

The Project of Forestry Development
In Chongqing Supported By Special Loan From
European Investment Bank
(Subproject of Wulong County)

Social Impact Assessment Report

The Forestry Bureau of Wulong
Southwest University
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1. Project Introduction

1.1 Background

In order to make better use of forestry in response to the change of global climate and the development of the western region, using the foreign capital to carry out forestation project has been explored actively. The National Development and Reform Commission of China organized the provinces to apply for the special loans for forestry project from the European Investment Bank actively, and issued Notice on Utilization of the Special Loans for Forestry Project from European Investment Bank (Development and Reform Commission [2012] No. 396). The government of Wulong decides to apply for the special loans for forestry project from the European Investment Bank after deep consideration and dedicated deliberation, hoping that the inflow of funds and advanced management experience from Europe could help to improve the total amount of forest resources and quality, restore the ecological environment, increase the income of the farmers, help the area get out of poverty and promote the sustainable development of forestry, society and economy in Wulong county.

1.2 Project Contents and Scale

In the project, New Forestation and the Sustainable Development of Forest Ecosystem are included. In the New Forestation Projects, we need to reforest 6,400 ha, including 905 ha timber forest and 5,495 ha economic forest. The sustainable development of forest ecosystems involves the prevention and treatment of Jujube Witches' Broom (JWB) in 133 ha forest, the construction of biological shelter belts of 15 km, biological fire buffer field of 100 km and 7 fire watchtowers.

1.3 Project Goal

- (1) Reforest 6400 ha to increase the forest coverage rate of about 1.7 percentage points.
- (2) Integrated management of rocky desertification in an area of 3,999 ha to improve the status of ecologic environment and promote the ability of soil and water conservation, and maintain the ecological safety in the Three Gorges Reservoir region.
- (3) Raise the employment by increasing the income of the 200,000 farmers in the area where 20,000 farmers are poor, narrow the gap between urban and rural areas and promote the common prosperity of both.
- (4) Provide and offer technical guidance to the relevant departments and people joined the project by launching related capacity training so as to improve the overall quality and

ability to participate in the international projects of the managers.

(5)Build a large number of landscape forests to promote the restoration and reconstruction of the forest vegetation and enhance the forest ecology and environment of Fairy Mountain , Three Natural Bridge, Furong Cave and other 5A landscape greatly by forestation and the sustainable development of the forest ecosystems, contributing to the construction of Wulong park and increase the development of tourism in Wulong, as a result of ensuring there may be 20 million tourists and the tourism revenue could reach 10 billion RMB in 2020.

2. Procedures and Methods of the Assessment

2.1 Assessment Steps

2.1.1 Preparation

(1) Establish the “AGSI”, short for the assessment group of social impact and draw up operational plan and program, including the main task, tools, sampling method, the main method and members of the group.

(2) Design questionnaires and forms; collect the primary and secondary data of county, town and village through the interview of the pivot and data sheet.

(3) Collect the national and provincial information and documents concerning the development of forestry and related policies.

2.1.2 Training of Investigators

Draw up training manuals and make it as the operations guide. The investigators were trained in Wulong town, Fenglai town, Miaoya town, Yajiang town, Xiangkou town, Shuanghe town, Tudi town, Pingqiao town, Houping town, Baiyun town, Tongzi town, Changba town from April 20 to April 25 in 2013. The methods, processes and tools of the assessment were explained during the training; and how to carry out interviews, questionnaires and field surveys; The contents and methods of the social evaluation of the project were cleared about as well as how to collect and analyse the information and data of the social evaluation.

2.1.3 Field Surveys

AGSI conduct the survey according to the plans and requirements. Taking the limited time and the members of AGSI into account, a representative method of sampling has been used to elect 12 representative towns based on factors of the size of the project area, the acreage of timber and economic forest, the enthusiasm of the farmers to manage the forest and participate in the project. In the field survey, AGSI has collected 66 questionnaires of farmers, interviewed 20 village cadres, organized 12 village meeting and held 12 forums.

The social impact assessment team, consists of country forestry department and members of the AGSI, collect first-hand data and information in the county, town and villages. Investigations and consultation activities include: (1) Publicize the project, communicate and consult with the relevant departments in order to know their attitude, management model, suggestions about how to ensure the implementation of the project and so on. (2) Make a preliminary assessment of the project by interviews and referring to the policy documents of

forestry. (3) Record the data of population and resources obtained from relevant departments; (4) Interview the leadership of the town and collect the social-economic data of the selected towns; (5) Convening village meetings, interview the village cadres, farmers and investigate the resources of the village.

2.1.4 Data Analysis and Report Writing

The data collected in this assessment includes: (1) first-hand field investigation materials, such as survey information, interviews, seminar information, community resource map, and a variety of image data. (2) Project-related background material and report about project preparation works at all levels, such as project proposals and feasibility study report of the project. (3) Official statistics, such as the Statistical Yearbook of the governments at all levels, Statistical Bulletin, 12th Five- Year Plan of Social Economic, policy documents made by the government at all levels.(4) Local Chronicles.

In the references cited above, the AGSI try to apply recent statistics, which demographic, economic and social development dates are based in 2012, and these data are also official information. The statistics involved in the village are almost first-hand information of the field survey, in order to ensure the objectivity and accuracy of the data. The analysis and discussion of issues are based in the suggestions and opinions of the primary stakeholders, the project management organization and project owners, striving to be comprehensive and objective.

AGSI collated the collected primary and secondary data in the locality. AGSI will analysis and compare these data to draw a conclusion, and write a social impact assessment report.

2.2 Method of Social Impact Assessment

The participatory method is used in the whole procedure. We gather information by publicizing the survey information and consulting with public and other means, including open interviews, group interviews, scoring and sorting, matrix analysis of project impact, investment of community resources, resource mapping method and so on, ensuring that the different interest groups and different farmers participate in the project voluntarily, equally and actively. Propagate the project to the relevant government departments, villages and farmers in the form of leaflet, notice, conferences and meetings, to make more people know the purpose, aim, content and procedures of the entire project and ensure the project can be implemented smoothly.

2.2.1 Cadres Forum

AGSI holds cadres forum and the participants are government leaders, members of the Forestry Bureau, Finance Bureau, Development and Reform Bureau, Agriculture Bureau, Water Conservancy Bureau, the Environmental Protection Agency, the Women's Federation, the National Bureau of Religious Affairs, Cultural Affairs and other departments. The content of the meeting includes: (1) illustrate the basic information of the project and the intention of the symposium to the principal leaders of relevant departments and counties; (2) listen to the cognition, attitude, advices and recommendations of local leaders about the project; (3) carry out interviews and fill out the questionnaire.

2.2.2 Hold Village Meetings

In the major surveyed villages, hold village meetings about the main stakeholder. The village meetings should pay attention to the interest of the poor households, minorities and women, especially the vulnerable groups. In order to encourage more villagers to participate in consultations, we should hold meetings in a convenient time and place of the village in various forms ensuring the most participation. The meeting could be host by the leaders but the evaluation team must have consideration of the project requirements, attitudes, expectations and recommendations.

2.2.3 Questionnaire

The assessment has designed various questionnaires. On the basis of field surveys, AGSI also need to interview the major stakeholders. The survey sample covers the different types of interest groups, and it also pays special attention to the appeals and demands of vulnerable groups such as women, minorities and poor households. The number of the valid questionnaires is 66, and the resident ranging from 30 to 50 years old account for 80.30% of the total number of the total sample, among which most of the residents are 40 to 50 years old, accounting for 48.48% of the total sample. In terms of ethnic composition, nationalities of the surveyed party are Han, Tujia, Miao, and Gelao among which the proportion of Han respondents is 80.30% of the total number of respondents, the proportion of Tujia is 7.58%, and the proportion of Miao is 10.61% and the proportion of Gelao is 1.51%.

2.2.4 In-depth Interview

In the major survey areas, AGSI has carried out deep interview, including a certain proportion of women, minorities and poor households, among which low-income households, middle-income households and high-income households account for corresponding proportion. Interviews take place at the appropriate time after the village meeting, at home, on farms or other suitable place.

The assessment focuses on the surveys of village and interviews. We identify the stakeholders and the impact of the project through the interviews of the village cadres, and we collect socio-economic data of the village to fill in the socio-economic data table. Participants are determined by the degree of rich and poor through scoring and sorting. Then we investigate the participants to understand the behavior, resource management and livelihood characteristics of farmers in forestry production. We go over the land resources of the village to have a concept of the utilization of forest and vegetation, the growth condition of the forest and the pattern of land use. The AGSI pay special attention to the women and poor households when interviewing the stakeholder.

2.3 The Main Findings and Suggestions

There are three main suggestions: (1) The project is suitable in Wulong County, the area is suitable for forestation and have much support from the government, better recognition of the project of the villagers, and aspiration to join the project of the special groups such as women. (2) The project has positive influence on Wulong County. Most residents believe that the project will improve the economic income of farmers, improve the ecological environment, promote local employment and promote ethnic equality and the equality between men and women. (3) The adverse effects also exist. The project may limit food production of this area, because forestation may reduce the arable land. The suggestion is to attach importance to the design before the project; barren land and pasture which are suitable for forestation should be priority in order to ensure the production of local food. The development should be appropriate according to the actual situation around, and the distribution of benefits should be paid great attention. By these it is suitable for Wulong County to conduct the projects, for it has a great positive impact on the society. But the negative impacts could be avoided as much as possible, besides, the project will make a significant contribution to the economic and social development in Wulong County.

