng District	6	51	110	--	--	37	670	1814	800	40	974
9	Shuangta District	4	22	174	1	15	54	1808	1461	1319	20	122
Total		102	402	3328	112	173	957	16964	15789	11410	663	3716

4.4.2 Incidence analysis

The social assessment team conducted questionnaire surveys to 5% of the peasant households in the project counties under the cooperation of project departments. We gave out 150 questionnaires and got 122 effective ones. For details see table 4-5.

Table 4-5 Basic information of peasant households

Name	Category	Number	Percentage %	Name	Category	Number	Percentage %
Number	Urban	30	24.6	Age	Younger than 18	0	
	Rural	92	75.4		18-40	30	24.6
Sex	Male	120	98.4		40-60	83	68.0
	Female	2	1.6		Older than 60	9	7.4
Minority	Yes	104	85.2	Education degree	Primary school or worse	12	9.8
	No	18	14.7		Junior high school	41	33.6
Professional skills	Agricultural skill	84	68.9		Senior high school	18	14.8
	Non-agricultural skill	5	4.1		Technical Secondary school	14	11.5
	Other skills	33	27.0		Junior college or better	37	30.3
Minimum Living Standard	Yes	9	7.4				
	No	113	92.6				

The peasant households whose incomes are above ¥20000, accounted 46.7% of the total. Main incomes of them are agricultural income and service income. Expenditure of households that are more than ¥20000, accounted 41.8% of the total. The expenditures mainly are education, daily living equipments and productive consumption. Forestry incomes make up a small proportion. So it has a big development space. For details see table 4-6.

Table 4-6 Individual contactor household income and expenditure general information in 2012

Name	Category (¥)	Number	Percentage %	Name	Category (¥)	Number	Percentage %
Total household incomes	Less than 2000	3	2.5	Income proportions	More than 50% (forestry)	3	2.5
	2000-5000	9	7.4		More than 50% (agriculture)	55	45.1
	5000-10000	18	14.8		More than 50% (forestry and agriculture)	7	5.7
	10000-20000	35	28.7		Mainly depends on other revenue	57	46.7
	More than 20000	57	46.7	Expenditure proportions	Child education	35	28.7
Total household expenditures	Less than 2000	1	0.8		Support the old	1	0.8
	2000-5000	6	4.9		Daily living equipments	36	29.5
	5000-10000	24	19.7		Illness	3	2.5
	10000-20000	40	32.8		Productive consumption	34	27.9
	More than 20000	51	41.8		Offer presents	13	10.7

The placement will survey found that farmers are willing to participate in the reforestation project of the European Investment Bank, 79.5% of the farmers want to participate in the project can increase the family income, and 68.9% of the farmers want to get technical training, the Government can provide employment information or one year in advance of inform. For details see Table 4-7.

Table 4-7 Will survey of individual contactors participate the project

Name	Category	Number	Percentage %	Name	Category	Number	Percentage %
Participation desire	Increase incomes	97	79.5	Helps they want	Technical training	84	68.9
	Increase employment chance	8	6.6		Employment information	9	7.4
	Improve environment	17	13.6		Inform in advance(1 year)	13	10.7
	Other impacts	0	0		Other	16	13.1

5. Social Risks and Mitigation Measures

5.1 Social risks identification

Due to the social and economic background of the project area and the project's characteristics, different projects have different social assessment key points. The social factors which made significant impacts on project's preparation and construction should be conducted a survey, analysis. Make social design about relevant issues. It is convenient to avoid social risks and arrange effective measures that identification of social risks. The assessment team conducted field survey in the project area and made questionnaires, interviews, informal discussions with stakeholders. The potential social risks are mainly several aspects below:

(1) Conflicts between residents and construction departments. The project construction will inevitably increase traffic pressure and bring certain hidden danger, thus plague residents' life. If these negative impacts can't be avoided or decreased, conflicts will be easily caused between residents and construction departments.

(2) Conflicts between forestation entities and management departments. In the process of joining in the forestation project, principles of volunteer, fair and open should be taken. It is easy to lead to conflicts between contractor households with managements if the early stage or construction process is opacity.

(3) Peasant households will assume certain risks. Peasant households participate in the project with the premise of good rate of return on investment and increasing employments. If the project gives negative impacts on other production projects and the low rate of return on investment, the peasant households will get economic loss.

5.2 Social risks control

The assessment team suggested measures, monitoring and assessment mechanisms to make lowest social risks. The policy framework is listed in table 5-1.

