

# Developing a social business model in rural Hubei, China



## Briefing note for participants

In partnership with:

Integrated Farmers' Association of Heshuiping Region  
The People's Government of Jianshi County, Hubei Province  
Consulting Centre for Farmers' Associations

Hong Kong and Hubei, China  
14 - 26 February 2011

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# 1. Introduction

Welcome to the Global Young Leaders Programme.

The Global Young Leaders Programme (YLP) is the first of its kind in Asia. The uniqueness of this course is the life-changing experience that participants receive during their Asian field project. At this stage of the course they work on creating investment and business opportunities that seek to positively impact the societies in the region. They will learn through the eyes of others and witness how decisions made in one part of the world have impacts on other parts. In particular, they will have the opportunity to use their experience and business acumen to develop a plan to attract investors and business partners, which will support the economic development of local communities.

The YLP aims to bring together, in a series of practical and hands-on learning experiences:

- *Cross-sectoral learning* – to prepare emerging leaders from business, government and the non-governmental organisation (NGO) sector
- *Experiential learning* – to combine learning and development with practical application in the world
- *Measurable sustainable benefits* – to create benefits at three levels: the individual participant; the organisation they work for; and the partners that they work with
- *Learning from diverse practices* – to foster learning at all levels by working on real world issues with a diverse team of participants
- *Creating value* – to develop long-lasting relationships with stakeholders through supporting sustainable businesses and building capacity.

YLP projects are specially selected and directly linked to globalisation issues with a real bearing on business and public sector policies. Through this experience, young leaders of the future will be well equipped to understand their future markets and customers as well as the complexities of doing business in Asia.

**Participants** gain an understanding of Asian globalisation challenges across sectors; valuable cross-cultural leadership skills; hands on experience of how to use leadership skills to succeed in different situations; an opportunity to positively impact local communities through direct engagement; mentoring from GIFT-dedicated mentors; and access to the dynamic GIFT alumni network; access to business, community and government leaders across Asia and elsewhere.

**Companies** gain a one of a kind programme that can be used to groom managers for the future; cross-functional development; an understanding of the nature of business decisions and their impact in an Asian community; a better appreciation of the complexities of the world; and a bridging of the gap in conducting leadership development, one that goes beyond what is traditionally taught in the classroom.

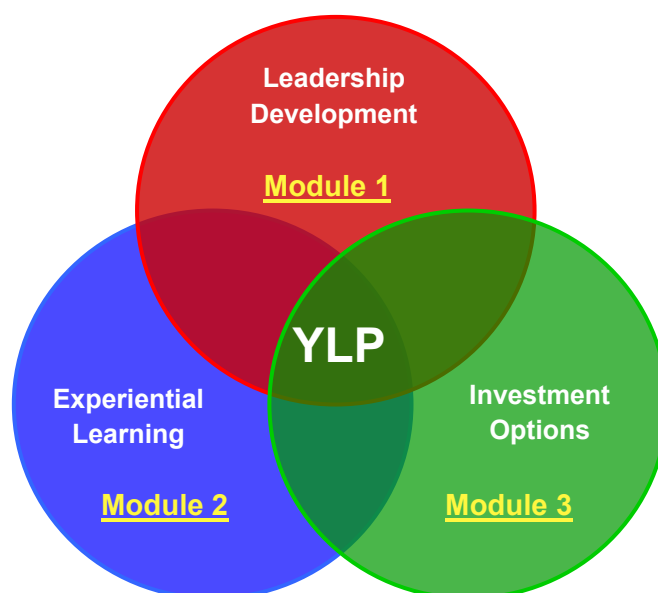
The YLP consists of three modules:

**Module 1** is the taught leadership development component. The aim is to familiarise participants with topics of globalisation, civil society, role of government, business ethics, diversity and corporate social responsibility. This is conducted in Hong Kong over a one-week period.

**Module 2** is spent in the field. Participants will spend one week in the Jianshi county, Hubei province in China. They will work with the Integrated Farmer's Association of Heshuiping Region to develop its five-year comprehensive development plan.