3. The Basic Situation in Wulong

3.1 The Social-economic Condition of the County

3.1.1 Geography

Wulong County locates in the southeast edge of Chongqing and the lower reaches of Wujiang River. It is in the middle of Wuling Mountain and Dalou Mountain, located at longitude 107 ° 14 ' ~ 108 ° 05' north ,latitude 29 ° 02 'to 29 ° 40' east, the length is 82.7km from east to west and 75 km from north to south. The county covers an area of 2901.3 square kilometers. The Pengshui Tujia and Miao Autonomous County locates in the east, Miao Autonomous County of Guizhou Provincial locates in the south, Nanchuan area and Fuling District locates in the west, and Fengdu County locates in the north. It is a meeting point of Chongqing in geography and 128 km away from Chongqing city, besides, it is called the “Door of Chongqing and Guizhou ” since ancient times.

3.1.2 Social-economic Condition

Wulong County covers an area of 2901.3 square kilometers, it has 26 townships and 186 administrative villages with a total population of 412,700. There are 13 minorities living here, such as Han, Miao, Tujia and Gelao. Wulong County is called the Eco-museum of Karst because of the magnificent of Lou mountains and Wuling and the scenery in Wujiang River. It is one of the nine regions which are chosen both as the World Natural Heritage and 5A-Class National Tourist Scenic.

Wulong County is a poor county which supported by the state and its main industry is agriculture. In 2011, the GDP of the county is 8.658 billion RMB, the local fiscal revenue is 1.14 billion RMB, the total retail sales of goods is 2.657 billion RMB , the average income in control is 18,030 RMB, the net income of rural residents is 5,792 RMB and the tourism revenue is 5.5 billion RMB. At the end of 2011, the deposit of the county is 8.2 billion RMB and the loan is 9.1 billion RMB. The employees are 248,300 in the county and 76,200 in the town. The employees are 121,600 in primary industry, 53,100 in secondary industry and 73,600 in tertiary industry.

In these areas, the population is 233,000; almost 172,000 of them are engaged in farming and the labor is rich. So the rich labor resources can fully meet the needs of the project, while the project can provide a way for the farmers to get rich.

3.1.3 Land Use Pattern

The total land area of Wulong County is 290,133.33 ha, of which 67,666.67 ha are

agricultural land, 192,533.33 ha are forest land, 1380 ha are land difficult to use and 28,553.33 ha are other kind of land. 15,666.67 ha agricultural land has a slope greater than 25 degrees, 18,566.67 ha of forest lands are barren hills, 8333.33 ha lands can be used for forestation. In addition, there are 26,666.67 ha forest needs to be rehabilitated.

3.1.4 Forestry Situation

There is a large area of forest land in Wulong County, forest land area is 104,666.67 ha, accounting for 54.4%; open forest land is 1733.33 ha, accounting for 0.9%; shrub land is 54,266.67 ha, accounting for 28.2%, special shrub land is 31,400 ha; immature forest is 9,000 ha, accounting for 4.7%; nursery is 40 ha; non-forest land is 22,533.33 ha, accounting for 11.6%. According to the survey, there are more than 200 families and more than 1,500 species vascular plants in the county, of which silver fir, dove and Cyathea are protected plants.

In 2011, the forestry industry output value was 32.6 billion RMB and the average income of farmer reached 600 RMB. Besides, there are 68 forestry enterprises and 60 forestry tourist towns. Industrial raw material forest base, high quality bamboo base, spices (pepper-based) base, traditional Chinese medicine base, dried fruit-based forest food base and flower base have been built, covering a area of 473,333.33 ha, 166,666.67 ha, 53,333.33 ha, 100,000 ha, 46,666.67 ha and 27,333.33 ha respectively. In 2011, the forestry industry value reached 0.85 billion RMB, becoming an important force in boosting economic development and the income of the farmers. Fairy Mountain National Forest Park received a total number of 3.6 million tourists and the tourism revenue is 0.248 billion RMB in 2011.

3.2 The Social-economic Condition of Project Area

3.2.1. The Project Scope

Xiangkou town, Huangying town, Yangjiao town, Changba ongzi town, iron town, Land town, Jielong Town, Baiyun town, Houping town and the Fairy Forest Farm, Baimashan forest are going to carry out the project.

Typical sample survey method has been used to understand the economic and social situation of the project area. The survey covers Xiangkou town, **Wenfu** town, Pingqiao town, **Houping town**, **Shiqiao** town, we survey a typical village in each town. The total number of sample is 9,497, accounting for 2.32% of the total population of Wulong County.

3.2.2. The Population , Employment and Land Use Features

(1) The demographic situation

There are 9,497 people in the surveyed towns, including 4,947 males, 4,653 females. 5,823 people are labor force, including 3,034 males, 2,689 females. There are 2,694 people

working in the town perennially, including 1,286 males and 1,408 females. Because most of the men work outside the home, so the number of the women is higher slightly.

(2) Employment status

Among the 1647 surveyed families, the residents of the 1,294 families make a living by agriculture and forestry; others almost go out to work. In project area, 937 families are engaged in forestry, accounting for 35.39% of the total. But 851 families are also engaged in other industry, there are 86 people only engaged in the forestry and forestry plantations is their main income; The net income of rural residents in the project area is 5,775 RMB/year. There are 3,158 residents working outside, accounting for 32.25% of the total number, most of them are engaged in the construction industry, making 190 RMB per day.

Table 1: population in project area unit(person)

Project town	Project village	Resident	Male	Female	Labor force	Male	Female	Labor force in town	Male	Female
Wenfu	Xinglong	1402	698	704	836	395	341	461	160	301
Xiangkou	Zongxing	2930	1612	1318	1820	1000	820	850	373	477
Houping	Gaoping	1427	720	707	956	481	475	425	203	222
Shiqiao	Tianchi	1603	853	853	1080	600	480	450	300	150
Pingzhen	Honglong	2135	1064	1071	1131	558	573	508	250	258
total		9497	4947	4653	5823	3034	2689	2694	1286	1408

Table 2: Residents occupational condition

Project village	Total number (family)	Totally dependent on agriculture (family)	Partly dependent on agriculture (family)	Areas (hectare)	Only do forestry (family)	Areas (hectare)	Net income (RMB)	Work outside (person)	Average salary work outside (RMB)	Job type
Xinglong	392	392	392	1546.47	0	0	4900	520	200	construction industry
Zhongxing	724	301	298	518	3	43.33	6750	1000	150	construction industry <i>service industry</i>
Gaoping	425	0	0	0	0	0	7610	560	200	construction industry <i>service industry</i>
Tianchi	471	220	140	113.33	80	106.67	3840	490	200	construction industry <i>factory</i>
Honglong	635	381	21	20	3	14	—	588	200	construction industry <i>manufacturing industry</i>
total	2647	1294	851	1731.6	86	164	5775	3158	190	—

(2) Farmland and woodland Resources

Farmland and woodland Resources is rich in project area. There are 1035.67 ha Farmland, including 311.07 ha paddy farmland, 724.60 ha dry farmland, accounting for 30.04% and 69.96% respectively. The area of woodland is 4,226.13 ha in the surveyed project area, only 534.33 ha belong to the collectivity, the area of cropland is 2438.47 ha, most of which have been contracted to households; the area of barren hills and grasslands is 494.20 ha, most of them have been contracted to households, too. In the construction of the project, the barren hills and grassland could be developed to be the base of project.

Table 3: land use and ownership unit (ha)

Project village	Farmland	Submerged soil	upland	Forest land	privately farmed hilly land	Hills	Construct to household	Barren hills and grasslands	Construct done
Xinglong	32.33	14.33	18.00	1546.47	501.00	1045.47	1045.47	214.20	0.00
Zhongxing	422.67	54.00	368.67	1253.33	—	—	—	13.33	13.33
Gaoping	115.27	37.33	77.93	133.00	0.00	133.00	133.00	—	—
Tianchi	360.00	113.33	246.67	1133.33	33.33	1100.00	1100.00	266.67	266.67
Honglong	105.40	92.07	13.33	160.00	0.00	160.00	160.00	—	—
total	1035.67	311.07	724.60	4226.13	534.33	2438.47	2438.47	494.20	280.00

3.2.3. Education Situation

In aspect of the education in project area, 40.10% of the population's education level is middle school, 28.7% of the population's education level is primary school or below, 17.51% of the population's education level is high school or polytechnic school, only a few receive the education in university or above, accounting for 0.07%

Table 4: Education level of residents

Project village	Primary school or below	Middle school	High school	college	graduate or above
Xinglong	25.46%	34.59%	2.92%	0.93%	0.07%
Zhongxing	5.02%	69.76%	19.97%	5.26%	0.00%
Gaoping	53.68%	23.13%	12.61%	5.75%	0.28%
Tianchi	9.36%	62.38%	17.47%	2.81%	0.00%
Honglong	49.98%	10.63%	34.57%	0.47%	0.00%
average	28.70%	40.10%	17.51%	3.04%	0.07%

3.2.4. Infrastructure Construction

In aspect of the infrastructure, the road, electricity, water coverage could meet the needs of the villagers, only the villagers in Tiansheng village refer to the water from the well.

Table 5: Infrastructure construction

Project village	Road	Electricity	Clean drinking water
Xinglong	Village roads	Every family is powered	Well water
Zhongxing	Village roads	Every family is powered	Running water
Gaoping	Village roads	Every family is powered	Running water
Tianchi	Village roads	Every family is powered	Running water
Honglong	Village roads	Every family is powered	Running water

3.2.5. Poverty Condition in Project Area

In aspect of the poverty of the residents in project area, the general group accounted for the vast majority of the total number, the proportion of poor households and wealthy families is rare, only a few families are wealthy.

