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**World Bank Financed Project  
Guangxi Rural Poverty  
Alleviation Pilot Project**

**Ethnic Minority Development Plan**

**Foreign Capital Project Management Center of Guangxi Zhuang Autonomous  
Region Poverty Alleviation & Development Office**

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<b>Abbreviations</b>	
EMDP – Ethnic Minority Development Plan	
EM – Ethnic	
TPMO – Township Project Management Office	
CPMO – County Project Management Office	
FC – Farmer Cooperative	
PA – Project Area	
SA – Social Assessment	
EMD – Ethnic Minority Development	

## Executive Summary

### Identification of Ethnic Minorities People in Project Areas

A full social assessment was undertaken as part of the Guangxi Rural Poverty Alleviation Pilot project and this Ethnic Minority Development Plan (EMDP) has been prepared as a result, based on the World Bank's operational safeguard policy on ethnic minorities (EM).

The scope of EMDP preparation covers the 10 project counties and the 60 townships and 118 villages in Guangxi Zhuang Autonomous Region which were proposed for project activities by the time of EMDP preparation. Within project areas, 5 counties and 57 villages have more than 90% of EM population, 3 counties and 35 villages have more than 65% of EM population, and 2 counties and 25 villages have 25% to 32% of EM population. The main ethnic minorities inhabiting project areas are the Zhuang and Yao. Among these, the majority of the EM population is Zhuang, while the Yao population is small. There are total 203431 minority people in PAs, of which 161752 Zhuang people, 40438 Yao people and the remaining 1241 population shared by Dong, Shui, Maonan and Gelao ethnic groups.

The social assessment experts have identified and analyzed ethnic minority communities inhabiting in project areas through various methods including observation, a household survey, key informant interviews, secondary data collection, and literature review. The survey results indicate that such communities are present in all 10 project counties, and 60 townships. Among 10 project counties, there are three Yao Autonomous Counties, namely Dahua County, Bama County and Duan County, and two Yao Autonomous Townships: Jinya Township in Fengshan County and Lucheng Township in Tianlin County.

### Socioeconomic Profile of EMs in PAs

**Income and Expenditure.** According to the results of the household survey, obvious differences in income sources are existing among nationalities, including: (1) Minority households rely more on income from agriculture than Han households, particularly among the Yao minority. Income from agricultural production accounted for only around 8% for Han households in this survey, whereas the proportion of agricultural income for Zhuang and Yao households were 22% and 26% respectively. (2) Cash crops and fruit trees are major sources of agricultural income for Yao households since the Yao minority tends to live in mountain areas where the opportunity of larger upland and forest land is taken to plant mountain crops. Cash crops and fruit trees accounted for around 18% of total income for Yao people. In contrast, the same income source made up 6% and 2% of total income for Zhuang and Han households respectively. (3) As for non-farm income, although migration income and credit are two common sources of non-farm cash sources among surveyed households, credit accounted for a bigger share of cash sources for Han households, accounting for 66%, while it was 28% and 32% for Zhuang and Yao households respectively. Whereas Yao and Zhuang people were more likely to be

out-migrating to seek non-farm jobs, the share of migration income was 31% for Zhuang people and 30% for Yao people. It was only 16% for Han people.

There is similar disparity in expenditure patterns between Han households and minority households. Living expenses for minority households were higher than for Han households. The percentage of living expenses in Han households was 53% of total household expenditure, whereas it was 66% for Zhuang and 64% for Yao. Han people are more likely to spend on education than the Zhuang and Yao. Obviously Yao households spend less on education than the Han and Zhuang. Education expenditure was 14% for Han, followed by Zhuang households with 13% for education expending. The Yao had the lowest expenditure share for education, 9% of total household expenditure. As for production expenditure, Yao families used 5% of total expenditure for agricultural production such as buying seeds and chemical fertilizers, which was lower than that of Han (7%) and Zhuang (6%). Yao people did not have any expenditure for land rental and the percentages of land rental were 7% for Han and 5% for Zhuang respectively.

**Land Resources.** The household survey indicated that the Yao had the largest areas of farmland with an average 3.4 Mu per household, compared to 2.6 Mu for Zhuang families and 2.05 Mu for Han families. The Zhuang had conversely the largest areas of forest land with an average 9.6 Mu per household, followed by the Yao holding 4.8 Mu. Han families had the lowest areas of forestland, on average 1.8 Mu.

**Education** The level of education for Han people was higher than that of minorities. It was obvious that the majority of Han people had high school education and above. There were three main differences in education levels between Han and minorities: (1) Illiteracy rates were higher for minorities than Han people, particularly for Yao people. Illiteracy rate was 15% for Han and 18% for Zhuang respectively. The rate of illiteracy for Yao reached up by 21%. (2) Education levels of middle school and high school for Yao people were significantly lower than for the Han and Zhuang, although the percentage of primary school education among them was similar. (3) The percentage of those obtaining high school education was 13% for the Han, 8% for the Zhuang and close to 10% for the Yao.

### **Poverty Situation of EMs**

The Yao minority forms the majority of the poor population in project areas. Yao people are largely living in remote mountain areas in 10 project counties where occurrence of poverty is much higher. Four criteria summarize poverty among the Yao people:

(1) The Yao population is largely distributed in degraded karst areas in which the harsh geographical conditions are coupled with a shortage of natural resources and weakness of infrastructure and social facilities. Yao people are facing land and water scarcity. Local access roads are in poor condition and communication facilities are insufficient for the Yao population.

(2) Rural mountain areas with degraded karst are underdeveloped in the project counties. Smallholder agriculture, forestry and animal husbandry are the prevailing farming system. What limits

income for local households is the availability of small-scale resources for mountain Yao families in terms of land, water, credit, information, technology, healthcare, infrastructure and market. As a result, the economy base for Yao minority is poorer than for the Han and Zhuang. This further leads to many obstacles for Yao people to develop dominant industries as well as to lift off poverty, including low level of agricultural productivity, lack of large-scale agricultural industries, lack of industry competitiveness and poor technical and market supporting system.

(3) The living conditions of mountain Yao people in the region are being threatened by climate hazards. Vulnerability of livelihoods has further increased due to relatively single income sources among Yao households. Yao families are more likely to return the poverty situation due to natural disasters, family member illness, and higher children education.

(4) Yao people have lower levels of education. Illiteracy or education limited to 3 years of primary school are common among Yao adults. Most of those engaged in the agriculture sector only have a primary education level. As a result, many farmers have insufficient access to agricultural extension as well as market information.

### **Project Benefits for EMs**

The project would bring benefits to local ethnic minorities:

(1) Agricultural infrastructure and public facilities in EM communities would be upgraded through implementation of project activities. Better infrastructure will further facilitate the development of specialized agricultural industries in EM communities. The implementation of project activities, especially village road condition improvement and agricultural facilities construction, would increase income generation from agricultural production in EM communities.

(2) Agricultural industries would be developed in EM communities along with support to farmer cooperatives. The project will provide cooperative development fund for ethnic minorities in order to help them establish farmer cooperatives and the project will provide EMs with a range of technical support activities, including advice on the selection of agricultural industries, market information, and quality of agricultural products. Meanwhile a business incubation center in each project county is proposed to be built where facilities in terms of office, agricultural products testing, training and market information platform would be constructed, and equipment would be available. Ethnic minorities would access training and consulting services for industry development, agricultural technology, advisory services for agricultural production and cooperative management. Such project activities would greatly support agricultural industry development, leading to create more income generation opportunities for EMs, which will be helpful to generate poverty reduction impacts.

(3) The project will strengthen the capacity of EMs for sustainable development.

(4) The project also will promote development women from ethnic minorities.

## **Negative Project Impacts on EMs**

Some project activities may bring minor impacts on EMs. Small amounts of land acquisition for a few EM households may be caused by infrastructure construction activities of infrastructure. A resettlement planning framework has been prepared with specific measures to avoid and mitigate project impacts on ethnic minorities.

## **Potentially Risks of Negative Impact from the Project**

The main potential risk of negative social impact identified is that the Yao minority might not have equitable access to take part in the project and to enjoy project benefits.

Specifically, identified risks include the following:

(1) If project activities are organized at administrative village level only, it will be difficult for the Yao minority to adequately participate in the project since they live in scattered locations in remote mountain areas and have problems accessing transport and communication.

(2) The vulnerability of the Yao minority, which derives from a smaller population, a lower education level, lower household income and lower household assets, might lead to difficulties in participation in project activities and enjoying benefits of project in an equitable manner compared to other target groups. For example, they might have very limited access to farmer cooperatives. They therefore could not receive financial support and technical services offered by the project.

(3) Because the project is directly financing farmer cooperatives in order to develop locally advantaged industries, the risk of lack of access by Yao minority to project support might increase. For example, where farmer cooperatives have mixed Han, Zhuang and Yao members, Yao villagers might not have equitable access to project funds.

(4) Priority in the selection of pillar industries might be given to commercial value of the industry itself rather than to potential coverage of local beneficiaries. As a result, industries with higher investment and technology could be selected, for example kiwifruit which requires more financial inputs and higher technical skills. It might be difficult for the Yao to become cooperative members for such types of commercial activities, due to their lower household income and technical skills. Consequently, they would be unable to access benefits from industry development. This also applies to rural tourism development proposals.

## **Objectives and Actions of Ethnic Minority Development Action Plan (EMDAP)**

There are four objectives with specific actions in EMDAP as shown below:

**Objective 1:** Ensuring equitable participation in the project for ethnic minorities, especially the Yao and other minorities with smaller population. Main actions include: enhancing better understanding of project goals, components, activities, benefits and project periods for EMs; establishing proper grievance redress mechanism for EM participation; enabling ethnic minorities, especially Yao minority,

to actively participate in farmer cooperatives and equally enjoying benefits brought from FCs development.

**Objective 2:** Strengthening capacities of ethnic minorities, especially the Yao and other minorities with smaller population. Main actions include: increasing training on FCs knowledge and management for ethnic minorities, especially for the Yao minority; increasing skill training on for industry development for EMs.

**Objective 3:** Enhancing the project's facilitation role for ethnic minority women development. Main actions include: ensuring equal participation of EM women compared to other women beneficiaries; increasing the number of female EM members in FCs; enhancing women ability for industry development.

**Objective 4:** Enabling all project activities to be undertaken in consistency with ethnic minorities' cultures. Main actions include: conducting project training in the local language; selection of time and location of project activities that are convenient for the participation of EMs; paying special attention to project activities with minority cultural sensitivity.



# 1. Introduction

## 1.1 Project Description

Guangxi is located in the southwest part of China and its total land area is 236,700 square kilometers. Over half of land is covered by rocky desertification areas where the land is poor, natural resources of land and water are significantly scarce, and the ecosystem is quite vulnerable with severe soil erosion. Poverty counties cover more than half of total land areas in Guangxi, and one-third of population is below the poverty line.

The project covers 10 poverty counties, namely Tiandong, Tianlin, Leye, Donglan, Bama, Fengshan, Dahua, Duan, Pingguo and Yizhou. They are national level designated stony desertification poverty counties. There are 60 townships and 118 village committees in the project areas. 10 project counties are characterized by a particular high level of poverty combined with poor natural resource conditions, difficulties in water management, limited availability of farm land, low levels of technology and a high percentage of ethnic minorities.