Table 5-1 Project social risks control policies list

Serial No.	Locations	Policy main points
1	Fuxin County	Project implementation 1. Stick principles of volunteer, fair and open when applying the project. 2. Try to provide convenience for local residents during the construction progress. Give public notice before the construction. 3. The enforcement entity should give a macro-control on forestation scale and species. Increase the commercial crop proportion and reduce the return on investment time. Personal placement 1. The group who are in difficulties have prior to participate in this project, certain preferential policies should be provided to and increase the rate of return on investment. 2. Increase jobs and give prior to personnel in needy household.
2	Zhangwu County	
3	Beipiao City	
4	Jianping County	
5	Kazuo County	
6	Lingyuan County	
7	Chaoyang County	
8	Longcheng District	
9	Shuangta District	

5.3 Organization arrangement

For the smoothly implementation of measures above, Liaoning Province Forestry Department Foreign Capital Project Office takes charge of organizing relevant institutions to carry out these measures.

(1) Project design institution. This institution takes charge of site selection, lines and techniques optimization, and identification of a reasonable project scale. Designers fully adopt their views and suggestions through interviews with farmers and local people in the project area on the basis of the full study the natural and cultural environment of the project area. Avoid the flora and fauna conservation as much as possible on the site selection and design of the range.

(2) Project implementation institution. Primarily responsible for the implementation of the project and the implementation of the funds; consult with the residents about transportation, living environment, safety and other aspects of the impacts brought during the construction of the project so as to gain their understanding and support, and give positive thought to the measures that may reduce the impacts.

(3) Labor and Social Security Bureau. They are primarily responsible for the labor employment placement, on-the-job training and other works.

(4) Bureau of Civil Affairs. They are primarily responsible for the identification of the minimum living standard security population including in the project areas. And supervision costs associated with vulnerable groups to support the implementation of the policy.

(5) Price Bureau, Finance Bureau. Implementation of the costs associated with

policies to support vulnerable groups and be responsible for overseeing the implementation of related policies.

5.4 Public participations

Based on national, provincial and Cities, Counties ecological forestry policies and regulations, the implementation and organization work should be further improved to safeguard the legitimate rights and interests of farmers and reduce complaints and dispute, and to achieve the goal of proper resettlement. In phases of resettlement policy formulation, planning and implementation stages of the project, immigrant participation and consultation (especially for vulnerable groups) will be attached great importance.

It is very necessary for further development of the project implementation of relevant policies and implementation details and doing a good job in the implementation of the organization to achieve the goal of proper resettlement that conducting public participation in the time of project preparation and implementation.

In the project preparation process, each project county government agencies, implementing agencies announced the project contracting policy to the affected people through a variety of channels and in various forms. At the same time, government authorities, implementing agencies are widely listened to the views of the affected people, and conducted extensive consultation and participation.

5.5 Campaigns appeal

In the process of preparation and implementation of the social evaluation plan of the project, a complaint mechanism was established. Complaints in four phases:

Phase 1: If the farmers dissatisfied with the voluntary participation of forestation projects, they can make oral or written protests to the village committee or project implementing agencies; if oral appeal is made, by the village committee or project implementing agencies should record the appeal in written form. The village committee or project implementing agencies should solve them within 2 weeks;

Phase 2: If farmers are still not satisfied with the decision of Phase 1, they can appeal after receiving the decision to the municipal EIB Project Management Office/ management organizations; the municipal EIB PMO/ management institutions should make a deal decision in 2 weeks.

Phase 3: If farmers are still not satisfied with the decision of Phase 2, they can appeal after receiving the decision to the provincial EIB Project Management Office/ management organizations; the provincial EIB PMO/ management institutions should make a deal decision in 2 weeks.

Phase 4: If farmers are still not satisfied with the decision of Phase 3, they can make civil court proceedings after receiving the decision according to the Civil

Procedure Law.

Contracting households could raise prosecutions for any problems in the implementation of the project, including the application of voluntariness and fairness participates in the project. The redress means will be informed to the contracting households through meetings and other means in order to let contracting households fully aware of their own right to appeal. At the same time, media tools will be used for publicity, and comments and suggestions of the contract for forestation work will be compiled into messages, and then studied and dealt with in time by all levels of the EIB-PMO. All agencies will receive grievances and complaints of the affected people, and thus reasonable expenses incurred will be paid from the PMO contingency.

5.6 Monitoring and assessment

In order to ensure the smooth implementation of social evaluation, fair and equal participation in forestation, the project conducted regular monitoring and evaluation to voluntarily participate in the implementation of reforestation activities in accordance with the EIB “environmental and social practice manual”. Monitoring includes internal monitoring of the project office and social rating agencies external independent monitoring. Monitoring and evaluation start from February 2014 and end in February 2016. According to the progress of the construction of the project counties and districts, internal monitoring and external monitoring report should be submitted every six months regularly to the EIB.

5.6.1 Internal monitoring

The Liaoning Province Forestry Department Foreign Capital Project Office takes charge of the internal monitoring. Project offices in counties and districts will coordinate the implementation to ensure comply with the principles of social evaluation plan and timetable. The purpose of internal monitoring is to maintain the functions of the counties and districts’ project offices and project implementing agencies during implementation.