Table 5: Poverty condition

Project village	Poor	Genera	Rich
Xinglong	20%	45%	35%
Zhongxing	14%	86.70%	3.30%
Gaoping	4%	70%	26%
Tianchi	24%	70%	6%
Honglong	22%	68%	10%

3.2.6. Residents' Forestation Behaviors

In the aspect of the participation, born village, men and women enjoy the same right to use land, participate in forestation and technical training in Tiansheng village, Qianjin village and Honglong village. It indicates that the women's rights have been enhanced greatly. Only the women in Zhongxing village have no rights to use the forest land. The right of women to use forest land, to participate in forestation and technical training has not be guaranteed in Hongyun village. In general, both men and women have right to use forest land, to participate in forestation and technical training, the women's rights have been improved so much in the era and it should continue to be strengthened to protect women's rights.

Table 7: Participate in forestation

Project village	Right to use land	Willing to plant trees	Willing to be trained
Xinglong	Both	Both	Both
Zhongxing	Men	Both	Both
Gaoping	Men	Men	Men
Tianchi	Both	Both	Both
Honglong	Both	Both	Both

4. Definition and Identification of Stakeholders

After analyzing the results of the interviews and surveys, it demonstrates that farmers, forestry cooperatives, village organizations, ethnic minorities and women are the direct stakeholders. Wulong People's Government, Forestry Bureau of Wulong, and other relevant government authorities are indirect stakeholders. They will play the default role in the project, which is designed by AGSI.

4.1 Farmers

The farmers are the direct actors of the project, but also the direct beneficiaries. In the assessment of the project, through careful survey, AGSI find that although most residents didn't run a business of forestry, but most farmers recognize the benefits of the project soon after they understand it, then they want to implement the project on their land, and accept the project management model.

In this project, the poorest farmers may live in the poorest village, and they do not have special technical and labor skills. The poorest villages always lack labor, land and forest resources. Another extreme is the large number of wealthy farmers who have a certain status in local and perhaps have business in rural areas or in town. Between these two extremes are the medium-scale farmers who account for a large proportion.

The survey shows the different participating ways: (1) Poor farmers: they do not have much woodland and they are willing to do the seasonal work. Most young farmers choose to go out to work. There are younger members working outside which is common in poor families or better families. Forestation does not require much skill, so it is always done by the poorest people. (2) General farmers: planting trees is a tradition to make a living for many farmers, especially for those live in mountain areas. In recent years, more and more farmers participate in forestation as a part of some projects of the Poverty Reduction Department or Women's Federations Department or others. (3) Wealthy farmers: generally, they do some management of the forest with the support of the local forestry department, have a certain degree of economic power, master some planting techniques, and also have considerable experience in business management.

Table 8: Comparison of farmers' effects

Farmers	Positive effect	Negative effect	Conclusion
Wealthy	have large impact on those who contract large area of barren hills and uncultivated land; better participation	no significant effect on their livelihood	the main beneficiaries
General	Have positive effect; the main participants	have a significant effect on the farmers whose main income comes from the forestry	beneficiary groups
Poor	Positive impact is less than that of wealthy farmers; weak participation	limited land, labor, and funds may limited the opportunities for participation	have risk of being marginalized

The general livelihood of farmers is working outside and a few are engaged in agriculture, forestry and processing industry. There are also some people engaged in commercial activities. In forestry, most farmers always engaged in large-scale forestation and spontaneous sporadic reforestation and the farmers do the activities by themselves, but they'll hire idle rural labor force to do the large-scale forestation.

During the survey, AGSI feel that the farmers hold a positive attitude to the projects to be implemented consistently. Farmers have various requirements of the form of managements, such as the self-employed, joint management, cooperation and other suitable mode. The farmers who participate in the project are the direct beneficiaries and those who don't participate in are the indirect beneficiaries.

4.2 Forestry Cooperation

Forestry cooperation is a form of organization. It is a mutual co-operative economic organization that the operator, the management services providers or users of similar forest products are voluntary to cooperate and manage works on the basis of household contract management. Forestry cooperation aims at providing service for the members. The members are operators who are engaged in production, managing or providing similar services of similar forest products. The purpose is to improve economy through cooperation and mutual assistance, and complete the tasks which can't be done well by single farmers, such as the implementation of the project, organization and management, the way to cooperate, labor sources, the distribution of benefits and so on.

4.3 Village Organizations

After the reform of collective forest right system, the ownership of the forest has transferred to the former villager groups and the villagers. But in few villages, the ownership of the forest still belongs to the villages. In theory, the income should be used for the community, especially on the infrastructure construction. When forestation contract is signed by villages and other stakeholders, the administrative villages play the role of delivering information to villagers. In the administrative view, the committee of the administrative villages is in the same level with administrative village, and only the leadership of the administrative village is elected officially, thus the villages is a legal unit which is only legal body to sign the contract of forestation.

The village committee is the a basic organization and transmit the intention of the upper class to the farmers and guide them because of the close relationship with the majority of farmers; on the other hand, village committee can transmit the feedbacks of the farmers to the upper class dynamically, in order to make a summary in time, correct the deficiencies and improve the quality of project construction

4.4 Minorities

In the survey, as the evaluation team entered sample villages, it will first observe the production life of the village. Then, a forum was convened to learn about their attitude to the project, to listen to their comments on the project. The team discussed with them on some of the problems in the implementation of the project, including the form of participation, tree species selection, the various effects to jointly explore ways. In the consultations, the villager has expressed their own ideas freely, put forward their own views. Learned from field surveys, the vast majority of the minority people acknowledge the basic objectives of the project and think that it will help them improve their family income, can contribute to the improvement of the ecological environment. They generally welcome it and has expressed their willingness to participate in the project. Of course, there are some people who have concerns and worries. It has the generally urgent requirements of facilities for drinking water, agricultural irrigation and rural infrastructure such as roads; it will do good if the form of participation can be chosen autonomously , and that the choice can gain respects from government department, especially in the combination of measures ; it will also do good if government officials and project office staff can be closely linked with the masses, listen to their views and demands, care about the real benefit of farmers; more loans and grants are in need ; it hoped that the implementation of the project could improve their production and living conditions as soon as

possible; it is also hoped that information, technology and management services could be provided from project office in the implementation process, to help them identify problems and reduce the risk of production inputs; it is hoped that government and the project office could provide relevant training, which must in time, effective, and can be operated nearby.

4.5 Women

The family responsibilities, social responsibility, social roles, involvement opportunity, the rights and interests of women affect their participation in the project. In the survey, such questions are asked: “who has the rights to use the forest and land”, “who is going to participate in forestation”, “who will participate in the technical training of forestation”, and only the women in Red Cloud Village don’t want to participate in forestation while the answer in the other families are given by the couple together. These findings indicate that women enjoy a higher status in the family and the factor of gender will not affect the farmers to participate in the project. With the improvement of the individual quality of women, women's social status has increased constantly, so most of them go out and participate in productive labor actively. And they have enjoyed the same rights in life, health, education, employment and other aspects with men and most women try to be more "self-esteem, self-confidence, self-reliance, self-reliance."

4.6 The County Government

The county government is an institution between the municipal government and township government and it organizes farmers to participate in the forestry project supported by the special loans from the European Investment Bank through laws and policies. County government is the main born subject of each project; County forestry department is the subordinate of the county government and the county government has the responsibility to supervise the quality of the implementation. The county government participates in the project mainly through forestry cooperative organization and cooperating with farmers. The county government has responsibility to organize during period of preparation and coordinate when implementing the project.

4.7 The County Forestry Department

The County Forestry Department is the main agent involved in the forestry and it typically performs a series of large-scale forestry projects. The County Forestry department is also the dominate force in performing the project and it operates the activities of the project directly, because it participates in projects as policy managers and it gives macro guidance to

the farmers to organize and coordinate. The County Forestry Department is the important stakeholder of the project in all matters related to forestry, ranging from policy to economic activity. The County Forestry Department plays a coordinating role in the ecological forest cultivation, and offers analysis to the villages and land involved in the project. It is the main institution to carry out the project. The township forestry station builds a bridge between villagers, the government and the villagers, the forestry sector and the villagers. The township forestry station helps the township government to make development plan and annual plan, organize and guide the group and individuals to carry out forestry production and business activities. It also promote the forestry science and technology, carry out the training of forestry technology, and offer technical advice and technical services to the villagers in all phases of the project.

4.8 Other Government Departments

Development and Reform Commission is the department to make macro decisions. In the project, it makes the development plan, coordinates the work between the forestry sector and the related departments, combines the projects related with the special loans forestry project of the European Investment Bank, makes preparation for the special loans forestry project from the European Investment Bank, organizes and guides owners and farmers to participate in the projects in the form of a cooperation.

The County Women's Federation offers the details of the women when choose the project village, and combine the projects related with the forestry project sponsored by special loans from the European Investment Bank. It also helps the Forest Service to mobilize the women to participate in the project. County Poverty Alleviation Office offers the details of the poor when choose the project village, and combine its projects with works related with the special loans forestry project of the European Investment Bank. It cooperates with the forestry sectors to alleviate poverty by forestation. County Agriculture Department offers the details of the utilization of the land when choose the project village, and provides technical services related with livestock farming and managing pasture and other when executing the project by the special loans forestry project from the European Investment Bank.

Township government is the most basic government institutions in China. In the implement of the, it helps the county government organize the company, forestry station and farmers to participate in the forestation, provides information about administrative villages when the Forestry Bureau select the project villages, combines the projects related with the special loans forestry project of the European Investment Bank, mobilizes the administrative

villages to participate in the project, and supervise the quality of the project.