The project development objective is to develop income opportunities for rural households by piloting innovative organizational arrangements in the selected poverty counties of Guangxi. The project would consist of the following three components with implementation period of five years:

(i) Improvement of pro-poor value chains. This component aims to address market failures in the development of agricultural and non-agricultural rural value chains and key industries with a particular focus on linking poor rural households with higher value markets. This component includes two subcomponents: provision of cooperative development fund to newly or existing cooperatives for supporting farmer cooperative development, and provision of competitive grant for enterprises to establish the linkages and benefits sharing with poor households.

(ii) Improvement of public infrastructure and services. This component would support the establishment and strengthening of public infrastructure and service systems in support of value chain/key industry development, including rehabilitation and construction of production road infrastructure, such as off-grade access roads to village production areas or processing and marketing facilities, and rehabilitation and construction of tractor roads, field tracks, and foot paths; rehabilitation and construction of small-scale irrigation and drainage infrastructure, construction of small water storage facilities, land leveling, and terracing; establishment of IT and telecommunication infrastructure and procurement of information infrastructure and equipment; and rehabilitation or construction of public market facilities, electricity supply and other infrastructure and procurement of related equipment; market and production risk management and strategic product marketing and promotion.

(iii) Enhancing investments in poor areas. This component would improve and facilitate investments in poor areas by existing and new entrepreneurs and business entities. Business incubation center would be set up in each county and provide support for existing and start-up businesses and training and facilitation for registration, business management, business planning, access to financing, linking with processors and markets, market analysis, etc.

## 1.2 Scope of the EMDP

Based on WB operational safeguard policy on ethnic minorities, social experts assessed and identified ethnic minorities inhabiting in project areas through various methods such as observation, household survey, key informant interview, secondary data collection, and literature review. The survey results indicated that 10 project counties with 60 townships and 118 villages covered by the project activities are EM inhabitation areas. Among 10 project counties, there are three Yao Autonomous Counties, namely Dahua County, Bama County and Duan County, and there are two Yao Autonomous Townships: Jinya Township in Fengshan County and Lucheng Township in Tianlin County.

The EMDP preparation covers 10 project counties, 60 townships and 118 villages in Guangxi Zhuang Autonomous Region as detailed in table 1. Within project areas, 5 counties and 57 villages have above 90% EM population. While 3 counties and 35 villages have above 65% EM population, and then 2 counties and 25 villages have 25% to 32% EM population. Major ethnic minorities inhabiting in project areas are Zhuang and Yao. Of which the majority of EM is Zhuang and Yao shares the small population. There are total 203431 minority people in PAs, of which 161752 Zhuang people, 40438 Yao people and the remaining 1241 population shared by Dong, Shui, Maonan and Gelao minorities.

**Table 1: Scope of Identified EMs in PAs**

County	Township	Village	Population (person)	Minority Population (person)	% of Minority	Major Minorities
Bama	6	10	23219	16404	70.65	Zhuang+Yao
Dahua	3	10	30073	29556	98.28	Zhuang+Yao
Donglan	8	11	29356	28953	98.63	Zhuang+Yao
Duan	10	10	20904	20794	99.47	Zhuang+Yao
Tiandong	6	10	28869	21054	72.94	Zhuang+Yao
Tianlin	8	16	24489	6034	24.64	Zhuang+Yao
Fengshan	3	15	32170	21186	65.86	Zhuang+Yao
Leye	5	10	20771	6738	32.44	Zhuang+Yao
Pingguo	8	16	39250	39014	94.4	Zhuang+Yao
Yizhou	3	10	13888	13698	98.63	Zhuang+Yao
Total	60	118	262989	203431	77.35	

Source: Calculation from social survey.

## 1.3 Objectives of EMDP

Out of its total population of 52.4 million in 2013, there were 17.1 million of minority people in Guangxi with major minorities of Zhuang, Yao, Miao, Dong, making it a largest ethnic minority concentrated province in China. Total population in 10 project counties were about 40 million in 2014, of which 30 million were Zhuang, 5.1 million were Han and 4.5 million were Yao. This EMDP has been prepared in accordance with the laws and regulations on ethnic minorities of the PRC, and the Bank's policies on ethnic minorities (OP4.10 and BP4.10). This EMDP is prepared to assess project impacts on minority population, particularly on Yao with smaller population. Based on the impact assessment, the EMDP

proposes measures to avoid or mitigate any negative impacts on EMs as well as actions to ensure minority population enjoying equal benefits brought by project implementation. Special supports have been proposed for Yao. The major tasks of EMDP preparation are as below:

- (1) Assess socioeconomic status of EMs in Pas including EM poverty situation.
- (2) Describe cultural characteristics of minorities.
- (3) Evaluate social impacts of project on EMs, particularly on Yao with smaller population.
- (4) Propose measures to avoid or mitigate any negative impacts on EMs as well as actions to ensure minority population enjoying equal benefits brought by project implementation, particularly to Yao with smaller population. Such measures include improving infrastructure and social services; decreasing poverty rate in EM communities; enhancing capacity of EMs for their livelihood development; facilitating Yao minority to participate in farmer cooperatives as Yao people share smaller population but higher poverty population in project areas; protecting tradition and culture of EMs and the action plan to mitigate possible impacts on them.

Ethnic minorities in project areas would be benefited by project activities in a long-term, for example, household income will be increased through project supporting farmer cooperatives development. Additionally, they would enjoy improved public infrastructure and social services financed by the project and their capacities to develop livelihoods could be enhanced. However, they could be affected by project construction activities in terms of land acquisition and house demolition. Specific measures to avoid and mitigate any negative impacts on them due to land acquisition and house demolition have been discussed and formulated in the resettlement policy framework.

#### **1.4 Project Goals of EMDP**

The EMDP aims to: (i) providing all relevant project information in a manner suited to local minority cultures and customs, conducting adequate communication and consultation, and analyzing their needs. (ii) Incorporating minority needs of project into the project design. (iii) Establishing cooperatives in a culturally adaptive manner and (iv) taking actions to minimize potential negative impacts of project on and risks to minority population and enhancing their opportunities to benefit from the Project in a way acceptable to them.

#### **1.5 Overview of Social Assessment**

The social assessment aims to learn current industrial and FC developments in the project area, and stakeholders' attitudes to and needs for the Project, to identify the Project's potential social risks for further evading or alleviating such risks by developing an action plan. It is also helpful to improve the project design, and effectively involve individuals and groups that may be affected directly by the Project.

The social assessment covers 10 national poverty counties seated in the northern part of Guangxi as well as in the poorest mountain areas with stony desertification in Guangxi. The rural population within 10 project counties was targeted to conduct social assessment. Major activities of SA include:

socioeconomic analysis, stakeholder analysis, FC analysis, poverty analysis, gender analysis, project impact analysis for minorities, information disclosure, public participation and consultation, and development of action plan.

With supports of PMOs, the survey team has worked in 27 townships and 29 villages in 10 project counties for 30 days. Methods of literature review, observation, key informant interview, in-depth interview, focus group discussions and household questionnaire survey have been applied. Total 560 copies of HH questionnaire have been completed in order to understand socioeconomic status of rural households in PAs with a special attention given to vulnerable groups including women, minorities and poor people, to understand current agricultural activities and the level of agricultural industry development, to identify key issues of establishing farmer cooperatives, meanwhile to learn their needs, support preferences of project and willingness to participation in the project activities.

The survey team conducted a wide range of focus group discussions with local people. There were 87 FGDs held in surveyed villages with 29 women FGDs, 29 village leaders FGDs and 29 poor people FGDs. The major purpose of FGDs was to discover differently social groups' needs, expectations and suggestions of project and to understand their willingness to participation in farmer cooperatives and industry development. In addition, total 45 key informant interviews were conducted with township officials, leaders of farmer cooperatives or local companies and agricultural technicians. Finally, the survey has involved in different stakeholders in 10 project counties to discuss key issues of minority development, women development, poverty reduction, farmer cooperatives and industry development, etc. Total 87 county-level stakeholder meetings have been held with Poverty Reduction Offices, Women Federations, Minority Affairs Bureaus, Agriculture Bureaus, Husbandry Bureaus and Industry and Commerce Administration Bureaus to discuss measures for mitigating possibly social risks and actions for enhancing project benefits to local population.

The survey team worked with PMOs in project counties and relevant governmental agencies to screen and identify minority groups and population inhabited in PAs in line with the Bank's policies on ethnic minorities (OP/BP4.10) by various methods of literature review relating to minorities, key informant interviews and HH survey. The result of identification and screening indicates 10 project counties are heavily inhabited by minority population. The majority of those ethnic groups is Zhuang, followed by Yao, and other minority groups with quite minor population include Dong, Gelao, Shui and Maonan. Based on identification and screening of minorities in PAs, it is imperative to prepare a development action plan for minorities in project areas to ensure all minority groups to participate equally in project activities as well as to have equal access to project benefits. Furthermore, the EMDP also can enable all project activities would be practiced in a proper manner accepted by the culture of ethnic minorities.

## **2. Legal and Policy Frameworks of EMD**

### **2.1 National legal and Policy Frameworks**

"1954 Constitution of the People's Republic of China" states China is a unified multi-ethnic nation and all ethnic groups within Chinese territory are equal. The Constitution grants all ethnic groups in the nation widely legal rights of political participation, social and economic development, and cultural development in the society. In order to protect equal human development rights of ethnic groups, the

Constitution determines to set up region autonomy system in ethnic groups' habitation. Chinese constitution clearly prescribes that ethnic region autonomy is the basic policy in administration of Chinese ethnic affairs and a key part of China's fundamental political system."1984 Law of Ethnic Region Autonomy of People's Republic of China" determines three administrative level of ethnic region autonomy according to population and the magnitude of territory. Namely autonomous region equivalent to provincial level, autonomous prefecture equivalent to municipal level and autonomous county equivalent to county level. The Law formulates autonomy rights of three administrative levels of ethnic region, involving legislative power, financial and economic autonomy, staffing priority to minority cadres, the authority of using minority language and the rights of ethnic culture development.

In order to protect legal rights of small ethnic groups inhabiting in dispersed areas, the 1984 Law determines the setting up of ethnic minority township where ethnic population is too small and the settlement is too dispersed to establish ethnic region autonomy. 《1982 Regulation of Ethnic Township Administration of People's Republic of China》 states the setting up of ethnic township is the township-level system for ethnic affairs administration in China context. The regulation defines the township having 30% minority population could apply to be the ethnic township. Besides the authorities enjoyed by conventional townships, the ethnic township has its special autonomy, including the authority of developing its economy, education, health and culture based on minority livelihoods needs coupled with township specific context; the authority of applying adjusting or ceasing enforcement of resolutions and decisions made by superior governments when they are not suitable to local minority's culture and economic situation; the leader of ethnic township being a minority citizen; the power of using bilingual or multi minority languages as official language.

Besides above legal rights given to ethnic minorities, Chinese government also makes great efforts to translate legal rights of ethnic minorities into practices of promoting ethnic groups development in all aspects of the social, political, economic and cultural by formulating and implementing "Five Year Plan for Ethnic Minority Development". The key principles of ethnic minority development policies can be briefly summed up as: 1) strengthening ethnic equality and solidarity; 2) improvement of living standard in ethnic minority regions by developing infrastructure and social services as well as increasing income for minority households; 3) cultivating ethnic minority cadres; 4) improving education level and health service in ethnic minority regions; 5) protection and inheritance of ethnic languages; 6) protecting cultural heritages in ethnic regions.