5.6.2 External monitoring

External independent monitoring and evaluation mainly are regular independent monitoring and evaluation to voluntarily participate in reforestation activities by independent monitoring bodies. External independent monitoring: the functions of the forestation implementing agencies; forestation implementation schedule and compensation; contracting households’ living standards survey analysis. Independent monitoring is the evaluation of the forestation project by an independent in some implementing agencies of the project. Check all implementation activities in a comprehensive, long-term view. The independent monitoring agency will keep track of the activities of the forestation project contracting households, production and living standards of the contracting households whether to increase or at least maintain the no-project level. The independent monitoring agency will make recommendations

to the relevant implementation department based on the problems found in the monitoring, so that the problems in the implementation of contracts forestation to be resolved in time.

6. Conclusion and suggestion

6.1 Discoveries

We look forward to increasing the total forest volumes and forest coverage to weaken harmful wind and sand; prevent soil from desertification and improving the environments by creating a large-scale ecological forest, economic forest and other technical means in the region of northwest of *Liaoning Province* where ecological environment is important but fragile. In addition, the forests will conserve soil and water; increase carbon fixation and oxygen release; increase timber yield and reserve; improve the local ecological environment and improve the forest sustainable management level and increase the incomes of foresters. This project is a project where the popular will inclines.

The construction of the project could bring some social risks. Peasant households will assume certain risks. Peasant households participate in the project with the premise of good rate of return on investment and increasing employments. If the project gives negative impacts on other production projects and the low rate of return on investment, the peasant households will get economic loss. It is possible to create new poor population and a series of social problems.

Municipal, prefectural governments and project offices consulted the principle of social evaluation aim at the different nature of the risk: (1) Select reasonable tree species on the basis of full consultation, to ensure that the maximum ecological and economic benefits; (2) conduct professional trainings to contracting households to ensure that the species will be optimized cultivated. (3) According to the wishes of the individual, the exploiting entity takes charge of giving priority to the vulnerable groups to work in construction of the project; according to the wishes of the individual, governmental organizations can provide free skills trainings.

6.2 Sunggestion

In order to achieve the development goals of the project to ensure the sustainability of local socio-economic development, it is recommended to improve and strengthen further in the following ways:

(1) Optimize the design.

Take into account the requirements of the project area development and the needs of residents, especially the demands of individual farmers and disadvantaged groups when the design was made. Reduce the negative impacts by optimizing the engineering design of the project and improve the return on investment of the contracting households.

(2) Establish a long-term monitoring mechanism.

Liaoning Provincial, municipal, prefectural PMO conduct internal oversight, and make the half-yearly report on the implementation of projects to the European Central Bank, and hired an external independent monitoring agency to conduct an

independent monitoring and evaluation (twice a year).

(3) Extensive public participation.

Social evaluation team conducted extensive public participation before the project implementation. Extensive public participation should be conducted in the implementation process; opinions of stakeholders should be listened to carefully. Find the hidden problems in time.

(4) Arrange the contractors and vulnerable groups properly.

On the basis of full consultation, the government and the PMO make a macro-control on forestation size and type to improve the proportion of cash crops; to minimize the payback period; to increase ROI. The implement agencies should make a feasible program and policy before the implementation to improve the living standard and incomes of the contracting households of vulnerable groups.

(5) To provide jobs.

It is recommended that counties/districts' PMO and the implementing agencies cooperate with the local social security departments, Ethnic Affairs Commission and give priority placement in the non-technical jobs of project area to the poor, women, minorities. Improve the local living quality of vulnerable groups.

6.3 Action

(1) According to the recommendations made by social evaluation team, counties/districts' PMO has developed a social risk control programs (Table 5-1).A detailed social risk control plan will be developed before the implementation of the project.

(2) According to the recommendations made by social evaluation team, municipal PMO decide to make a long-term monitoring mechanism. Liaoning Provincial, prefectural PMO conduct internal oversight, and hired an external independent monitoring agency to conduct an independent monitoring and evaluation.

(3) According to the recommendations made by social evaluation team, the municipal governments will conduct extensive consultations with affected people to know theirs actual difficulties and listened to theirs suggestion carefully.

(4) According to the recommendations made by social evaluation team, the PMO agreed to take full account of the different characteristics of the block to determine the forestation size and species. Adjust measures to local conditions.

(5) The enforcement bodies have promised that the jobs during the project implementation process would give priority to vulnerable groups.