5. Policies and Laws

5.1 Policies and Laws on Ecological Restoration

There're many laws relating to ecology in China, such as Forest Law of the People's Republic of China, Water Law of the People's Republic of China, Grassland Law of the People's Republic of China, Wild Animal Protection Law of the People's Republic of China, Land Conversion Project Regulations, Natural Reserve Regulation, Nature Reserves Management Regulation of the People's Republic of China and so on. Logging, hunting, fishing, reclamation, burning, mining, quarrying and other activities in protected areas are forbidden according to the Nature Reserve Management Regulations of the People's Republic of China; it also regulates housing construction standards in the region. In order to restore the ecological environment, the state has promulgated the Returning Farmland to Forest Regulations to return the farmland to forest in the nationwide.

5.2 Policies and Laws on Climate Change

In June 2007, the Chinese Government issued the National Action Plan on Climate Change and China's Scientific and Technological Actions on Climate Change. It also put forward the goal to be achieved in 2010: make significant progress on controlling of greenhouse gases emission, enhance the ability to adapt to climate change constantly, make progress in scientific research on climate change, improve public awareness of climate change greatly, and strengthen the mechanisms of institution to the climate. In addition, the government has made Law of the Cleaning Product Development, Solid Waste Pollution Prevention Law, Circular Economy Promotion Law, the Regulation of Urban Living Refuse and other laws and regulations, and issued Opinions on Accelerating the Development of Circular Economy.

5.3 Policies on Ecological Forest

In 2003, Accelerate the Development of Forestry Regulation (No.9 document) was issued, and the whole country began to compensate for public welfare forests. At the end of 2008, most of the national ecological public welfare forest has been compensated. The public welfare forests belonging to the state, groups and individuals are forbidden to be logged by Key Public Welfare Forest Districts Define Method, and the state shall give appropriate compensation if happens.

The principle of "who designated, who compensated" goes ahead, which means that the

state designated ecological public welfare forests are compensated by the state, and local forest defined by the provincial or county compensation.

In 2005, Chongqing issued various rules and regulations, combining Forest Land Protection Regulation of Chongqing with the Forest Law of the People's Republic of China, Land Law of the People's Republic of China and the relevant laws and regulations. The regulation states that the economic trees (including bamboo) occupied permanently or temporarily can get three to five times compensation according to the previous three-year average output value or the actual forestation investments and incubation costs.

5.4 Policies on Forest Ownership

According to Forest Law of the People's Republic of China, the forest resources belong to the state except those belong to the collectivity in law. The county government or upper government should record the forests and lands belonged to the state, collective and individual, and then issue the certificates to confirm the ownership and use rights. The right of the owner is protected by law and there is no unit or individual could violate it. The owner is the people who have the right to use the forests, trees and woodlands according to Forest Ownership Registration Management Regulation. The State Council department, provincial government, autonomous regions and municipalities have the right to issue forest warrants, and the registration authority should inform relevant local government of it. No unit or individual could cut forests, engaged in infrastructure and other productive activities before the ownership is resolved by Forest Ownership Disputation Processing Methods.

In July 16 of 2008, the State Forestry Administration issued Contracted Management Regulation of Collective Forest Land. According to the regulations, the contractors have the right to operate all the collective trees or land covered by vegetation for 70 years, and the contractors could apply for extending the deadline. Besides, the contractor could transfer the land to others, could use it to mortgage the loan or make it as a capital according to the policy. The system offers more rights to the contractor and mobilizes the enthusiasm of them in the use of forest resources.

5.5 Policies on Minorities

Regional Ethnic Autonomy Laws of the People's Republic of China clarify the relevant policies on ethnic affairs. Article two of the first chapter of the law states that national regional autonomy is implemented in the place minorities live in; Article 28 of the same chapter states that, the national autonomous local governments should manage and protect local natural resources. According to the laws and plans of the state, local government in

ethnic autonomous areas has priority to develop and exploit the local natural resources Article 65 states that the government should considerate the interests of the national autonomous areas when exploiting the resources and construction, then make arrangement of the areas' economic development in order to take care of the production and life of the local ethnic minorities. The State shall take measures to give some benefit compensation to national autonomous areas which output the natural resources. The preface of the Constitution made in 1982 states: the People's Republic of China is a unified multi-ethnic country made by all peoples. Equality, unity and mutual assistance has been established between peoples and it will be strengthened in future. Article 4 of the Constitution states that: all peoples share equality in the People's Republic of China. The State should guarantee the legitimate rights and interests of the minorities, build and maintain an equal, united and friendly relationship between all peoples. Discrimination, oppression of any peoples and behaviors undermining the unity of the peoples or instigating division are prohibited by laws. The state should help minorities to develop the economy and culture according to the characteristics and needs of them. In the struggle of maintaining national unity, Han chauvinism and minority chauvinism are forbidden. The state should try to promote the common prosperity of all peoples in the country. The Common Program of the Chinese People's Political Consultative Conference made in 1949 the Constitution of the People's Republic of China clearly states that the minorities have rights to maintain or reform their folkways and customs.

5.6 Policies and Laws on Women

The Constitution and the Law on the Protection of Women's Rights and Interests state that women enjoy the equal political, economic and cultural rights with men in the social and family life. The equality between men and women is a basic state policy. The state shall take necessary measures to improve various systems to protect the rights of women, and eliminate discrimination against women gradually. Discrimination, abuse, abandonment, mutilation of women is forbidden by laws. The sixth item in Law of Rural Land Contract states that women and men enjoy the equal rights in contracting the land. The legitimate rights and interests of women should be protected, and no organization or individual could deprive their right to manage the land. Mother And Baby Health Care Principles, mended Marriage Law and other laws and regulations have been revised. Besides, these laws have been strengthened by China's Women Development (1995-2000) and China's Women Development (2001-2010). Gender Consciousness has been made into the Development of Chinese Women (2011-2020), it puts forward to promote the overall development of women, promote the harmonious

development of gender, promote the development of women and economy simultaneously, protect the right of women to access to economic resources, enable women to participate in the management of social and state equally, equal women to enjoy the social security. These regulations pay special attention to the problems related to the fundamental rights of rural women.

5.7 Credit Policy (including Private Lending)

The forth item of the Credit Rule states that the activities between the borrower and the lender should follow the principles of equality, voluntariness, fairness and sincerity. The fifth item states that the lender should follow the principles of fair competition, close collaboration, and shall not engage in unfair competition. The current credit policy in China includes three aspects generally: firstly, as for the expansion of money and credit, the policy could affect the index and fluidity of money, such as making the payment ratio of consumption of automobiles and housing, loans ratio and so on. Secondly, we could guide the credit funds to the regions and industries based on the national industrial policy in order to develop the economy through various means such as subsidizing interest on loans. Thirdly, restrictive credit policy is important. We must limit the credit funds in some industries, sectors, and regions by guiding the commercial banks to adjust the credit risk rating and risk evaluation, reflecting the principle of progress.

5.8 Labor rights and Interests

There are following regulations about the rights and interests of laborers in the Lbor Law. It is explained in article 7 that in accordance with the law, laborers are entitled to participate in or set up labor unions which represents and sticks up for the legitimate rights and interests of laborers and could independently carry out legal activities.

It is addressed in article 36 that the workers' daily and weekly working time does not exceed 8 hours and 44 hours respectively in our country. Article 38 stipulates that the employees shall be ensured at least one day off every week. Article 40 elaborates that the employers shall arrange holidays for laborers at festivals likely New Year's Day, the Chinese New Year, the International Labors' Day, the National Day, and other legal holidays. It is also addressed in article 41 that the employers could increase the work time under the permission and consultation with the labor unions and workers themselves, but no more than one hour per day. And under the premise of the protecting the labors' health conditions, extra overtime

shall not exceed three hours a day and 36 hours a month. The employers shall pay the workers more salary in accordance with the following standard. (a) if the workers are arranged to doing longer, they should be paid at least 150% percent of their ordinary salary; (2) At days off, if workers are required to work and cannot be compensated for other days off, they should be paid at least 200% percent of their ordinary salary; (3) the labors asked to keep working at legal holidays should at least 300% percent of their ordinary salary. The labors are also entitled to a paid leave for those who works continuously more than one year (article 45).

Article 52: The employer must establish and optimize the system of labor health, strictly implement the national occupational safety and health regulations or standards, and promote occupational safety and health education training for workers to prevent accidents and reduce occupational hazards.

Article 54: The employer must provide laborers safe and healthy work conditions and necessary labor protection products complied with the national regulations. And the workers engaged in hazardous occupational circumstance should be guaranteed a regularly health examination.

Article 56: workers must obey the right and safe rules during the manufacturing process. Workers have the right to refuse if they are required to do irregular and dangerous operations. And they could also have the right to criticize, report and prosecute the operations that endangering their lives safety and health.

The State must establish injuries and occupational diseases statistical reporting and handling system, and provide special protection for the female workers and juvenile workers with special protection (article 57 and 58, respectively). The underage workers are more than 16 years old but no more than 18 years old.

According to the notice of Chongqing Municipal Human Resources and Social Security Bureau on the promulgation of the minimum wage standard" (2012 No. 71) , a minimum monthly wage in Wulong District is 950 yuan per month and part-time workers should at least get a hourly wage of 9.5 yuan per hour.

5.9 Complaint Mechanism

The article 77 of the Labor Law addressed that disputation occurs among the workers and the employers, the parties may apply for mediation, arbitration, litigation, and can also

resolve the problem through consultation.

Article 77: It must base on a legal, fair and timely processing principle to deal with labor disputes, protecting the legitimate rights and interests of the parties involved in a labor dispute.

Article 79: At the occurrence of labor disputes, the parties concerned could apply for mediation in the labor unities. If mediation fails and one of the parties applied for arbitration, the parties may ask the labor dispute arbitration committee for help. And any side not satisfied with the arbitral decision could take action in a court of law.

Article 80: Labor dispute mediation committee could be established within the unit, and is composed of representatives of the employers, employees and labor unities. And the chairman must be a representative of labor unities. The parties must perform the agreements reached through mediation.