Five Year Plan for Ethnic Minority Development has integrated development goals for ethnic minorities in terms of economic growth, improvement of social insecurity system, improvement of infrastructure and public services, upgrading life quality for ethnic groups. Several measures of policy supporting have been made to fulfil these development goals as following:

- **Fiscal Policies:** increasing stable financial supports of central government in a long-term in improvement of infrastructure and public services in minority regions.
- **Industrial Promotion Policies:** expanding special construction investments of central government for capital supports in constructing railway, highway and civil aviation in western minority regions, increasing investments for promoting special industries of agriculture and animal husbandry industry in minority regions; introducing foreign capital including

concessional loans from overseas governments to investing in minority regions; allowing local governments with both municipal and county levels in minority regions as well as in poverty areas to excuse from local counterpart funding where the public welfare construction projects have been financed by the central government; giving priority of government funds distribution to support in developing advantaged industries in minority regions such as ethnic tourism industry.

- **Monetary Policies:** expanding bank branches and bank services in minority regions with the precondition of effectively reducing risks; encouraging commercial banks to provide capital to meet financing demand of small scale enterprises as well as special enterprises producing ethnic products in minority regions; supporting in generating income activities of women by micro-credit programs; enhancing credit and financing services in key sectors of agriculture, animal husbandry, education, health, energy, infrastructure, environment and culture for minority population.
- **Education Policies:** giving priority of education resources and large education projects distribution to minority regions and minority population; increasing education funds for bilingual education; piloting to excuse from education fee of high school studies in minority regions; expanding government education subsidies to cover more students in poverty families.
- **Health Policies:** giving priority of health resources and large health projects distribution to minority regions and minority population; encouraging students graduated from medical colleges to work in minority regions.
- **Social Insecurity Policies:** improving social insecurity system for minority population such as medicine insurance coverage for minority people; increasing funds of central government for social assistant program in minority regions; giving priority of job opportunities to minority people in investment projects located in minority areas. Ensuring poor minority people to obtain governmental minimum living guarantee.
- **Human Development Policies:** strengthening capacity of minority population by providing them with various vocational training.
- **Cultural Protection Policies:** protecting ethnic culture and heritage; constructing ethnic museums; protecting historical and cultural towns in minority regions; conducting ethnic heritage census and recording cultural heritages for ethnic groups; protecting intangible cultural heritage for ethnic groups; establishing eco-cultural protection zone in minority areas.
- **East-support-West Policies:** mobilizing economic and social resources of governments and enterprises in the east to support in development of ethnic minority areas in the west.

## 2.2 Policy and Regulations Related to EM in PAs

Minority development policies in Guangxi Zhuang Autonomous are dependent on Regulation of Enforcing “Law of Ethnic Region Autonomy of People’s Republic of China” in Guangxi Autonomous Region and Guangxi Twelfth Five -Year Plan for Ethnic Minority Development. The Plan prescribes major tasks: (1) improving infrastructure and public services in minority areas, including rural road network construction, agricultural irrigation upgrading and water supply facility rehabilitation; (2) promoting specialized and advantaged industries of minority people such as food crops, sugarcane, tea-oil tree, fruit, livestock, vegetable, herb medicine and aquatic products; (3) protecting ethnic

housing style and developing ethnic-cultural tourism; (4) improving infrastructure and service facilities in those minority villages with small population, including rural road construction, farmland water facilities and facilities of drinking water supply.

### **2.3 Current Projects of EMD in Project Counties**

Ongoing projects of EMD include: (1) drinking water supply construction; (2) rural road pavement between village groups; (3) ethnic cultural village building; (4) agro-technical training projects implemented by agriculture bureaus; (5) women's business startup and employment training, small-amount secured loans for women projects, etc. implemented by women's federations.

### **2.4 WB Operational Policy on EM**

The WB's Operational Policy 4.10 (Indigenous Peoples) requires to engage in a process of free, prior, and informed consultation. The Bank provides project financing only where free, prior, and informed consultation results in broad-based community access and support to the project by the affected Indigenous Peoples. Such Bank-financed projects include measures to (a) avoid potentially adverse effects on the Indigenous Peoples' communities; or (b) when avoidance is not feasible, minimize, mitigate, or compensate for such effects. Bank-financed projects are also designed to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender and intergenerational inclusive.

The Policy defines that ethnic minority peoples can be identified in particular geographical areas by the presence in varying degrees of the following characteristics:

- (a) Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- (b) Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- (c) Customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- (d) An indigenous language, often different from the official language of the country or region.

As a prerequisite for an investment project approval, OP 4.10 requires the borrower to conduct free, prior and informed consultations with potentially affected ethnic minority peoples and to establish their broad-based community access and support to the project objectives and activities. It is important to note that the OP 4.10 refers to social groups and communities, and not to individuals. The primary objectives of OP 4.10 are:

(a) To ensure that such groups are afforded meaningful opportunities to participate in planning project activities that affects them;

(b) To ensure that opportunities to provide such groups with culturally appropriate benefits are considered; and

(c) To ensure that any project impacts that adversely affect them are avoided or otherwise minimized and mitigated.

**Table 2: Summary of Legal and Policy Framework for EMs**

	<b>List of Legal and Policy Framework</b>	<b>Main Contents</b>
National laws and policies	<ol style="list-style-type: none"> <li>1. "2004 Amendment of Constitution of the People's Republic of China"</li> <li>2. "1984 Law of Ethnic Region Autonomy of People's Republic of China"</li> <li>3. "2010 Law of Organization of Villager Committee of People's Republic of China"</li> <li>4. "1982 Regulation of Ethnic Township Administration of People's Republic of China"</li> </ol>	<ol style="list-style-type: none"> <li>1. In addition to the same powers as local governments, the authorities of the localities of ethnic autonomy also have the following rights: autonomous legislative power; autonomy in the administration of local political, economic, financial, scientific, educational and cultural affairs, the right to organize local public security forces, and the right to use and develop ethnic minority languages, etc.</li> <li>2. Citizens of the PRC shall have freedom in religious belief, and the state and the authorities of the localities of ethnic autonomy shall guarantee such freedom for citizens of all ethnic groups.</li> <li>3. Administrative regulations for ethnic minorities shall be formulated to promote the development economic and cultural programs of ethnic minority, protect the lawful rights and interests of ethnic minorities, and enhance the unity among different ethnic groups.</li> <li>4. Except those deprived of political rights, villagers attaining 18 years of age, regardless of ethnic group, race, sex, occupation, family background, religious belief, education, property condition or term of residence, shall have the right to vote and the right to be elected.</li> <li>5. The state shall support all ethnic minorities financially, materially and technically to accelerate their economic development, cultural and other</li> </ol>



		<p>social programs.</p> <p>6. The protection of ethnic folk cultures shall be subject to the principles of protection mainly, rational development, government dominance and social participation.</p>
National laws and policies	Law of the PRC on Farmers' Professional Cooperatives	<ol style="list-style-type: none"> <li>1. The state shall support agricultural and rural economic development projects, which may be implemented by suitable FCs.</li> <li>2. Central and local finance shall support FCs financially to conduct training, farm product quality certification, agricultural infrastructure construction, marketing, technique extension, etc., especially for FPCs in minority and poor areas, and those producing urgently needed farm products.</li> </ol>
World Bank	Operational Policy (OP4.10) and Bank Procedure (BP4.10)	<p>This policy aims to ensure that the development process fully respects the dignity, human rights, economies, and cultures of Indigenous People.</p> <p>(1) The Bank recognizes that the identities and cultures of Indigenous Peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. These distinct circumstances expose Indigenous Peoples to different types of risks and levels of impacts from development projects, including loss of identity, culture, and customary livelihoods, as well as exposure to disease. Gender and intergenerational issues among Indigenous Peoples also are complex. As social groups with identities that are often distinct from dominant groups in their national societies, Indigenous Peoples are frequently among the most marginalized and vulnerable segments of the population. As a result, their economic, social, and legal status often limits their capacity to defend their interests in and rights to lands, territories, and other productive resources, and/or restricts their ability to participate in and benefit from</p>

		<p>development. At the same time, the Bank recognizes that Indigenous Peoples play a vital role in sustainable development and that their rights are increasingly being addressed under both domestic and international law.</p> <p>(2) Bank-financed projects include measures to (a) avoid potentially adverse effects on the Indigenous Peoples' communities; or (b) when avoidance is not feasible, minimize, mitigate, or compensate for such effects. Bank-financed projects are also designed to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender and inter-generationally inclusive.</p> <p>(3) When a project affects Indigenous Peoples, the TT assists the borrower in carrying out free, prior, and informed consultation with affected communities about the proposed project throughout the project cycle. At all stages of the project, the parties consulted have prior access to information on the intent and scope of the proposed project in a culturally appropriate manner. It shall also be determined that if the affected communities give broad support to the project based on the SA and consultation process.</p> <p>(4) The EMDP should be flexible and practical, and include the following: legal and institutional framework suited to ethnic minorities; information on demographic, social, cultural and political features of affected communities, ancestral territories owned, used or occupied by them, and natural resources on which they live; a summary of SA; a summary of free, prior, and informed consultation results in affected communities at the preparation stage, which has gained broad community support for the project; a framework for ensuring free, prior, and informed consultation with affected communities during project implementation; an action plan for ensuring that ethnic minorities receive culturally appropriate social and economic interests; after potential negative impacts on ethnic minorities have been</p>
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		determined, an appropriate action plan that avoids, minimizes or mitigates, or compensate for such impacts; the financial budget and financing plan for the EMDP; a procedure for addressing appeals from minority communities arising from project implementation; and an M&E and reporting mechanism, and indicator system suitable for the implementation of the EMDP.
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### 3. Demographic and Cultural Characteristics of EMs in PAs

#### 3.1 Population Distribution of EMs in PAs

Guangxi is home of ethnic groups of Zhuang, Yao, Miao, Dong, Gelao, Maonan, Hui, Jing, Yi, Li. Out of total population, 37.18% are minority population, sharing the largest minority population in China. The majority of minority population is Zhuang, accounting for 31.39% of total population. Zhuang minority is the largest minority in China in terms of population in China. There are six Yao autonomous counties in Guangxi and three of them are in project areas, namely Dahua, Bama and Duan.

There are totally 3995712 people in 10 project counties, of which 3487278 are minority people, accounting for 87.28% of total population. There are 508434 Han people, sharing only 12.72% of total population. Zhuang and Yao consist of the major population. There are 2975626 Zhuang people in 10 project counties, accounting for 74.47% of total population. While there are 459960 Yao people, accounting for 11.51% of the total. The remaining ethnic groups include Dong, Gelao, Shui and Maonan with total population of 51692, sharing a minor percentage of total population (1.29%).

**Table 3: Population Distribution of EMs in Project Counties**

	County	Population	Zhuang		Han		Yao		Other Minorities	
			Person	%	Person	%	Person	%	Person	%
Hechi	Duan	686512	493811	71.93	20037	2.92	157653	22.96	15011	2.19
	Dahua	460502	331120	71.90	23025	5.00	103420	22.46	2937	0.64
	Donglan	307942	270989	88.00	27407	8.90	6467	2.10	3079	1.00
	Bama	292111	202971	69.48	38038	13.02	51102	17.49	0	0.00
	Fengshan	215361	124961	58.02	73200	33.99	17200	7.99	0	0.00
	Yizhou	655017	478162	73.00	100218	15.30	51091	7.80	25546	3.90
	Subtotal	2617445	1902014	72.67	281925	10.77	386933	14.78	46573	1.78
Baise	Tiandong	431719	365665	84.70	46625	10.80	18736	4.34	693	0.16
	Pingguo	512084	459815	89.79	28830	5.63	23222	4.53	217	0.04
	Tianlin	260600	161200	61.86	67600	25.94	30200	11.59	1600	0.61
	Leye	173864	86932	50.00	83454	48.00	869	0.50	2609	1.50
	Subtotal	1378267	1073612	77.90	226509	16.43	73027	5.30	5119	0.37
Total		3995712	2975626	74.47	508434	12.72	459960	11.51	51692	1.29

Source: PMOs of 10 project counties.