Annex 1: Field survey of the social evaluation team

Serial No.	Project area	Forum	Individual interview					Questionnaire survey
			Contractor	Contractor (minimum living standard)	Managers of forest farm	Managers in counties project offices	Managers in government	
1	Fuxin County	1				Chai	Gu	13
2	Zhangwu County	1	Chen x Song x			Zhao	Ma	10
3	Beipiao City	1	Mei x Ben x Chen x	Bao x	Zhang Li Wang	Pan	Li	19
4	Jianping County	1	Li x Yuan x Wang x	Wang x	Li Chang Wang Liu	Yuan	Yang	19
5	Kazuo County	1	Liu x Zhang x	Cao x	Zhang Ren Ge	Zhang	Li	14
6	Lingyuan City	1	Hu x Cui x Ma x An x			Liu	Wang	15
7	Chaoyang County	1	Ji x Pang x Li x	Yao x Gao x Yang x Wang x		Sun	Xiao chief engineer	18
8	Shuangta District	1	Lv x Wang x Zou x	Dong x		Zhang	Lin	14
Total		8	20	8	10	8	8	122

Annex 2: Questionnaire schedule

Serial No:

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European Investment Bank Loan Ecological Forestation Demonstration Project in Northwest of Liaoning Province

Affected situation of contracting households questionnaire

Survey illustration: now our province is seeking European Investment Bank loans for an ecological forestation project (European Investment Bank Loan Ecological Forestation Demonstration Project in Northwest of Liaoning Province). We decided to conduct a survey in order to accurately understand and appropriate to assess the impact of the actual situation, after consultation of all interested parties. The survey was conducted by the experts of Liaoning Academy of Social Sciences. In order to make your opinion better expressed, in order to make your wishes and requirements are better met, in order to better promote the European Investment Bank loan project, please help us to do this survey. According to the actual situation, select one answer, and fill the answer serial number in the bracket. Attention that only one answer for every question please. Thanks for your cooperation!

Date: _____ Year _____ Month _____ Day _____ County: _____

Start time: _____:_____ Ending time: _____:_____

Respondent name: _____ Householder name: _____ Call: _____

House address: _____ street(town) _____ community(village) _____ group

Basic information

- 1、sex () ①male ②female
- 2、age () ①younger than 18 ②18~40 ③41~60 ④ older than 60
- 3、nationality () ①Han ②Manchu ③Hui ④Mongolian ⑤others _____
- 4、education () ①primary school or worse ②junior high school ③senior high school
④technical secondary school and skill school ⑤junior and better
- 5、registered permanent residence () ①local urban ②local rural ③other places
- 6、low income households affirmed by government? () ①Yes ②No
- 7、what standard the government used to affirm? (★“non-low income households”needn’t fill) ()
①come or go off sentry duty/unemployed ②oldness ③physical disability ④healthy condition
⑤other _____
- 8、Personal skills: ①agricultural ②non-agricultural ③other _____

- 9、family population (live in together) _____
- 10、total cultivated land area: _____Mu (0.0667 hectares)
- 11、main crops () ①corn ②rice ③vegetables ④other_____
- 12、total forest land area: _____Mu, wood land_____Mu, non-forestland
_____Mu, suitable land for forest_____Mu
- 13、tree species plant in forest land () ①wood ②fruit ③other_____
- 14、voluntarily participate in the project_____Mu, difficult sites for soil and water
conservation forest_____Mu, Popular large-size timber repertory forest
_____Mu, economic forest_____Mu

Income and expenditure

- 15、2012 total family income: () ①2000 ②2000~5000 ③5000~10000
④10000~20000 ⑤ more than 20000

16、2012 family income composition

Serial I No.	Income composition	(¥)
1	Forestry	
2	Agricultural	
3	Part-time job (wage)	
4	commercial	
5	Other subsidiary business	
6	rental	
7	investment	
8	Minimum living standard	
9	other ()	
10	total	

- 17、2012 family incomes () ①more than half come from forestry ②more than half come from
agriculture ③more than half come from forestry and agriculture ④ mainly come from other
aspects

- 18、2012 total expenditures: ①less than 2000 ②2000~5000 ③5000~10000
④10000~20000 ⑤more than 20000

19、family expenditures composition

Serial No.	Expenditure composition	(¥)
1	Productive consumption	
2	Food	
3	Clothing	
4	Education	
5	Family equipments and services	
6	Health care	
7	Traffic communication	

8	Entertainment equipments	
9	Offer presents	
10	other ()	
11	Total	

20、2012 most part of the expenditures () ①child education ②support the elderly③daily living equipments ④illness ⑤productive consumption ⑥offer presents

Participation willingness

21、 Would you like to participate in this forestation project? () ①Yes ②No

22、 What impacts do you think this project will bring to you? ()

①increase incomes ②increase employments ③improve environment ④other impacts

23、 Helps you wish for () ①.technical training ②employment information
③notice ahead of time ④other_____

24、 Your suggestion (including the project construction, operation and management aspect and so on. Please write here) :