Article 81: The labor dispute arbitration committee is composed of representatives of labor administrative department, the same class labor unities and employers, with a representative of labor administrative department being the director.

Article 82: One aspect of the parties should send a written application to the labor dispute arbitration committee within 60 days after the occurrence of the dispute. And the arbitral decision should be made with 60 days after the application. The parties must perform the decision if have no other objection.

Article 83: The parties that have objection against the decision could lodge a lawsuit to the people's court within 15 days from receipt of the arbitral decision. If one aspect has no objection and refuses to perform, the other aspect could apply for a compulsory execution.

Article 84: When signing collective contract, the dispute occurs. But no settlement can be reached through consultation, the labor administrative department of the local government should help to coordinate and settle. If dispute merged during perform of the collective contract and could not be solved by consultation, the parities could apply to the labour dispute arbitration committee for arbitration. The parties that have objection against the decision could lodge a lawsuit to the people's court within 15 days from receipt of the arbitral decision.

6. Main Findings of the Social Impact Assessment

6.1 A Basic Overview of the Project Stakeholders

A basic overview of the project stakeholders is reflected by site interview and method of sample survey. The findings are as follows:

6.1.1 The Basic Information of the Surveyed Parties

Table9: The basic situation of the farmers

variable	Sub item	percentage	Variable	Sub item	percentage
Education level	Primary school and below	12.12%	Religion belief	Buddhism	3.03%
	Middle school	33.33%		Islam	0.00%
	High school / secondary school	45.45%		Christian	0.00%
	College	9.09%		Local religion	4.55%
	Graduate and above	0.00%		others	0.00%
family's month-earning(RMB)	<1000	10.61%		no	92.42%
	1000-2000	33.33%	Profession	Farmer	95.45%
	2000-3000	39.39%		worker	0.00%
	3000-5000	12.12%		Business owners	0.00%
	>5000	4.55%		Employee	1.52%
Age group	18—30	7.58%		others	3.03%
	30—40	31.82%	Ethnic nationality	Han	80.30%
	40—50	48.48%		Tujia	7.58%
	50—60	9.09%		Miao	10.61%
	60—65	3.03%		Gelao	1.52%
Gender	Male	77.27%			
	female	22.73%			

In the survey of the subproject of the special loans project of the European Investment Bank, the basic situations of the beneficiaries are as follows: the proportion of men in the survey accounts for 77.27%; women accounts for 22.73%. The survey mainly focuses on farmers aged from 18 to 65; most ones are between the ages of 40-50, accounting for 48.48%. The following are farmers between the ages of 30-40, accounting for 31.82%. The number of 50-60-year-old farmers accounts for 9.09%, while the farmers older than 60 account for

3.03%. Most farmers' education level is high school, secondary school and middle school, accounting for 78.78%, only 9.09% of the farmers' education level is college. In the survey we found that: the family whose income is less than 1,000 RMB per month accounts for 10.61%. 2000 ~3000 RMB accounts for 39.39%, followed by those whose income range from 1000 to 2000 RMB, accounting for 33.33%, the income between 3000 and 5000 RMB or more than 5000 RMB account for 12.12% and 4.55% respectively. All the farmers surveyed are the Han nationality and in the investigation of religious beliefs of the farmers we found that: 92.42% of the farmers had no religion belief, 3.03% of the farmers are Buddhist, 4.55% of the farmers have belief in local religious. We also found that the 95.45% of the farmers do farming, only a small amount of them do other kind of jobs. Nationalities of the surveyed party are Han, Tujia, Miao and Gelao among which the proportion of Han respondents is the most about 80.30% of the total number of respondents, the proportion of Miao, Tujia and Gelao is 7.58%, 10.61% and 1.51%, respectively.

6.1.2 The Economic Situation of the Surveyed Family

(1) Family income

During the investigation of the basic economic conditions of rural households, the findings show that the resident population of family is mostly 4-6 and 3 persons, respectively accounting for 50.00% and 37.88%; the investigation of annual household income of farmers shows: In 2012, all farmers' annual household incomes from 20,000-50,000 accounts for 53.03% ; the number of 10,000-20,000 RMB accounts for 24.24% ; the income less than 10,000 RMB or more than 50,000 RMB accounts for a lower proportion. At the same time, the farmers' household expenses are mainly at the level of more than 8,000 RMB ,of which 8000-10,000 RMB accounts for 18.18% ; 10,000 -20,000 RMB accounts for 30.30%; 20,00-50,000 million RMB accounts for 31.82%. Expense less that 8,000 RMB or more than 50,000 RMB accounts for a lower proportion.

Table10: Basic economic conditions of rural households

variable	sub item	percentage
resident population	1	0.00%
	2	10.61%
	3	37.88%
	4-6	50.00%
	7 and above	1.52%
Household	¥ 3000	0.00%

income last year	¥ 3000-5000	4.55%
	¥ 5000-8000	6.06%
	¥ 8000-10,000	7.58%
	¥ 10,000-20,000	24.24%
	¥ 20,000-50,000	53.03%
	¥ 50,000	4.55%
Household expenses last year	¥ 3000 and below	3.03%
	¥ 3000-5000	10.61%
	¥ 5000-8000	3.03%
	¥ 8000-10,000	18.18%
	¥ 10,000-20,000	30.30%
	¥ 20,000 -50,000	31.82%
	¥ 50,000 and above	3.03%

(2) The level of family life, income and expenses

The results of survey show that the surveyed household incomes are mainly from farming income and labor income, in which the labor incomes occupy the largest share; while some residents' incomes are from aquaculture and wages.

The top three most important expenses of daily life are food, production and education. Besides, cloth, health care, entertainment and support the older also account for a relatively important position in household expenditure. The traveling expenses and others are less.

The survey finds that the standard of life of the residents in project area has been basically achieved the subsistence level, 1/3 of the residents have reached well-off level, and a few have reached the intermediate levels of affluence. According to the survey, half of the residents expressed general satisfaction of their own economic situation, but one third of them are still not satisfied with it.

6.1.3 The Situation of Minorities

In the survey of the living hobbies of the minorities in Wulong District, we find that most of the local minorities think that they have their own native language, while a few people know little about this. Among the ethnic minority residents surveyed, only a few are capable of speaking native language. The vast majority of minority residents can't speak their own language; most of the ethnic minorities have their own customs, but some traditional ethnic festivals have been disappeared or are disappearing gradually, more than 90% of minority residents do not understand the traditional festival of their own nation; some minority residents have no religion belief, and only a small proportion of residents have religious beliefs; a small number of minority have national costumes, but more than 70% of minority residents don't have; 80% of the minority's hold the view that there is no difference between

their own nation and Han. Besides, minority residents getting married with other ethnic has become a common phenomenon.

6.2 Stakeholders' Understanding of the Project and Their Attitude

Results of the investigation shows: the residents of the project area have some understanding of the project mostly by others to inform or village meetings, which means that overall advocacy work conducts well in the project area, laying a solid foundation for the implementation of the project . The residents express more concern about constructing new economic forests, while they pay little attention to the control of the pest and the transformation of the geological inefficient forest, the government should strengthen the publicity of the two aspects, indicating its importance in the construction of the project. The vast majorities of residents hold a positive attitude to the project, and are willing to support and join in it, which has laid a strong mass base for the project.

Table11: Residents' understanding of the project and their attitudes

Index	Residents' understanding of the project and their attitudes
Under standing degree of the project	All residents having some knowledge of the project indicates that a majority of residents have a basic knowledge or rather clear understanding about the project.
channels to know the project	The vast majority of residents are informed by others to know the project; other residents have became aware of the project after having participated in village meetings
attention about the project content	Essentially all of the residents are very concerned about the construction of new economic forest in the project. Half of farmers are concentrated on the newly timber forests, while few of them care for forestry pest control operation and reformation of geological inefficient economic forest.
significance of the project	The vast majority of residents believe that the project is meaningful to socio-economic and ecological environment; About 90% of the residents hold a positive attitude to the significance of the project.
Willingness to participate in the project	Basically, all of the residents are willing to participate in the project.

6.3 The Analysis of the Expected Social Benefit

6.3.1 Possible Positive Impacts of the Project

In the views of farmers, ethnic minorities or women in the project area, most of them

think it will bring positive impact whereas only a small number of residents think the project will not have a positive impact. Seeing from the perspectives of residents, more than 83.39% of them believe that the project will have a positive impact and 80% of the women and 93.26% of the minorities hold the same opinion.

Table12: The evaluation of stakeholders to the positive impact of the project

stakeholder	positive impact			
	Yes	No	Possibly	No idea
Farmer	89.39%	0.00%	7.58%	3.03%
woman	80.00%	0.00%	20.00%	0.00%
Minorities	93.26%	0.00%	1.10%	6.64%

Most of those polled said that the project will bring economic returns to them. For the farmers of the project area, the project has brought many positive effects. It has great influence on the income of farmers and improvement of the ecological environment. It has influence on restoration of the forest resources in certain degree, while it has little influence on increasing the jobs. For the women in project area, it has great influence on the increase of income and jobs. It has influence on improvement of the ecological environment in certain degree, while it has little influence on restoration of the forest resources. The ethnic minorities in the project area hold the perception that the project may bring obvious profits to them by improving the ecological environment, increasing the economic income and employment.