118 project villages have total minority population of 203431 people, sharing 77.35% of the total population, where Zhuang makes up of the largest percentage of minority population and Yao shares a small percentage of minority population. The distribution of Yao minority is characterized by dispersed inhabitation at village level but relatively concentrated inhabitation at village group level. On the one hand, Yao people are largely living mixed with Zhuang and Han at village level, or households have mixed ethnic members such as Yao, Zhuang and Han members within a family. Except for one Yao minority township of Jinya in Fengshan County, there are no Yao minority townships in project areas. Out of 118 administrative villages, Sanyao village has 22.9% Yao in Tianlin County and Bana village has 45% Yao in Bama County that is higher than Zhuang (25%).

On the other hand, Yao population is relatively concentrated in village groups in project areas. For example, there are 24 village groups of Longkou village in Dahua County, three of them are largely inhabited by Yao people. Very small percentage of Maonan, Dong, Gelao, Shui and Miao population are found in project villages, but all of them are members of multi-ethnic families. There is no homogenous Maonan family, Miao family, Dong family, Gelao family and Shui family existing in project areas.

There were 68129 people in surveyed villages, of which 51671 people were Zhuang, sharing 75.84% of total population, 10024 people were Ha, sharing 14.71% of total population, and 6129 people were Yao, accounting for only 9.0% of total population. Maonan and Gelao shared very minor percentage of population (0.45%).

**Table 4: Population Distribution of EMs in Surveyed Villages**

County	Village/Township	Population	Han		Zhuang		Yao		Other Minorities	
			Person	%	Person	%	Person	%	Person	%
Bama	Panyang/Bama	3182			3182	100				
	Bana/Xishan	1143	343	30	286	25	514	45		
	Yantin/Yandong	1967			1887	96	80	4		
Duan	Anle/Yongan	1866	93	5	1586	85	187	10		
	Yuanli/Baoan	2233			1898	85	335	15		
	Yijiang/Gaoling	3193			2554	80	639	20		
Dahau	Duyang/Duyang	1399			1399	100				
	Longkou/Dahua	5110	102	2	4599	90	409	8		
	Renlaing/Dahua	2052			1129	55	923	45		
Donglan	Dongli/Wuzhuan	1538	215	14	1307	85	15	1		
	Banlong/changjiang	4028	40	1	3988	99				

	Banlao/Yidong	2680	268	10	2412	90				
Fengshan	Pocha/Jinya	2635	2371	90	132	5	132	5		
	Nalao/Changzhou	1670			1670	100				
	Shanglin/Qiaoyin	2203	44	2	2159	98				
Yizhou	Yantian/Liusanjie	1427			1142	80			285	20
	Baiwei/Xiangbei	1552	16	1	1474	95	62	4		
	Guwen/Xiangbei	526			508	97			18	3
Tiandong	Daban/Zuodeng	2874			2012	70	862	30		
	Lianghe/Xiangzhou	1984	20	1	1944	98	20	1		
	Naban/Yincha	1557			1557	100				
Tianlin	Wenhua/Leli	1413			933	66	480	34		
	Pingbu/Lizhou	1877	751	40	563	30	563	30		
	Sanyao/Lucheng	1963	785	40	393	20	785	40		
Leye	Huaping/Huaping	2898	2753	95	58	2	87	3		
	Lewong/Xinhua	1185	379	32	770	65	36	3		
	Dacun/Tongle	3629	1815	50	1814	50				
	Gengxin/Jiucheng	1459	29	2	1430	98				
	Baplie/Taiping	6886			6886	100				
<b>Total</b>	29	68129	10024	14.71	51671	75.84	6129	9.0	304	0.45

Source: Surveyed village committees.

## 3.2 Cultural Characteristics of EMs in PAs

### 3.2.1 Zhuang

**Population** Zhuang shares the largest percentage of minority population in China. Zhuang population is largely distributed in three provinces of Guangxi, Yunnan and Guizhou. Total population of Zhuang minority exceeds 17 million in China. Most of them are distributed in Guangxi with population of 14 million, accounting for 87.81% of total Zhuang. Nanning, Chongzuo, Baise, Hechi and Liuzhou of Guangxi are mainly inhabited by Zhuang. Small of Zhuang people are living mixed with other ethnic groups such as Han, Yao, Miao, Dong, Maonan and Shui. Zhuang people are living in moderate climate and abundant rainfall areas where rice is popular cultivate.

**Diet and Clothing** Rice and rice-processed meals are popular diet for Zhuang people. The clothing of Zhuang is diversified and colorful. There is difference of dressing and decoration between men and women.

**Language** Zhuang language is common language used in project areas. Most young people can speak both Mandarin and Zhuang language.

**Religion** The religion of Zhuang people is nature worship mixed with ancestor worship. They do believe that there is no separation between the spiritual and physical world, and souls or spirits exist, not only in humans, but also in some other animals, plants, rocks, geographic features such as mountains, rivers, or other entities of the natural environment including thunder, wind and shadows.

**Marriage** Historically monogamy is practiced in Zhuang marriage. Women and men are household labors to undertake agricultural activities but only men have rights of inheritance for family property. Currently women and men enjoy equal rights of inheritance according to national law of inheritance. Most of young people in project villages have free choices for their marriage like Han people.

**Festival** The New Year festival is the most important Zhuang festival to celebrating the harvest. It is traditional for every family to thoroughly cleanse the house, in order to sweep away any ill fortune and to make way for good incoming luck. Windows and doors will be decorated with red papers. Other activities include lighting firecrackers and blessing to each other. Money. Another important festival for Zhuang people is “sanyuesan” (March 3<sup>rd</sup>) celebration. Zhuang people come together to eat traditional food of sticky rice and drink alcohol on that day.

### 3.2.2 Yao

**Population** Yao is a traditional ethnic group in China. They are more likely to live in mountain areas. So they are usually called “Mountain Yao”. In 2010 there were 2.85 million Yao in China, of which 59.9% of Yao people are in Guangxi with total population of 1.7 million. The distribution of Yao minority is characterized by dispersed inhabitation at village level but relatively concentrated inhabitation at village group level in PAs. It is very common to see mixed inhabitation of Han, Zhuang and Yao in project villages.

**Language** Yao has its own language. Yao usually use three kinds of languages in project areas for daily communication, namely Han language, Zhuang language and their own language. Han and Zhuang languages are commonly used for communication with outsiders and Yao language tends to be used within Yao communities. Most of Yao people aged over 60 can speak Zhuang language but hardly speak Han language.

**Diet and Clothing** Yao is typical mountain residents in PAs. They are mainly cultivating corn and sweet potato. The clothing of Zhuang is diversified and colorful. There is difference of dressing and decoration between men and women.

**Religion** Like Zhuang residents, the main beliefs of the Yao people are natural and ancestral worship, and elders and local authorities are respected.

**Marriage** Traditionally internal marriage was popular in Yao communities. Such tradition has been changed with time. Currently their marriage with Han and Zhuang in project areas are common.

**Festival** “Panwang” is the biggest festival for Yao people. It starts on 16 October in lunar calendar and usually lasts one week. Yao people dress up, sacrifice “Panwang” and sing Yao folk songs during “Panwang” celebration. Additionally, Yao also celebrate Spring Festival like Han people and other traditional festivals of Zhuang people. Yao people have a special festival of celebrating cattle. They regard cattle as an important livelihood resource to bring harvest to them. They are not allowed to use cattle for agricultural activities on that special day. They feed cattle with sticky rice to show their respects.

#### 4. Socio-Economic Profile of EMs in PAs

##### 4.1 Socio-Economic Profile of EMs in PAs

###### 4.1.1 Income and Expenditure

Guangxi Statistical Bulletin of 2014 Socioeconomic Development indicated in 2014 per capita annual net income for rural people reached 7576 Yuan, and per capita annual expenditure was 6675 Yuan for rural people in the same year. Out of 10 project counties, there were 3 counties with higher level of per capita rural net income than the average of Guangxi region. They were: Yizhou (7630 Yuan) , Tianlin (7923.9 Yuan) and Tiandong (8357 Yuan) . There were 5 counties within project counties with lower level of per capita rural net income below 5000 Yuan. They were: Duan (4622 Yuan) , Fengshan (4715 Yuan) , Donglan (4790 Yuan) , Bama (4819 Yuan) and Leye (4926 Yuan) .

Household socioeconomic survey showed that percentage of rural minority families below national poverty line of 2800 Yuan was higher than Han families. Especially for Yao families, where above 33% of Yao families had per capita annual net income lower than 2800 Yuan. Among families obtaining per capita annual income between 3000-8000 Yuan, 37% were Han families, 45% were Zhuang families and 40% were Yao families. The percentage of families obtaining high level of income in Han families was obviously higher than minority families, particularly much higher than Yao families. 15.22% of Han families earned per capita annual income exceeding 15000 Yuan. 12.56% of Zhuang families reached the same income level. Only 5% of Yao families can obtain per capita annual income exceeding 15000 Yuan. There were 30% Yao families regarding themselves as very poor upon on self-evaluation of household economic status.

**Table 5: Economic Conditions of Surveyed HHs by Nationality 2015)**

HH Economic Status		Han (N=46)		Zhuang (N=453)		Yao (N=61)	
		No.of HH	%	No.of HH	%	No.of HH	%
Per Capita Annual Net Income (Yuan)	< 2800	10	21.74	107	23.57	20	33.33
	2800-3000	0	0.00	5	1.10	2	3.33
	3001-5000	9	19.57	98	21.59	13	21.67
	5001-8000	8	17.39	107	23.57	11	18.33
	8001-10000	4	8.70	33	7.27	4	6.67
	10001-15000	8	17.39	47	10.35	7	11.67
	>15000	7	15.22	57	12.56	3	5.00

<b>Self-evaluation of HH economic</b>	Rich	0	0.00	12	2.64	1	1.67
	Moderate	12	26.09	152	33.48	16	26.67
	Poor	26	56.52	222	48.90	24	40.00
	Very Poor	8	17.39	66	14.54	18	30.00
	No idea	0	0.00	2	0.44	1	1.67

Source: HH Survey Results

Household socioeconomic survey also presented existing obvious differences of household income sources between nationalities in 2015, including: (1) minority people were more likely to rely on agricultural income sources compared to Han people, especially Yao families. 8.14% of income was from agriculture within Han families. Whereas agriculture income accounted for 22.3% of the total income for Zhuang and 26.22% for Yao respectively. (2) Main sources of agriculture income within Yao families were cash crops, fresh and dry fruits, bamboo and tree, tea oil trees, etc. accounting for 17.85%, Zhuang families shared only 6% of the same income sources, The least percentage of 1.92% for the same income source was shared by Han families. (3) Among non-farm income sources, income from migrant work is the largest one of income sources in Han, Zhuang and Yao families. The percentage of 66.26% borrowing went to Han families. In contrast, Zhuang and Yao shared the percentage of 28.22% and 32.26% borrowing respectively. Income from migrant work was more important source for Zhuang and Yao families where migrant work income accounted for 31.31% within Yao families, followed by Zhuang families (30.02 %). Migrant work income was 15.62% within Han families.

**Table 6: Income Sources of Surveyed HHs by Nationality**

	Income Source	Han (N=46)		Zhuang (N=453)		Yao (N=61)	
		Income per HH (Yuan)	% of Total Income	Income per HH (Yuan)	% of Total Income	Income per HH (Yuan)	% of Total Income
Agriculture Income	Food crops	415.22	0.67	302.20	0.77	221.17	0.82
	Cash crops (vegetable, tobacco, tea, etc.)	979.35	1.57	1963.39	5.00	3690.00	13.62
	Fresh and dry fruits	386.96	0.62	3157.44	8.03	525.83	1.94
	Bamboo and tree	0.00	0.00	98.46	0.25	233.33	0.86
	Tea oil tree, Tung oil tree	195.65	0.31	518.06	1.32	1146.67	4.23
	Livestock	1828.26	2.93	1714.32	4.36	925.00	3.41
	Herb medicine	0.00	0.00	29.30	0.07	140.00	0.52
	Others (silkworm)	1266.07	2.03	981.63	2.50	223.33	0.82
Non Agriculture Income	Small business	0.00	0.00	1152.53	2.93	80.00	0.30
	Restaurant	0.00	0.00	79.30	0.20	0.00	0.00
	Transport	0.00	0.00	439.43	1.12	0.00	0.00
	Repairing shop	0.00	0.00	163.00	0.41	0.00	0.00



Processing products	0.00	0.00	1469.16	3.74	0.00	0.00
Migration	9739.13	15.62	11798.08	30.02	8483.33	31.31
Wage	4697.83	7.54	2666.30	6.78	1548.33	5.71
Government subsidies for returning farmland to forest	269.35	0.43	108.99	0.28	32.00	0.12
Land rental	110.87	0.18	257.61	0.66	15.00	0.06
Government subsidies (social assistant, minimum living guarantee)	1139.57	1.83	1309.30	3.33	1088.17	4.02
Others (loan)	41304.35	66.26	11090.11	28.22	8741.67	32.26

Source: HH Survey Results

There is existing disparity of expenditure patterns between Han households and minority households. Living spending for minority households was higher than that of Han households. The percentage of living spending in Han households was 53.10% of total household expenditure, but the share of same spending were 65.94% for Zhuang and 63.67% for Yao. Han people are more likely to spend on education than that of Zhuang and Yao. Obviously Yao households spent less for education than Han and Zhuang. Education spending was 14.35% for Han, followed by Zhuang households with 12.46% for education spending. Yao had the least spending for education, sharing 9.0% of total household expenditure. As for production spending, Yao families spent 5.2% of total spending for agricultural production such as buying seeds and chemical fertilizers that was lower than that of Han (7.2%) and Zhuang (6.4%). Yao people did not have any spending for land rental and the percentages of land rental were 7.4% for Han and 5.0% for Zhuang respectively.

**Table 7: Expenditure Patterns of Surveyed HHs by Nationality (2015)**

	Type of Expenditure	Han (N=46)		Zhuang (N=453)		Yao (N=61)	
		Expenditure Per HH	% of Total	Expenditure Per HH	% of Total	Expenditure Per HH	% of Total
Living Expenditures (Yuan)	Food, fuel, daily consumptions	9445.65	17.54	9593.65	23.54	7657	19.66
	Cloth	1089.13	2.02	1027.49	2.52	1125	2.89
	HH appliances and furniture	282.61	0.52	236.17	0.58	330	0.85
	Education	7730.43	14.35	5078.24	12.46	3513	9.02
	Health	3963.04	7.36	6280.24	15.41	6535	16.78

	Transport	1137.69	2.11	1269.86	3.12	1980	5.08
	Entertainment	0	0.00	46.94	0.12	667	1.71
	Maintaining social network	3595.65	6.68	2222.59	5.45	1765	4.53
	Communication	1356.43	2.52	1060.31	2.60	1224	3.14
	Others	0	0.00	64.68	0.16	8	0.02
Production Expenditures (Yuan)	Fertilizer, seed, pesticide	3872.85	7.19	2616.74	6.42	2005	5.15
	Irrigation	10.87	0.02	63.72	0.16	10	0.03
	Tools	45.65	0.08	162.27	0.40	8	0.02
	Labor rental	978.26	1.82	1735.47	4.26	425	1.09
	Land rental	4000.04	7.43	2029.80	4.98	17	0.04
	Others	0	0.00	58.98	0.14	0	0.00
	Investment	6818.18	12.66	2444.64	6.00	6056	15.55
	Buying production assets	1195.65	2.22	1189.26	2.92	247	0.63
	Building house	8339.13	15.48	3581.90	8.79	5383	13.82
	Others	0	0.00	0	0.00	0	0.00

Source: HH Survey Results

#### 4.1.2 Land Resources

According to statistics of 10 project counties, in 2015 average per capita farmland was 3.34 Mu, of which Tianlin County had the largest area of per capita farmland with 4 Mu. Project counties having below 1 Mu per capita farmland included: Bama (0.77 Mu), Donglan (0.7 Mu), and Fengshan (0.66 Mu), Dahua (0.54 Mu), Duan (0.53 Mu) and Yizhou (0.38 Mu). Major land resources of 10 project counties were forest land and dry land. The biggest land area is forest land in 10 project counties, accounting for 55.8% of total land areas, followed by the dry land with 24.40%. There was only 7.86% of paddy land in 10 project counties.

**Table 8: Land Resources in Project Counties**

County		Per capita farmland (Mu)	Land Resources in Project Counties (Mu)					Others
			Land Area	Paddy Land	Dry Land	Garden	Forest Land	
Hechi	Duan	0.53	388.89	10.5	120	25.2	222.3	7.9845
	Dahua	0.54	204.598	50	63.2	34.2	69.7	7.498
	Donglan	0.71	413.72	67.1	115.77	6.5	223.1	8.02
	Bama	0.77	664.44	82.61	152.9	99.5	331.4	9.14
	Fengshan	0.66	1161.89	63.26	133.44	112.5	842.8	8.68

	Yizhou	0.38	182.5	62.7	115.74	0.3	5.5	6.24
Baise	Tiandong	1.14	948.04	101.9	211.95	126.8	431.3	32.89
	Pingguo	1.09	275.55	59.3	152.36	7.1	36.7	20.09
	Tianlin	4	3701.44	140.7	990.6	244.5	2293	15.26
	Leye	1.19	1444.37	99.6	234.05	305.5	781.5	22.53
<b>Total</b>		<b>3.34</b>	<b>9385.43</b>	<b>737.67</b>	<b>2290.01</b>	<b>962.1</b>	<b>5237.3</b>	<b>138.35</b>

Source: PMOs of 10 Project Counties.

The socioeconomic household survey indicated that Yao had the largest areas of dry land with average 3.37 Mu per household, and dry land holding averaged 2.62 Mu within Zhuang families and 2.05 Mu for Han families. Meanwhile Zhuang had the largest areas of forestland with average 9.61 Mu per household, followed by Yao holding 4.78 Mu. Han families had the least areas of forestland averaged 1.83 Mu.

**Table 9: Farming Land Holding by Nationality (Mu)**

	Han	Zhuang	Yao	Average
Paddy land	0.39	1.51	0.70	1.30
Dry land	2.05	2.62	3.37	4.00
Fruit garden	1.96	1.24	0.45	1.64
Forest land	1.83	9.61	4.78	8.88
Fish pool	0.00	0.09	0.03	0.08
House land	0.07	0.14	0.08	0.14
Others	0.00	0.03	0.00	0.22

Source: HH Survey Results

#### 4.1.3 Cropping and Livestock

In 2014, a total of 5896278 Mu was cultivated, of which 3583523 Mu was food crops, accounting for 60.78% of total planted area, and the total planted cash crops area was 1555718 Mu, accounting for 39.22%. The cultivation situation of 10 project counties was detailed in table 10.

The social survey in project areas found minority and Han residents do not differ much in crop cultivation. Their food crops are corn, potato and paddy rice mainly, and their cash crops are medicinal materials, tobacco, tealeaf, tea oil tree and Tung oil tree mainly.

**Table 10: Cropping Patterns in Project Counties (2014)**

County		Gross Sown Area of Crops (Mu)				
		Total	Food Crops (Mu)	%	Cash Crops (Mu)	%
Hechi	Duan	938535	673845	71.8	174675	18.6

	Dahua	535500	389130	72.67	85065	15.88
	Donglan	342180	236655	69	47370	14
	Bama	573195	265980	46.4	163440	28.5
	Fengshan	22014	13319	60.5	2009	9.1
	Yizhou	1486605	710400	48	490470	33
Baise	Tiandong	670046	391500	58	283100	42
	Pingguo	653745	407520	62.34	130305	19.93
	Tianlin	451500	315000	69.77	136500	30.23
	Leye	222958	180174	80	42784	20
<b>Total</b>		5896278	3583523	—	1555718	—

Source: PMOs of 10 Project Counties.

In 2014, the year-end amount of large livestock of 10 project counties was 1454.39 thousand, the year-end amount of pigs was 3296.42 thousand, and the amount of sheep was 1150.06 thousand. The livestock for each project county was detailed in table 11.

The social survey in project areas found all minority residents in project counties have the tradition of breeding animals, including sheep, pigs, chickens and cattle mainly, but the commercialization rate of animal products is low. In particular, the local kind of pig named “xiangzhu” raising in Bama is one of advantaged industries to help in increasing household income for Zhuang and Yao.

**Table 11: Livestock in Project Counties (2014)**

County		Year-end amount of large livestock (Thousand Yuan)	Year-end amount of pigs (Thousand Yuan)	Year-end amount of sheep (Thousand Yuan)	Forage Cultivation Area (Ha)
Hechi	Duan	65.1	355.2	296	36
	Dahua	54	272	148	25610
	Donglan	54.993	90.851	59.966	0
	Bama	29.4	152.7	<b>52.2</b>	106200
	Fengshan	42.4	98.7	41.1	0
	Yizhou	992	1664	395	0.33
Baise	Tiandong	66.14	311	45	8.07
	Pingguo	54.45	240.15	38.29	1813
	Tianlin	54.897	15.1	49.6	157.92
	Leye	41.014	96.706	24.905	8536
<b>Total</b>		1454.39	3296.41	1150.06	142361.32

Source: PMOs of 10 Project Counties.

#### 4.1.4 Education

The social survey indicated the nine-year compulsory education system was adopted universally by project villages. However, in general the education level was still low in minority communities. Young people of Yao and Zhuang basically obtained nine -year education but the adults aged over 40 were more likely to have primary schooling, only a few of them obtained high school education. Most of old people, particular women aged over 50, can speak only their own languages and rarely spoke mandarin Chinese, and this becomes a major barrier for them to communicate with outsiders and to learn new knowledge and technology. The survey also found poor road accessibility, insufficient education facilities and inadequate availability of teaching resources were main causes of lower education level for mountain Yao minority.