Table13: Positive impacts from the project

stakeholder	positive impact		
	High level of impact	general degree of impact	low degree of impact
farmer	increasing the economic income; improvement of the ecological environment	recovering forest resources	increasing employment、
woman	increasing the economic income; increasing employment	improving the ecological environment	recovering forest resources
ethnic minority	increase the economic income increase employment、 improve the ecological environment	recover forest resources、 promote the development of minority	improve the equality of men and women

6.3.2 Possible Negative Impacts of the Project

The opinions of farmers, women and minorities towards the negative impact about the project show that, none of the farmers, women and minorities thought the project will bring negative impact, and 68.18% of the farmers ,46.67% of the women and 76.75% of the minorities are sure the project will not bring negative impact. This indicates that all farmers and women are of the view that the project will not have a negative impact.

Table14: The evaluation of stakeholders to the negative impact of the project

stakeholder	negative impact			
	Yes	No	Possibly	No idea
farmer	0.00%	68.18%	22.73%	9.09%
woman	0.00%	46.67%	40.00%	13.33%
ethnic minority	0.00%	76.57%	16.29%	7.14%

The vast majority of farmers, ethnic minorities, women in the project area hold the view that the implementation of the project will not give them negative impacts. Judging from the overall perspective of the stakeholders, all farmers and women have the same opinion on the negative impact of the project. The negative impact includes limiting production, reducing income and the destruction of the customs. For minorities in the project area, the great negative effect is that the project may hinder the development in other industries, and it will also reduce income to some degree. But it has little impact on minority culture. For women in the project area, the project may bring negative impact by limiting its production in other industries; it will also reduce revenue and damage the customs.

Table15: Possible negative impacts of the project

Stakeholder	Negative impact		
	High level of impact	General degree of impact	Low degree of impact
farmer	limit production	income reduction	destruction to the customs and habits
woman	limit production	income reduction	destruction to the customs and habits
ethnic minority	Hinder the development of other industries	income reduction	acceleration in disappearance of the minority cultures

6.4 The Management Methods Farmers are Willing to Accept

From the operation and management that the farmers are willing to accept, more than half of the residents are willing to accept the co-management model with enterprise; a few

residents are willing to join in the forestry cooperatives involved in the project. But as the risk of the self-employed and Liaison forest Office model is relatively high, only a handful of residents choose the two management model. To make a conclusion, most of the residents are willing to accept the market-oriented management model led by enterprise. There is also a considerable proportion of residents who are willing to accept the forestry cooperatives economic management methods, whereas the individual and the Liaison Office are not that easy to be accepted by the residents.

6.5 The Conditions Needed for Forestry Development in the Project Area

According to the opinions about the reforestation form and species farmers willing to select, we recommended suitable forestation project in Wulong county

As for the popular forms, major famers have different preference. And the famers willing to run deciduous-conifer mixed forest and pure broadleaves forests are up to 30.30%, and those choosing broadleaved mixed forests following for 18.18%. The proportion of famers willing to participate in the forestation of pure coniferous forests and coniferous mixed forests are the least about accounting for 13.64%, 7.58%, respectively. Therefore, farmers are more willing to participate in managing the deciduous-conifer mixed forests or pure broadleaves forests.

As for the forestation type selected by farmers, in the aspect of economic forests, walnut has a proportion of up to 71.21%. And Jujube Pork Loin, Lonicera Japonica and Grapefruit forests have same lower proportion, 31.82%, 21.21%, 28.79%, respectively. In the aspect of **timber** forests, the answers are also dispersed relatively. Plantation, Cupressus Funeris, Pinus Massoniana have higher proportion of 40.91%, 39.39%, 33.33%, respectively. But only 13.64% farmers choose Toona ciliata var. pubescens forest. So we recommend planting Cryptomeria Fortunei Plantation, Pinus Massoniana and Cupressus Funeris in appropriate proportion based on the actual situation in the project.

6.6 Forestry Conditions of the Project Area

Forestry conditions of the project area were surveyed by questionnaire. Through the interviews with the villagers and cadres in Changba town, Yajiang town and Pingqiao town, we find that the development of forestry has already been covered in the village's overall development plans, 94.44% of the interviewers think that the overall development plan of village should cover the development of animal husbandry. Almost 90% of the poverty alleviation programs have been completed so far. There are forestry enterprises or forestry cooperative in almost 11% of the villages; There are forestry workers in 22% of the villages,

working in Forestry Department; There are ancient buildings of historical and cultural heritage in 5 villages, which have been protected; it is also suitable for planting trees around; The crops have been damaged by wild animals in 44% of the villages.

In the aspect of forestry situation, there are about 308.93 ha timber forest mainly and 97.73 ha economic forest in the project villages on average. Self management is the main way in project villages and 58% of the farmers think that the quality of forestation is good; 80% of reforestation seedlings are provided by the government freely. Logging is allowed in 67% of the project villages, but the number is limited. Besides, there are some regulations about forest products, wood and grazing. Ecological forest and economic forest dominate in the past project, while the use of timber is less. Department of Forestry and township government offer service about forestation, fostering, grafting, pest management and others to the villages. There was no accident happening in plantations, but low efficiency block the long-term development of the forestry projects. Most farmers think that the project village has adequate labor force, if provide the village with technical services in maintenance and management of the forestry in the future except forestation and pest controlling, the benefits can be considerable and lead many migrant workers go back home to participate in forestry projects; 89% of the interviewers think that the assessed cost of the project is reasonable. The project is fair to both the rich and the poor farmers; it will improve the economy, improve the environment of the local and increase the employment opportunities of farmers. All of the poor, medium and wealthy farmers want to participate in the project, and women's enthusiasm to participate in the projects is high.

Through the interviews, the analysis of the overall situation shows: interviewed regions are all suitable for the development of forestry projects; the local villagers are willing to participate in the forestry forestation projects and also has some experiences in the development of forestry projects. Forestry projects conducted in Wulong County will not only increase the economic income but also improve the local ecological environment. Therefore it is an significant project for the benefit of future generations.

7. Risk Identification and Controlling of the Project

7.1 Risk Identification and Controlling of the Beneficiary Groups

7.1.1 The Risk Identification of Beneficiary Groups

(1) The project area and its members are not only the beneficiaries of the project, but also the participants of the project activities, the main body of the project. Their quality and education level can be a guarantee of the success of the project, but also may become risk factors to the implementation of the project. Social impact assessment finds that there exist significant differences between the implementation of the project in ecological protection and farmers' expectation to increase incomes by participating in forestation projects. Through interviews with farmers and village cadres, it shows that the economic benefits of the project attracts their attention most, and they hope that through the implementation of the project, it will enhance the economic benefits. The projects should focus on the ecological benefit, while at the same time, take the economic interests of the farmers into consideration.

(2) The poor farmers of the project area may be marginalized in the planning and implementation of the project, particularly the decision-making process. There are significant differences between rich farmers and poor farmers in the opportunity and capacity to participate in the project. The ethnic minorities in the project area are vulnerable social groups, because they have unique social and cultural characteristics, have deep feelings towards their collective habits, living areas and natural resources. They also have customs and culture different from the mainstream culture, as well as the different economy, society, political system, the national language which is often different from the official language of the country or region. Therefore, their ability to participate in the project is relatively weak, and may be marginalized in the implementation of the project. Generally speaking, the poor households in the community have very little land resources, lack skills, lack the capacity of self-investment, lack social capital, therefore, their ability to participate in forest restoration and development projects is rather weak. As a consequence, due to the lack of ability to participate, poor households may be marginalized in the implementation of the project.

(3) The ethnic minorities in the project area are vulnerable social groups, because they have unique social and cultural characteristics, have deep feelings towards their collective habits, living areas and natural resources. Their customs and culture are different from the mainstream culture, as well as economy, society and political system, their native language is often different from the official language of the country or region. Therefore, their ability to

participate in the project is relatively weak, and may be marginalized in the implementation of the project.

7.1.2 Risk Controlling of Beneficiary Groups

(1) Strengthening publicity and enhancing the importance of the project will help. By repeatedly explaining the selected area for the project, it allows farmers to choose whether to participate in the project by themselves. For those who are not willing to participate in shall not be compelled to participate in the forestation activities.

(2) In the development of public welfare forest, it is necessary to vigorously develop the economic forest in order to increase the short-term income of the farmers.

(3) The project emphasizes the improvement of farmers' knowledge and skills. In the different stages of the project activities, for different needs of farmers, a variety of training with various contents and forms shall be carried out. The awareness of the farmers shall also be improved, through a variety of ways to increase the income from participations in the project.

(4) In order to enable the vulnerable groups to have more opportunities to participate in the project, promoting the establishment of the forestry cooperative organizations is highlighted. Paying special attention to the poor households, women and other vulnerable groups and giving them equal opportunities will attract them to join in the cooperative organization.

(5) During the consultations, it is feasible to take the initiative to invite the poor households, women and other vulnerable groups to participate in and give them full say. In the choice of projects farmers, the project is particularly concerned about the appropriate tilt to take care of the weak.

(6) Providing technical training to poor households, women and vulnerable groups so as to enhance their own ability of development is also helpful to the risk control.

(7) Encourage the minority farmers to participate in the assessment process to ensure minority farmers, especially those in remote mountain are able to participate in capacity and technical training.

(8) Ensure the participation of the representatives of ethnic minorities in the village-level project management team and professional associations of farmers / cooperatives.

(9) Cooperate with local District Ethnic Affairs Commission to gain preferential Policy for minorities.

7.2 Identification and Control of Managing Risks

7.2.1. Management Risk Identification

Management risk is primarily attributable to the implementation unit of the project management, or is due to the factors that lead to the failure of project because of mismanagement. The risks include:

(1) Capital management. The project funds include loan funds and matching funds. Capital management includes the management of the two parts; (2) planning and management; (3) the implementation of the project management.

7.2.2. The Controlling of Managing Risks

(1) Risk controlling of capital management

① Separation management of project and loan: The forestry department is only responsible for the implementation of the project, regardless of project loans. The financial department is responsible for the release, recycle and other management work of World Bank's loans. From a certain aspect of view, this may also be risky for the success of the project. To overcome this risk, the relevant departments ought to be aware of the content, meaning and objectives of the project; Secondly, we must establish communication and cooperation mechanisms between the of the project implementation department and loan administration department, and arrangement other activities of the project comprehensively.

② Account and check the project funds separately to assure embarking. Loan funds, matching funds should be paid to farmers fully and in time.

(2) Risk control of the planning and management

① The government department should well organize and coordinate the work to ensure the implementation of the project. Therefore it is important to strengthen the organization, planning and implementation.

② Unreasonable forest management measures, artificial forests, clear cutting, all reclamation, and slash burning, tending, pruning and other measures operated despite of the standard technical procedure will result in adverse ecosystem. Even if the project has no input in the industry of tourism, but in the planning and capacity building related to the project, the potential of tourism development should be taken into account.

(3) Risk control of the project's implementation and management

The function of the government departments is to serve the people, as the forestry sector, after the forest recovery, it will enhance fire prevention, hire more village rangers. The forest fire prevention headquarters should increase forest fire propaganda strength, especially in

Tomb-Sweeping Day and seasons when farmers refine mountain for forestation. It is urgent to strengthen the human and material resources, the deployment of the vehicle and cooperation.

7.3 Identification and Controlling of Natural Risks

7.3.1 Identification of Natural Risks

As we all know, forestry production are most vulnerable to the effects of natural disasters. These disasters include forest fires, pests and diseases, climate disasters. Risk analysis follows as Table 16.

Table16: Analysis Form of Natural Risk

factor	Risk analysis	the degree of risk
fire	The project area has carried out a comprehensive monitoring and suppression to supervise and prevent fires. There is a little possibility that large-scale fires happen in the project area.	general
chilling injury	Wulong County has a subtropical humid monsoon climate, with abundant sunshine, humid climate and less chilling injury and the extent of tree damage is not necessarily destructive.	smaller
typhoon	The project area is located inland. Typhoons, storms have little impact on the project.	very small
drought	Wulong County has a subtropical humid monsoon climate with a mild climate, abundant rainfall. Meanwhile by selecting tree species, adopting cultivation technology, the impact of draughts can be alleviated.	very small
pests and diseases	The project forest may attacked by pest, but the project area has established a perfect pest quarantine system and monitoring, network which is able to forecast accurately, prevent quickly.	general

7.3.2 Natural Risk Control

As for forest fire hazard, it is necessary to step up publicity to raise public awareness of fire prevention, to establish a village-level fire information officer system, to take efforts to investigate and deal with cases of forest fires; As for pests and diseases, it is necessary to improve the forecast ability of forest pests and diseases; Through the creation of a multi-species mixed forest, it will enhance stress resistance. Besides the contingency plans towards a variety of disasters is in need. Take mixed forestation mode of hardwood forest and

coniferous forest, you can increase avoidance of snow, ice disasters and pests and diseases. In technology, we operate under the effective mode provided by the upper class in order to reduce the risk of unreasonable forestation. Strengthen fire prevention publicity and the fight against the fire perpetrators to eliminate the broke out of fires; project forestation is mainly about mixed hardwood Species whose ability to resist ice and snow is great, thus natural risks can be effectively defended.

7.4 Identification and Control of Technical Risks

The subprojects of the project will provide as many training opportunities as possible for the local communities and farmers including women, the poor and ethnic minorities. The trained personnel will receive the skills to participate in the forestation. Furthermore, it can mobilize more neighboring farmers and villages to participate in the project to expand the scope of benefits, reduce the conflict between the winner of interest and the interests of the non-winner. At the same time, it is necessary to give more attention to the minority villages. Broaden the content of the training, add training subjects which though are not directly related to forestation, but contribute to the success of the project.

7.5 Identification and Control of Policy and Institution

Macroscopically, the protection of the ecological and environmental protection policy will not change, after the implementation of the forest right system reform, the national forest land ownership policy will not change for a long time, so the policy and institutional risk is minimal. The project can make the most of the overall economic efficiency of the ecology of the forest; protect and improve the ecological environment; protect ecological security of the regional land; promote stable production of foodstuffs; improve the living environment of local people; improve the income of local residents. This is in conformity with the strategic objectives in the following policies: "The decision of the Communist Party of China State Council on the development of forestry", "National eco-environmental construction planning", "Economic and Social Development", "Forestry Development in twelfth Five-Year plan and long-term planning". In aspects of specific projects, the project can draw up policies conducive to the implementation of the project through scientific design. For example, the project to encourage women to participate; the priority to the implementation of the project for the poor farmers; vulnerable groups are encouraged to actively participate in; sign the project commitment and forest land management agreement according to the policies.

7.6 Identification and Control of Market Risk

(1) The risk of market price fluctuations: fruit forests in the project area are of high quality and in high market demand. Although in recent years the fruit prices continue to rise, but as the large number of products enters the market, the fruit market in the region will still be influenced to some extent. Fruit and Chinese herbal medicines produced in the project are the ones market has huge demand. But market price fluctuates considerably; a certain degree of market risk exists. By strengthening market monitoring, paying attention to changes in market supply and demand, it will reduce the risk of price of Chinese herbal medicines by adopting a flexible marketing strategy.

(2) The risk of material price: Due to the material required for this project is few, expenses account for a small proportion in the cost, and the materials needed are all market-oriented varieties, so the price does not fluctuate greatly. Therefore this project is subject to the impact of raw material prices slightly.

7.7 The risk of Loans, Commitments and Repayments

Loans of the project are carried out and repaid by government together. The Ministry of Finance, as Chinese representative of the borrower, is responsible for loans from the European Investment Bank, and lends the money to local governments according to the nature of the project and the original loan conditions. The Public Government of Wulong, as the debtor, is responsible for timely repaying the principal and interest. Debts are in Euros; the relative funds are paid by RMB; foreign exchange risk is born by the project owner, according to the actual number. For the woodland operators, they have no risk of repayment. But the loans object of this project is the district-level financial sector, if the project risk of not repaying occurs, as one of the main stakeholders who involve in lending and loaning; there are also risks of repayment.

The following measures can be taken to control these risks: (1) The project requires the loans to be carried out and repaid by the government; the district government, district-level financial apartment should issue letter of commitment to repay the loans, draw up policies of loan repayment, clear the liability relationship, repay the reserve funds in accordance with the relevant provisions of the Ministry of Finance. The risk of loans, commitments and repayments is low. (2) A repayment reserve account should be actively set up to raise repayment reserve in order to prevent the case of the repayment risk. (3) The forestry sector shall actively promote enterprise that has the procurement capacity and other project owners by introducing the value of carbon sink, guide large enterprises and factories, large owners to

purchase carbon sink, set a new platform for exchange of carbon sink to reduce the risk of repayments.

7.8 Identification and Control of Nature Reserve's Risk

The project area is 2 km away from a nature reserve, so there is no risk of destruction of the nature reserve. But in the area which is closest to nature reserve, the forest land vegetation changes may cause changes in the nature reserve's surrounding landscape. Therefore, the planning should take full account of the planning and development needs of the project area surrounding nature reserve select the appropriate forestation mode and promote the good development of the nature reserve's surrounding ecological environment.

7.9 Identification and Control of Resettlement Risks

The project does not involve the issue of relocation, but in the implementation area, some population below the poverty line who live in regions with harsh natural conditions, shortage of natural resources, deterioration of ecological environment are likely to migrate, and settle elsewhere .The intention of resettlement is to fundamentally solve the problem of food and clothing of the relocation population and promote regional economic development. Its ecological and social benefits are immeasurable. However, if not handled properly, the project will produce the following risks: (1) In order to solve the issue of land needed for the relocated household, the mass activities of reclamation for food, deforestation for charcoal, mining growing may undermine the ecological environment in the migration regions. (2) The problems that poor households will return to poverty again or move back still exist.

Therefore, in the relocation process, combined with the implementation of this project, we must handle the following relationships to control risks: (1) handle well the relationship between parties moving out and immigrant parties; resolve potential conflicts; remains social stability in the migrant area. (2) Handle well the relationship between government's support and self-reliance. When adopting multiple channels to increase investment in poverty alleviation and development, it is urgent to educate the migrant masses to establish an awareness of self-reliant, to pioneer spirit and guide them to rely on their own hands and hard work to create a happy new home. (3) Handle well the relationship between the development of food production and construction of the pillar industries. It is not only necessary to help migrants to change the mode of production, develop grain production, and solve the problem of food and clothing as soon as possible, but also necessary to actively guide industrial development, increase revenue. (4) Handle well the relationship between the ecological construction of relocation and resettlement areas. While focusing on industrial development,

greening and ecological environment construction is of the same importance.

7.10 Comprehensive Analysis

Through identifying comprehensive stakeholder groups, in accordance with the requirements of national and local laws, regulations and policies affected by the project, as well as risk and control, social impact assessment report lists the project stakeholder analysis matrix. It comprehensively analyses the results of field survey of social assessment. The evaluation team of Wulong County subprojects of The European Investment Bank special forestry loan program makes the following conclusions.

(1) The purpose of the project on the development of forestry is in line with the Chinese government policy of foreign capital and national planning. Forestry special loan project of Wulong in Chongqing, develop forest through the European Investment Bank loans. The project will increase farmers' income, at the same time it continuously improves habitat environment, ecological environment and economic and social environment of the project area. This complies with the situation that our government focuses on people's livelihood and ecological construction.