The level of education for Han people was higher than that of minorities. It was obvious that Han people were consisted of the majority having high school education and above. The difference of education level between Han and minorities included: (1) Illiteracy rate was higher for minorities than Han people, particularly for Yao people. Illiteracy rate was 14.81% for Han and 17.58% for Zhuang respectively. The rate of illiteracy for Yao reached up by 21.12%. (2) Education levels of middle school and high school for Yao people were significantly lower than Han and Zhuang although the percentage of primary school education among them was similar. (3) The percentage of obtaining high school education was 12.76% for Han, 8.41% for Zhuang and 9.59% for Yao.

**Table 12: Education Level of Surveyed HHs by Nationality (2015)**

Education Years	Han		Zhuang		Yao		Total	
	Person	%	Person	%	Person	%	Person	%
No schooling (0 year)	36	14.81	347	17.58	64	21.12	447	17.74
Primary school (1-6 year)	74	30.45	598	30.29	116	38.28	788	31.27
Middle school (7-9 year)	76	31.28	644	32.62	78	25.74	798	31.67
High school (10-12 year)	26	10.70	219	11.09	16	5.28	261	10.36
University (15-16 year)	27	11.11	155	7.85	29	9.57	211	8.37
Above university (above 16 year)	4	1.65	11	0.56	0	0.00	15	0.60

Source: HH Survey Results

## 4.2 Poverty Situation of EMs in PAs

### 4.2.1 Poverty Population of EMs in PAs

According to poverty statistics of 10 project counties, there were 393 poverty villages and there were rural poverty population of 413816 people in 2014 in project area. There was poor population of 64399 people in 118 project villages where the poverty rate reached 24.49%.

**Table 13: Poverty Rate in Project Counties (2014)**

County	No. of poor village	No. of poor HH	Poor people	Poverty rate (%)
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Hechi	Duan	27	12867	53000	27.86
	Dahua	18	5332	20645	19.47
	Donglan	47	14954	58761	29.67
	Bama	50	13890	60050	20.6
	Fengshan	73	13811	59386	30.7
	Yizhou	25	4272	14415	16.79
Baise	Tiandong	41	8755	34111	15.61
	Pingguo	45	10691	41146	12.49
	Tianlin	38	9692	35006	25.53
	Leye	29	9098	37296	62.36

Source: PMOs of 10 Project Counties.

#### 4.2.2 Poverty Characteristics and Main Causes

Yao minority shares the majority of poor population in project areas. Yao people are largely living in remote mountain areas in 10 project counties where the occurrence of poverty is much higher. Poverty of Yao people is characterized below:

(1) Yao population is largely distributed in rocky desertification areas in which the geographical condition is quite harsh coupled with the shortage of natural resources and the weakness of infrastructure and social facilities. Yao people are facing difficulties of land and water scarcity. Community road condition is poor and communication facility is insufficient for Yao population.

(2) The rural mountain areas is underdeveloped with rocky desertification in project counties, where household-based farming, smallholder agriculture, forestry and animal husbandry are the prevailing farming system. What causes poverty is the unavailability of resources for mountain Yao families in terms of land, water, credit, information, technology, healthcare, infrastructure and market. As a result, the economy base for Yao minority is poorer than Han and Zhuang and this further leads to many obstacles for Yao people to develop industries that could help lift them out of poverty. Current poverty status is characterized with low level of agricultural productivity, lack of large-scale agricultural industries, lack of industry competitiveness and poor technical and market supporting system.

(3) The mountain Yao people in the region are threatened by climate hazards and their vulnerability to livelihood security has increased coupled with relatively single income source within Yao households. Yao families are more likely to return to poverty due to natural disasters, family member illness, and higher spending on education.

(4) Yao people have lower level of education. Illiteracy rate and people with only 3- year primary education are common among Yao adults. Most labor forces working in the agriculture sector obtain only primary education level. As a result, many farmers have insufficient access to extension services of agricultural technology as well as market information.

### 5. Farmer Cooperatives Development for EMs

## **5.1 Current Situation of EM cooperatives**

### **5.1.1 Establishment**

Currently there are 1261 FCs in 10 project counties. Most of them were lately established after 2010. Operation mechanisms of the cooperatives have not been well established. Industry-based FCs in minority communities are categorized into three types: (1) animal husbandry FCs. This kind of FCs account for 18% and their businesses cover raising special pig of Xiangzhu, mountain goat, local cattle and chicken. (2) Cash crops and fruits FCs. This kind of FCs account for 17.37% with a range of crops such as vegetable, tea oil tree and fruits. (3) Rural tourism FCs. This kind of FCs accounts for a very small percentage of 2.5%. The existing farmer cooperatives tend to be concentrated in two fields: special cash crop plantation and animal husbandry, with high commercial value. There is no FCs involving in food crops as food crops cultivation can produce less cash income for households.

Small and middle scaled farmer cooperatives are dominant in surveyed minority communities. Based on the survey results, 43.5% of FCs has less than 5 management persons, 43.5% of FCs has 5 to 10 management persons, and 13% of FCs has above 10 management persons.

Competent individual led farmer cooperatives are the majority. 48% of FCs are set up by competent villagers, 13% of FCs are facilitated by village cadres, another 13% of FCs are established by local enterprises, and 26% of FCs are jointly set up by village leaders and villagers.

There are 110 FCs set up in 118 project villages where major industries of FCs include tea oil tree, rural tourism, bamboo products, local pig, mountain goat, kiwifruit and silkworm. Most FCs are quite new as they are established under project advocacy.

### **5.1.2 Operation**

Based on the survey results, there are variations in farmer cooperative development in project areas. Some have management rules, a few have financial regulations, but most of them do not have complete cooperative regulations. Operational procedures is not in place after establishment of FCs. Further, some rules and regulations of farmer cooperatives tend to be formulated by competent villagers, or village leaders or enterprise themselves without a wide discussion with all members, especially Yao minority members. Most of surveyed minority members express they are not clear about the purpose of setting up FCs. They also said they do not understand well what kind of business FCs want to do. However, minority members are expecting farmer cooperatives can bring more income and income opportunities for them.

### **5.1.3 Service Function**

Given the fact that most FCs will only be operational during project implementation, the service function of FCs cannot be assessed during preparation. Based on the FC survey, a few FCs are

functional as organizers of production and sellers of agricultural products in order to reduce market risks faced by individual farmers. For example, Baiwei Village farmer cooperative of edible mushrooms in Yizhou County established and registered in 2015, currently have 112 households members, of which 110 minority households and 85 poor households. Members are heavily cultivating edible mushrooms. In 2015 there were total 200 households in the village engaged in edible mushrooms planting under the facilitation of FC. The farmer cooperative is responsible for collecting and packaging the mushrooms produced by members and non-members and sell them in markets. There are two sales channels of the cooperative: 80% farmers' products have been sold by the cooperative transporting directly to the markets within county and outside county, and 20% sales has been done by the cooperative contacting and negotiating with buyers to come to village.

## **5.2 Difficulties of EM participation in Cooperatives**

At the preparation stage, the social team learned local minority residents' perceptions and attitudes to FCs by means of questionnaire surveys, FGDs and interviews. Although the FCs in the minority areas are small in number and under-developed, it can be seen that minority residents support FC establishment strongly, because they believe it will promote industrial development and increase income. Minority residents expect to address challenges in cultivation and livestock breeding skills, products marketing, information sources, etc. during industrial development by establishing and operating FCs. They expect guidance on cultivation and livestock skills, receive timely market information, broaden marketing channels, and purchase means of production at more preferential prices through FCs.

The results of FCs survey indicates 68.6% of the minority respondents expect FCs to provide market information, 76.8% expect guidance on cultivation and livestock breeding skills, 68.2% expect marketing channels, 65.4% expect the purchase of means of production at preferential prices, and 41.4% expect earnings from dividends.

However, there are challenges and difficulties faced by EMs participation in FCs in terms of:

- (1) Most minority residents do not have sufficient knowledge about FCs, and do not know how to join FCs. Even some of them being FC members, they are still not clear about FC regulations and their roles and responsibilities.
- (2) Low level of development and community participation, and weak capacity in benefiting households: First, the minority FCs were mostly established in 2010 or thereafter, and are still at the exploration stage. Second, the FCs in minority areas are not supported by stable resources, such as initial capital, market information and infrastructure.
- (3) There is a lack of professionals and competent leaders, especially financial, marketing and technical professionals.

Specially, due to living in remote mountain areas, Yao minority is facing specific difficulties:



- (1) Weak industrial base: The Yao minority is living in remote areas and has inconvenient transportation, where the weak industrial base can hardly support the establishment and development of FCs. Further, due to traffic and information restrictions in Yao minority communities, the commercialization rate of farm and animal products is low.
- (2) Insufficient financial and technical support: Fiscal support for FCs in poor Yao minority areas is limited. Yao residents have low educational levels, and lack necessary industrial skills. The FCs in Yao communities deal with crop cultivation mainly and have limited financial capacity.
- (3) Institutional defects: The farmer cooperatives in ethnic communities are usually established lately, and their rules and regulations are mostly developed by competent authorities in an arbitrary manner, and not suited to local needs. The minority project area has unique cultural and social institutions, so FCs should be operated and managed in a way that respects minority customs.

## 6. Public Consultation and Participation

Guangxi Poverty Alleviation and Development Office commenced project preparation in May 2015, and variously public consultation and initial investigations have been conducted. At the preparation stage, the FSR agencies, SA team, EMDP team and EIA agency disclosed project information, and conducted free, prior and informed consultation in minority communities.

This EMDP has been prepared on the basis of the questionnaire survey, FGDs, in-depth interviews, key informant interviews, stakeholder discussion meeting, etc.

### 6.1 Methods and Processes of Participation for EM Communities

#### 6.1.1 Community Participation Activities during EMDP Preparation

The EMDP working team investigated all 10 project counties where there are minority inhabitation communities from February to April 2016 to learn poverty situation, socioeconomic status and infrastructure condition of minority communities, and to understand opinions and expectations of EMs for the project and record EMs willingness to participate in project activities through multiple methods such as conducting household questionnaires, organizing focus group discussions and interviewing key informants. Main consultation activities and results are as following:

- (i) **Socioeconomic household surveys.** The surveys were conducted in EM communities in 10 minority inhabitation counties. It covered 27 townships and 29 villages, where a total of 560 copies of HH questionnaires have been completed. The sampled minority households reached 515, sharing 91.96% of total HH sampling. Among sampled minority households, 80.89% of surveyed HHs with 453 copies went to Zhuang households and 10.89% with 61 copies were surveyed Yao households. The survey aims to understand socioeconomic status of minority households in PAs with a special attention given to vulnerable groups of women and poor

people, to understand currently agricultural activities and the level of agricultural industry development, to identify key issues of establishing farmer cooperatives, meanwhile to learn EMs needs, support preferences of project and willingness to participation in the project activities.

- (ii) **Focus group discussions.** The survey team conducted a wide range of focus group discussions with local people. There were 87 FGDs held in surveyed villages with 29 women FGDs, 29 village leaders FGDs and 29 poor people FGDs. Among 87 FGDs conducted, there were 82 minority focus group discussions held. The major purpose of FGDs was to discover different minority groups' needs, expectations and suggestions to project and to understand their willingness to participation in farmer cooperatives and agricultural industrial development.
- (iii) **Stakeholder meetings.** Total 87 county-level stakeholder meetings were held with Poverty Reduction Offices, Women's Federations, Minority Affairs Bureaus, Agriculture Bureaus, Husbandry Bureaus and Industry and Commerce Administration Bureaus to discuss measures for mitigating possible social risks and actions for enhancing project benefits to local poor population.
- (iv) **Key informants interviews.** Total 45 key informant interviews were conducted with township officials, leaders of farmer cooperatives or local companies and agricultural technicians in order to learn main issues of farmer cooperatives development in minority communities, main causes of poverty for minority households, and general socioeconomic status of EMs.

**Table 14: Public Consultation Activities for EMDP**

	County	Township	Village	HH sample	FGD	Ethnic FGD	Enterprise / farmer cooperative interviewed	Organization interviewed
<b>Hechi</b>	Duan	3	3	55	9	9	3	5
	Dahua	2	3	46	9	9	4	6
	Donglan	3	3	55	9	9	4	6
	Bama	3	3	64	9	9	5	11
	Fengshan	3	3	61	9	6	4	14
	Yizhou	2	3	54	9	9	5	6
<b>Baise</b>	Tiandong	3	3	64	9	9	5	5
	Pingguo	2	2	45	6	6	4	7
	Tianlin	3	3	59	9	9	4	13
	Leye	3	3	57	9	7	7	14
<b>Total</b>		27	29	560	87	82	45	87

## 6.2 Public Consultation Plan of EM Communities

In order to maximize the social and economic benefits of the Project for local minority residents, and avoid the Project's potential risks, it is necessary to take measures to ensure minority residents'

adequate participation in the project as well as project information reach them fully. The specific actions have been detailed in table 9-8 of the SA Report. Furthermore, the following actions at different stages of the Project should be taken to guarantee EM equal and sufficient participation in the project:

(1) At the preparation stage, all project activities should be implemented based on respecting wishes of minority people, particular women and poor people. At least 30% of participants in publicity, mobilization and training activities should be minority residents, women and poor people.

(2) At the implementation stage, it is necessary to guarantee equal and full participation of minority residents, women and poor people in project activities. No less than 40% of FC members should be minority residents in the minority project villages. All project activities should be implementing based on respecting local culture and habits of minorities. Priority of job opportunities should be given to minority people in minority villages where feasible, at least 30% job will be for women and poor people. At least 30% minority people should be involved in technology training and FC training in minority villages and no less than 30% of trainees should be women.

(3) At the implementation stage, establishing M&E mechanism to learn project progress and impacts on EMs to ensure EMs equal participation in the project.

### **6.3 Grievance Redress Mechanism**

Given this EMDP will be implemented on the basis of adequate participation of minority residents, no substantial dispute will arise. However, a grievance redress mechanism has been established for minority residents to resolve any unforeseeable problems occurring in the implementation phase in an effective and transparent manner. The basic procedures for grievance have been included in Section 9.4 of the SA Report for details. Minority residents can reflect their dissatisfactions with project implementation arrangements, or suffering from unfair treatments caused by the project implementation through the grievance redress mechanism. Besides the basic procedures of grievance to be followed, particular attention should be paid to:

- The grievance redress mechanism should be suitable to EMs education level and acceptable to minority tradition in PAs.
- Project information should be disclosed in Chinese and local minority languages.
- Information disclosure should be closed to public places accessible for minority residents, such as gathering places and workplace of village committees.
- Each village committee should appoint a member to be the contact person accepting appeals.
- Contact information of the person accepting appeals at all levels is disclosed to project villages.
- All agencies must accept grievances and appeals of minority residents for free, and related costs incurred will be met from project budget.

## **7. Impacts of Project on EMD**

### **7.1 Project Benefits**

The project would bring benefits for local ethnic minorities, specifically:

### **7.1.1 Agricultural infrastructure and public facilities in EM communities would be upgraded**

Agricultural infrastructure and public facilities in EM communities would be upgraded through implementation of project activities. Better infrastructure will further facilitates the development of specialized agricultural industries in EM communities. The implementation of project activities particularly village road condition improvement and agricultural facilities construction would increase the level of agricultural production in EM communities. The social survey reported that the minority population strongly expect to improve road conditions and irrigation facilities in their communities through project implementation since poor infrastructure especially poor road condition is a key barrier of social and economic development in minority villages.

For example, the tea oil tree is the most important cash income for Zhuang families in Pingliu Village of Bama County. But farmers usually lose income from tea oil products during rainy seasons because it is difficult to transport the products to the market and buyers are also not willing to come to village to collect it because of poor road conditions. It is found that Duayng village of Dahua County wants to promote Wogan, a kind of orange as this fruit has high commercial value and can bring high cash income for farmers. Recently there are totally 650 Mu Wogan in the village, they have land capacity to expand extra 600-700 Mu Wogan planting, but the village is facing problems of poor road, water shortage and electricity shortage.

### **7.1.2 Agricultural industries would be developed in EM communities along with implementation of supporting farmer cooperatives.**

The project will provide cooperative development fund for ethnic minorities in order to help them in establishing farmer cooperatives and the project will provide EMs with a range of technical supports, including policy advices of agricultural industry development, market information, quality of agricultural products, etc. Meanwhile the business incubation center in each project county is proposed to be built where facilities in terms of office, agricultural products testing, training and market information platform would be constructed, accordingly equipment would be available. Ethnic minorities can receive training and consulting service for industry development, agricultural technology, recommendation of agricultural production decisions and cooperative management. Such project activities could greatly support agricultural industry development, leading to more opportunities of increased income for EMs, which will contribute to poverty alleviation.

### **7.1.3 The project will strengthen the capacity of EMs for sustainable development.**

The EMDP implementation would promote minority population to participate in FC establishment and obtain benefits from FC development. The capacity of self-management and self-development for minority population would be strengthened in areas of communication skills, corporation ability, management skills and seeking outside resources and supports, which are crucial for livelihood development. Furthermore, the minority capacity of resisting market risks would be stronger than before and their ability to promote industry with higher commercial value would be strengthened

through FC development.

#### **7.1.4 The project will promote the development of women in ethnic minorities.**

The project also will promote the development of ethnic minority women. First, the improvement of the agricultural infrastructure will reduce the labor intensity of women and reduce their burden. Second, through project implementation, minority women will be able to join FCs and attend skills training, thereby increase their exposure to the outside world, and improve their self-development capacity. Furthermore, minority women income is more likely to be increased through specialized industry promotion supported by the project that could be helpful in improving the living standards for women and their households. New job opportunities would be created for some women through FC development and local enterprises development. Local employment for women is helpful to earn income as well as to look after households.

### **7.2 Negative Impacts of Project**

The project activities implementation would potentially bring some minor negative impacts on EMs. The possible impacts of project would be quite small amount of land acquisition for a few EM households caused by construction activities of infrastructure. The resettlement policy framework has been prepared where specific measures to avoid and mitigate project impacts on ethnic minorities have been proposed.

### **7.3 Potentially Social Risks**

The potentially social risks refer to risks of Yao minority equal participation in the project as well as equally enjoying project benefits. Identified risks include:

(1) Project activities are based in village committees, that will make it difficult for Yao minority to adequately participate in project since they are dispersedly living in remote mountain areas and have difficulties accessing readily information.

(2) The vulnerability of Yao minority such as smaller population, lower education level, lower household income and poorer possession of family assets could lead their difficulty in participating in project activities and enjoying benefits from project equally with other beneficiaries. For example, they might be excluded from farmer cooperatives due to minimum requirements. They therefore could not receive financial supports and technical services offered by the project.

(3) The way of project directly financing farmer cooperatives in order to develop locally advantaged industries might to some extent increase the risk in which there would be problem whether the project funds can be allocated equally to Yao minority through cooperatives. For example, where farmer cooperatives have mixed Han, Zhuang and Yao members, Yao villagers are more likely to obtain unequal project funds, which will influence project implementation well.

(4) The priorities of industry development are given to high commercial value of the products by project counties and villages rather than considering maximum coverage of local beneficiaries. As a result, those industries with higher investment and technology could be selected like kiwifruit industry, which requires more financial inputs and higher technical skills as members. Such industry makes Yao people difficult to be cooperative members due to their lower household income and technical skills, leading to unequal access to benefits from industry development.

## **8. Ethnic Minority Development Action Plan (EMDAP)**

Minority communities in project areas have their own culture and custom. At the preparation, implementation and operation stages, the design agency and implementation agencies should pay more attention to ethnic indigenous knowledge and practical needs of the local ethnic minorities, and conduct project activities in ways culturally acceptable to them in order to make the Project sustainable in minority project areas. The EMDAP has given special attention to the vulnerability of Yao minority such as harsh natural conditions, low educational levels and insufficient capacity faced by them. Potentially social risks during practicing project activities have been adequately addressed in the EMDAP and proposed actions have been recommended to avoid and mitigate any negative impacts of project on them (see Annex 1).

### **8.1 Objectives and Actions of EMDAP**

There are four objectives with specific actions of EMDAP stated below:

**Objective 1:** Ensuring equal participation in the project for ethnic minorities, especially Yao and other minorities with smaller population. Main actions include: enhancing better understanding of project goals, components, activities, benefits and project periods for EMs; Establishing proper grievance redress mechanism for EM participation; Enabling ethnic minorities, especially Yao minority, active participation in FCs and equally enjoying benefits brought from FCs development.

**Objective 2:** Strengthening capacities of ethnic minorities, especially Yao and other minorities with smaller population. Main actions include: increasing training on FCs knowledge and management for ethnic minorities, especially for Yao minority; increasing training on skill of industry development for EMs.

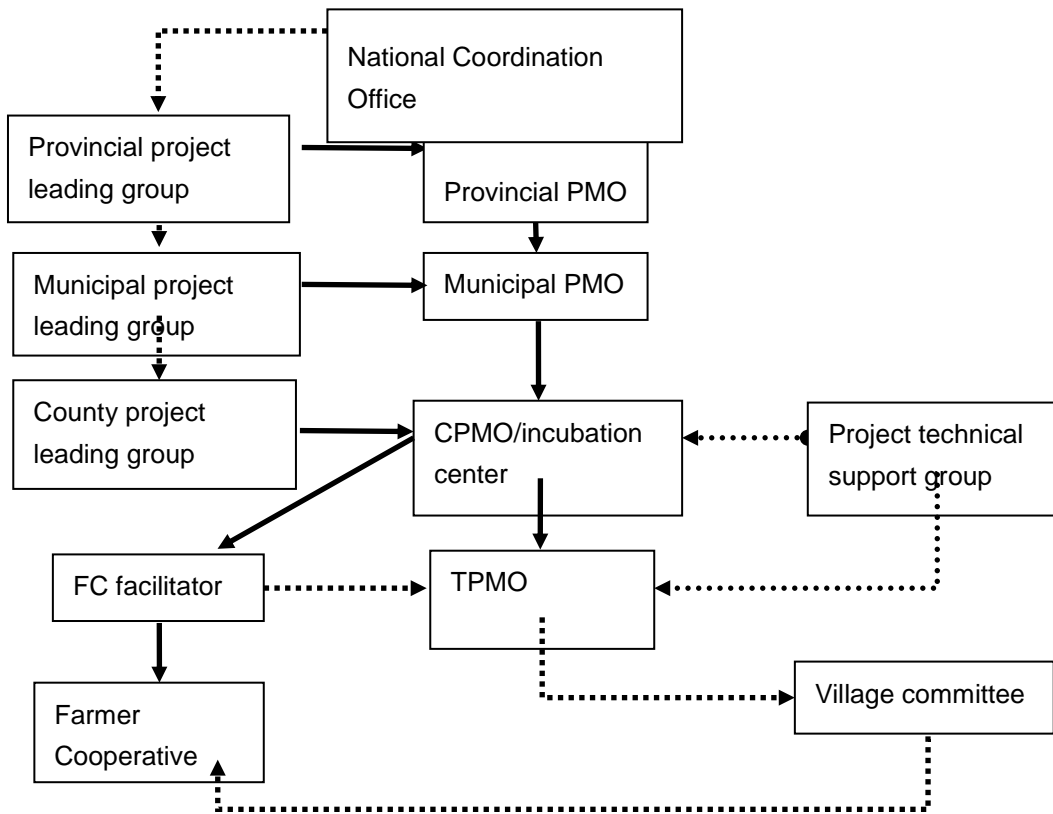
**Objective 3:** Enhancing project roles of facilitating ethnic minority women development. Main actions include: ensuring women participation in the project equal with other beneficiaries; increasing the number of female EM members in FCs; enhancing women ability for industry development.