(2) There exist no serious social risks in the implementation of this project, but still it needs to address some social development issues: First, how to achieve the project's objectives of ecological protection and poor farmers' expectations to increase the economic income. If the farmers don't want to participate in the project voluntarily, this difference may result in conflicting objectives. For this reason, it is recommended that the forestry sector consult with the affected individual farmers and stakeholders in order to reach a solution that can achieve two goals. Although the project will not have a negative impact on the development of women, the poor and ethnic minorities and other vulnerable groups, the project has designed development plan for ethnic minority

(3) The project has received general supports from the various stakeholders. The implementation of the project will give the project area a profound impact and good social benefits on the ecological environment. All levels of government and beneficiary groups of the project area shows a positive attitude to this project.

(4) The project has received support from municipal levels of Chongqing government. The editorial team finds that the government, the forestry sector and the relevant government agencies have shown great enthusiasm and expressed the strong support of the project.

8. Recommendations on Project Design and Implementation

8.1 Consultation Mechanism

Make sure the purpose of carrying out consultations about participatory modes.

(1) Ensure that beneficiaries of the project participate in the project voluntarily;

(2) To avoid social risks of the project, project will intervene in potential social conflicts, and develop measures to prevent risks and conflicts with the relative beneficiaries;

(3) Design the project's technical program, including the selection of appropriate species, forestation models and model design, land contracting arrangements after forestation and follow-up protection management through consultation with farmers;

(4) Enable low-income farmers and poor households, minority households, women and other groups to have a fair opportunity to participate in the project in the project area;

(5) The goal of the participatory consultations is to build and enhance farmers' awareness of woodland resource protection, improve their commitment to forest resources management and management capabilities. It is meaningful to ensure that the project goes smoothly in the long run.

Complete the consultation mechanism. Take the methods of discussions, questionnaires, visits and information feedbacks into consideration. Strengthen exchanges and communication between the government and relevant departments of the project as well as stakeholder groups so that people consciously offer to involve in the project design, implementation, management and evaluation of the whole process. The regular consultation meetings of project progress shall be called to collect the views of the government and relevant departments in time. For the purpose of constantly improving the implementation of the project, the meeting shall propose the problems in the implementation of the project and develop solutions plan.

8.2 The Design of Participatory Modes

The main purpose of the design of participatory modes is to ensure the voluntary participation of farmers. Under the circumstances that stakeholders in the project area fully understand the project information, they involve in the project, make decisions, and come to understand the cause measures. The project has designed Participatory Manual of Chongqing Special Loans Forestry Project of the European Investment Bank to facilitate the participants

to fully understand the requirements, conditions and procedures involved in the project. (For details see Project participatory Manual)

The project takes the following steps to design participatory modes (Table 15):

Table17: Manual of participatory mode

procedure	main activity/task	method and tool involved	output	main participant
step one: Advocacy and mobilization	1, the design and dissemination of leaflets 2, Promotional items through a variety of ways 3, issue application forms by the village cadres involved in the project 4, the design of project contract	City Forestry Department prepares leaflet design ,County Project office copies and issues leaflets	Villagers, including women and low-income and poor households fully understand the project information	County, township and village cadres and villagers
Step Two: Consultations workshops / village meetings	1, Introduction of project Information 2, Collect farmers' application form and classify them according to the type of land ownership 3, consult with farmers with the following different types: Selection of tree species ,forestation mode; late tending of seedling production and supply arrangements; resource usage restrictions and compensation programs; needs of training and technical service 4, the design of project activities on-site 5, confirm the forestation area; discuss reforestation mode; density, spacing, and so on.	1, consultation through the coordination group chaired by the design team staff . 2, representative s of different types of farmers attend the consultation 3, the field inspection	1, the list of the project involved 2, the compensation measures about species, models ,management and protection, ,resource usage limits reached with farmers 3, the Project land after consultation with farmers	1, on behalf of the project parties: the county and township forestry technicians 2, the project participants: land contract farmers 3, farmers who may be subject to resource usage limits 4, township and village cadres

step three: the signing of the project agreement / contract to participate in	1,sign the contract with farmers or village representatives participating in the project 2, announce the list of farmers involved in the project in the village 3, describe the project contents and results of the consultations	1,post the relative information	1,contract signed with the farmers involved in the project 2, all the project information villagers get from the results of the consultations s	1,farmers involved in the project 2, the village cadres, as the contract party of the project of village collective management 3, representatives of the County Forestry Department
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(1) Propaganda and mobilization of farmers' applications: in project's preparation, the project office is responsible for preparing paper, speech ciphering equipment, video and other media promotional materials. By issuing leaflets, billboards, blackboard newspaper, radio, television and other various formats, the project will carry out sensitization and mobilization for at least one week .And it will also organize farmers to complete an application form voluntarily

(2) Hold consultative seminars for relative beneficiaries: identify the farmers who may participate in the project by analyzing the application form them, and then make an initial draft of the list of farmers. Group consultations or stakeholders' consultative seminars will be helpful in reaching the agreement in species selection, mode choice , management and protection after forestation with the participation The main purpose of this step is to ensure that farmers fully understand the project and make a voluntary decision;

(3) Sign the project agreement: sign the project with the farmers involved in the project or joint household and then publicize designs and results of the consultations.

Main requirements involved in the design of participatory modes:

(1)The advice is that during the design and construction of the proposed project, it should adjust to local conditions, be suitable for both trees and soil and strengthen the ecological and economic benefits.

(2) Information must be open and transparent, so is the content of discussion. Give adequate opportunities to different views of the contract, and leave enough time to the community and farmers so that they can make a final decision.

(3) Take full account of the views of local people on the selection of tree species. By stressing the people-oriented concept, it will enable the beneficiaries in project to fully express their way of thinking in the process of implementation and other sectors. To achieve

its interest demands as far as possible will promote the sustainability of the project.

(4) The project should organize information publicity, especially that with the use of contract-related land, and enhance technical training and promotion concerning with implementation of the project strengthen and improve research, carry out professional training and promotion, to make its stand resistance achieve the objectives.

8.3 Project Monitoring and its Target

Project's monitoring and evaluation is mainly for ensuring smooth implementation of project in accordance with the principle of design. To ensure the participation and benefit of target groups, it is advised that we establish monitoring indicators to ensure the beneficiary to participate in and benefit from the project and take these indicators into the monitoring and evaluation system for forest restoration and development. As direct beneficiaries and participants of the project, farmers are involved in the monitoring and evaluation of project so that problems can be found at any time, and be amended timely.

(1) Project office regularly informs the villagers of the progress of the project and relevant organization work. It is recommended every project office edits, prints briefings, and posts them in the community.

(2) After large events, such as the implementation of forestation, forest protection, fire protection, centralized training and so on, the project office or the village project management team should seek to reflect the views of the participants make records and keep them in the archives in different categories. This can improve the coming activities, and accumulate information and data for future projects.

(3) Each project area could employ a number of project households to operate day-to-day monitoring work which is necessary for the indicators needed for project evaluation. In order to enable more farmers to participate in, monitoring households can be replaced periodically.

(4) Project Office need to develop a monitoring plan and monitoring objectives, and is responsible for organizing the implementation of the monitoring plan. It should organize the technical staff to set up a special monitoring group to carry out the monitoring work in the various links. In every forestry station, the office ought to set up monitoring points and equip each monitoring sites with the necessary equipment and tools to ensure timely monitoring activities carried out smoothly.

8.4 Recommendations on Implementation of the Project

(1) Enhancing the related training about the implementation of the project, and strengthen the popularization of knowledge, carrying out the professional and technical training and promotion, will make its resistance categorized by species achieve the objectives. It is recommended that the relevant government departments carry out training of the national, local ecological knowledge and ecological environmental regulations with the help of Propaganda Department, Department of Education, women's organizations, newspapers, township / village and other departments. This can help farmers in the project area recognize the positive impact on regional development of forest restoration and development.

(2) Strengthen cooperation in various sectors. Because the project is a huge systematic project, it can not make the project's effects continues only by the single action of the forestry sector alone. It is recommended that collaborative management by the forestry department and other departments such as, land, water conservancy, agriculture, environmental protection to eliminate various unfavorable factors restricting the development of the project.

(3) increase the funding and efforts of the project, the project counties rural economy is more difficult, the strong dependence on forest resources, project funding is too small, the enthusiasm may also be interested in the implementation of the farmers have a certain impact, so I hope all levels of government departments to increase the input of the matching funds, to ensure that the European Investment Bank forestry special loans project towards the development of healthy and sustainable direction.

(4) Allows farmers to develop forest planting and breeding. There are a number of poor households in the project area. The eradication of poverty is also one of the purposes in the implementation of the project. Therefore, the project allows farmers to properly develop forest planting and breeding under forest land, and make use of the understory open space rationally, and develop forest - poultry, forest - grass - livestock, forest – bacteria economic chain, to achieve the goal of both nourishing the ecology and improving forest farmers' income.

(5) Develop and implement preferential policies for vulnerable groups. The project should be open and transparent to ensure the participation of women, the poor, minority groups. The choice of tree species and mode of operation should respect the wishes of the local farmers. The project can be implemented under the premise that local farmers are informed of the situation and are willing to participate in it on their own or their trusted representatives.

(6) Take full account of the development of the poor minorities in poverty and give them

more help. The forestry sector should take measures to share the results, protect farmers' interests and minority traditional culture, and make it convenient for minority farmers to participate. The project should encourage the minority communities to build forestry cooperatives and other associations on the basis of traditional society organizations according to the principle of the autonomy of the villagers, in order to help the poor minority farmers get out of the vulnerable situation and ensure the sustainable development of the project.

(7) Construct follow-up management mechanisms of the project. It is advisable to absorb farmers in the project area to involve in the follow-up management. On the basis of the construction of community management team during the implement, management teams for project' follow-up regulation will be set up. Members of follow-up management team shall be elected by villagers, of whom there must be representatives of women and minorities.