**Objective 4:** Enabling all project activities to be practiced in a proper manner accepted by the culture of ethnic minorities. Main actions include: conducting project training in local language; practicing project activities in a suitable way where selection of time and location are convenient for EMs participation; considering contents of project activities with minority cultural sensitivity.

## 8.2 Implementing Agencies and Timeframe

### 8.2.1 Implementing Agencies

Based on the requirements of project management and project characteristics of farmer cooperative innovation, the project implementation system has been established involving three aspects: project leadership groups at all levels; project PMOs at all levels and project supporting mechanism of project technical support group. The leadership agencies are led by the county project leading groups, and composed of leaders from the local development and reform commissions, finance bureaus, poverty reduction offices, audit bureaus, and other agencies concerned; the IAs are responsible specifically for project management and implementation; the supporting system consists of officials from provincial, municipal and county agencies concerned, and technicians from research institutes and universities.



## 8.2.2 Implementation Timeframe

The implementation schedule of the EMDP has been prepared based on the progress of project preparation and implementation (see Table 15), and may be subject to adjustment in practice. There are three major stages of EMDP implementation as below:

(1) At the preparation stage, tasks related to ethnic minority development mainly include:

- Project information disclosure through variously public channels like meeting, workshop, media, post, brochure, etc. Project information disclosure at village level must be in the public places to be easily found such as village committee, or village group.
- Identification of EM population and assessment of project impacts on EMs. Conducting survey to learn to extent minority resident's support the project implemented in their communities as well as their willingness to participate in project activities. EMDP preparation and EMDP information booklet distribution, etc.

(2) At the implementation stage, tasks related to ethnic minority development mainly include:

- Mobilization of EMs to participating in preparation of FCs through various activities such as requirements of being FC members, FC profits distribution, measures of shares. Facilitating EMs to discuss rights and responsibilities being members, arrangement of FC funds, planning of FC industry development, plans of project implementation, election system of FC management members, and the agenda for FC establishment.

- Team working for EMDP implementation. Each county level PMO must appoint one focal person responsible for EMDP implementation. Relevant agencies in project counties must assist PMOs to facilitate actions and activities proposed in EMDP completed well as well as to ensure EMs to be involved sufficiently in project.

- Internal and external monitoring. Internal monitoring will be conducted by the PMO, who will submit an internal monitoring to the Bank semiannually. The PMO will also be externally monitored during WB supervisions.

(3) A summary evaluation will be conducted within half a year after the completion of the implementation stage.

**Table 15: Implementation Timeframe**

Stage	Main Activities	Timeframe
Preparation	Project information disclosure	
	Public participation of minority population	2016-2022



	Identification of impacts on minority population	February 2016
	Support of minority population for the Project	February 2016
	Preparation of EMDP and consultation with minority population	March 2016
	EMDP disclosure	May 2016
	EMDP approval	June 2016
	EMDP information booklet	July 2016
Implementation	Implementation	2017-2022
	M&E and submitting the M&E report regularly.	An internal monitoring report semiannually and an external M&E report annually at the implementation stage (2017-2022).
Half a year after implementation	Summary of evaluation	Submitting an EMDP summary evaluation report within half a year after the completion of the implementation stage

### 8.2.3 Budget

The Funds of EMDP implementation will be from three sources: the project budget, government fiscal budgets and special funds from relevant agencies. The funding sources for EMDP implementation has been detailed in Annex 1.

## 9. Monitoring and Evaluation

In order to ensure that this EMDP is implemented effectively as expected, it is necessary to monitor and evaluate the implementation of EMDP regularly. EMDP monitoring includes internal and external monitoring. Internal monitoring will be conducted by the PMO focusing on EMDP implementation progress. In addition, the PMO will be monitored externally and during WB project supervisions.

Internal monitoring will be conducted semiannually and external monitoring annually.



**Annex 1: Ethnic Minority Development Action Plan for Guangxi Rural Poverty Alleviation Pilot Demonstration Project**

Objective	Target Groups	Implementing Agencies	Time	Proposed Actions	Function Sources
<b>1. Ensuring equal participation in the project for ethnic minorities, especially Yao and other minorities with</b>					
1.1 enhancing better understanding of project goals, components, activities, benefits and project periods for EMs	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women Federation; township governments and village committees in project areas.	Project implementation period	<p>1. All minority people should receive project information related to training, implementation time, project activities by multiple means of villager meeting, broadcast, bulletin board, etc.</p> <p>2. All minority people should be consulted with time, place and way of project mobilization and training.</p> <p>3. The project activities should be practiced at village group level for those villages where minority people are scatted living in remote areas.</p> <p>4. Local minority languages or translators should be used for project mobilization and training in order to minority people receiving full information.</p>	Fund Agric Burea Anim Husb Burea Ethni Affair Burea Wom Fede
1.2 Establishing proper grievance redress mechanism for EM participation.	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic	Project implementation period	<p>1. Each village committee should appoint a person as the appeal acceptor.</p> <p>2. Contact information of appeal acceptors at all levels like email,</p>	Proje mana budg

		Affairs Bureaus, Women Federation; township governments and village committees in project areas.		<p>telephone number and mailing address should be disclosed to project villages.</p> <p>3. Minority people should be face to face informed at appropriate time with the procedure of grievance redress.</p> <p>4. The disclosure of grievance redress mechanism should be reached by EMs in open areas in both ethnic and Chinese languages.</p>	
1.3 Enabling ethnic minorities, especially Yao minority, active participation in FCs and equally enjoying benefits brought from FCs development.	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs, design institute, township governments and village committees in project areas.	Project implementation period	<p>1. The FC preparation group and member eligibility should be disclosed and the results should be disclosed accordingly.</p> <p>2. Yao people should be consulted with FC regulation and management rule through public meetings. At least 10% of Yao representatives participate meetings.</p> <p>3. Based on respecting wishes of Yao people, encouraging several Yao village groups seating closely to jointly set up their FCs with proper industry development.</p> <p>4. Based on respecting participation wishes of Yao people, encouraging FCs to receive Yao people as members with more FC funds support.</p>	Project budget support FC development

				<p>5. Based on respecting wishes of poor people, at least 25% FC members should be poor minorities.</p> <p>6. FC management and profit distribution mechanisms should be easily accepted by EMs in a properly cultural manner, especially for Yao and other minorities.</p> <p>7. Minority needs of industry development should be fully addressed in FC industry development plan such as industries of low investment and moderate skill requirement.</p>	
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**2. Strengthening capacities of ethnic minorities, especially Yao and other minorities with smaller population**

2.1 increasing training on FCs knowledge and management for ethnic minorities, especially for Yao minority.	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs, design institute, township governments and village committees in project areas.	Project implementation period	<p>1. Conducting FC training at minority-inhabited village group level by multiple means. Training contents should cover setting up, register, regulation formulation, member eligibility, profit distribution mechanism, etc.</p> <p>2. Appointing FC facilitator for Yao and other minority communities to assist them to understand the role of FC as well as to set up their own FCs based on respecting their wishes.</p> <p>3. Based on respecting</p>	Proje budg capa build
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				<p>minority wishes, arranging exchange visit of other FCs operating well for them to learn lessons.</p> <p>4. FC facilitator should assist EMs, particular Yao and other minorities, and poor minorities, to discuss appropriate industry development and further have common understanding of industry development plan.</p> <p>5. Developing FC manual for EMs.</p>	
2.2 increasing skill training on industry development for EMs.	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women Federation; township governments and village committees in project areas.	Project implementation period	<p>1. Conducting skill training of specialized crops and livestock development with higher commercial value and suitable to minority communities.</p> <p>2. Conducting marketing training suitable to minority areas.</p> <p>3. Conducting other relating skill training based on training needs assessment of EM, particular Yao people.</p>	Project budget capacity building
<b>3. Enhancing project roles of facilitating ethnic minority women development.</b>					
3.1 ensuring women participation in the project equal with other beneficiaries.	97846 women in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women Federation;	Project implementation period	<p>1. At least 40% ethnic women should be consulted with time, place and manner of project mobilization and training.</p> <p>2. Local minority languages or translators should be used for project mobilization and</p>	Project management budget

		township governments and village committees in project areas.		<p>training in order to minority women receiving full information.</p> <p>3. Time and place of project mobilization and training should be suitable to ethnic women participation.</p> <p>4. The manner of training should be easily and understandable for women.</p> <p>5. At least 40% ethnic women participation in related activities of project mobilization and training.</p>	
3.2 increasing the number of female EM members in FCs.	97846 women in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women Federation; township governments and village committees in project areas.	Project implementation period	<p>1. At least 20% FC members should be ethnic women.</p> <p>2. Guaranteeing one ethnic woman positioning in FC management.</p> <p>3. At least 30% of female representatives should be involving in discussion about FC regulation and management rule through public meetings.</p>	Project budget support FC development
3.3 enhancing women ability of industry development.	97846 women in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women Federation;	Project implementation period	<p>1. At least 40% ethnic women should be trained on skill training of specialized crops and livestock development with higher commercial value.</p> <p>2. At least 40% ethnic women should be trained on marketing.</p>	Project budget capacity building

		township governments and village committees in project areas.		3. Conducting other relating skill training for ethnic women based on training needs assessment of them.	
<b>4. Enabling all project activities to be practiced in a proper manner accepted by the culture of ethnic minor</b>					
4.1 conducting project training in local language	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women Federation; township governments and village committees in project areas.	Project implementation period	1. Language used by training should be Zhuang language popular used in project areas. 2. Yao translator should be in place during the training in Yao communities since Yao women can hardly speak Zhuang, particular for female elderly.	Proje mana budg
4.2 practicing project activities in a suitable way where selection of time and location are convenient for EMs participation	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women Federation; township governments and village committees in project areas.	Project implementation period	1. EMs should be consulted with time and place of project activities implementation. 2. Project activities should be implementing in village groups level for Yao people living in remote areas to easily participate in. 3. Schedule of project activities should not be conflict with EM traditional festivals.	Proje mana budg
4.3 项目活动内容具有少数民族文化敏感性	203431 minority people in 118 villages and 60 townships of 10 project counties.	PMOs; design institute; county agencies including Agriculture Bureau, Animal Husbandry Bureau, Ethnic Affairs Bureaus, Women	Project implementation period	1. Fully respecting ethnic culture should be reflected in training materials like examples and pictures. 2. Fully respecting ethnic culture should be reflected in project manuals like examples	Proje mana budg



		Federation; township governments and village committees in project areas.		and pictures.	