**Module 3** the post-site activities. This involves the assessment of the business plan which participants design and subsequent implementation by the partners involved, initially with seed investment capital and later as self-sustaining businesses. The continued relationship between business and the partner organizations involved provides a hugely practical opportunity for generating social investment options towards meaningful causes.

Overview:



Module	Description	Location	Timing
Leadership development	Classroom-based preparatory module emphasising new thinking through interactive breakout sessions on topics related to effective global leadership	Hong Kong	14 to 18 February
Experiential learning	On-site field work with the Integrated Farmers' Association of Heshuiping Region (IFAH) and the local government of Jianshi county	Hubei, China	19 to 26 February
Implementation	Assessment of business plan, specific needs and subsequent execution	Hong Kong	Led by GIFT following conclusion of the YLP

## 2. Module 1 – Leadership development

### I. Core topics

#### **Impacts of globalisation**

This session addresses the transformation globalisation has had; the opportunities and challenges it still brings and the impact these have on Asian societies. We examine the growth of China and India and the unprecedented changes in economics, politics and the environment in the Asian region. This raises a series of questions for business leaders of the future; is there a new definition of globalisation and what does this mean for leaders of tomorrow?

#### **Corporate social responsibility**

We define corporate social responsibility (CSR) and its drivers. We ask whom corporate decisions affect and why corporations should care. We look at the role business plays in society and address the limitations of a company's legal responsibilities. We cover the motivations for businesses to engage in CSR, who is their target audience? Finally, we consider what CSR looks like in China and India.

#### **The role of media**

Media has played a critical role in shaping the views and actions of consumers, business leaders and investors. In the West it has also been a vehicle for raising awareness on issues of societal and environmental well-being. How is the media developing in Asia and what is its role in helping or harming a company's reputation? What role will media play in the success or failure of regional and global companies in the future?

#### **Business ethics**

How is business in Asia responding to the challenges introduced by western corporate ethics? The relationships between business and government, the legal and judicial institutions in Asia and the influence on business practice are examined. We look at the use of institutional governance tools to manage corruption and other ethical issues. Is legislation the only answer or are there alternatives for Asia?

#### **Civil society in Asia**

We look at the origins of civil society and its development in the West and how it contrasts with Asia. We look at how specific issues helped bring civil society to the forefront of activist campaigning and how this introduced to people in the West a new perspective on business and government activities. The historical context to civil society development (or lack of) in Asia and its future role will also be examined.

#### **The role of government**

We look at three principal areas of responsibility: domestic issues, foreign relations and business. We look at the different styles of government in different economies and analyse their effectiveness. The role of government across Asia is examined and highlights how common issues are dealt with under their own governance mechanisms. To what extent are they successful? Finally, participants will be asked to debate the pros and cons of two models of government.

## II. Speaker profiles

### **Peter Messervy**

Training & Development Manager, Mainland China  
Swire Properties Limited

Peter Messervy is relatively new to the corporate world having left the UK Army in 2008 in order to pursue opportunities in Asia. Commissioned as an infantry officer, his military career spanned 27 years and included service in many areas of the globe including pre-unification Berlin, Sub-Saharan Africa and Hong Kong. He has served in a variety of conflict zones from Northern Ireland, the Balkans, West Africa and Iraq.

In his current role at Swire Properties he is responsible for the delivery of frontline training for staff based in its Hong Kong and Mainland China offices.

### **Jean-Pierre Lehmann**

Founding Director  
Evian Group

Jean-Pierre Lehmann is Professor of International Political Economy at IMD, Lausanne, Switzerland.

In 1995 he founded the Evian Group, an international coalition of corporate, government, and opinion leaders, united by a common vision of enhancing global prosperity for the benefit of all by fostering an open, inclusive, sustainable and equitable global market economy in a rules-based multilateral framework. It has developed as a leading voice on global governance, trade, development, inclusive growth, and investment issues, as a forum for dialogue and a birth place of ideas. It has a network of several thousand members and a Brains Trust of world leading experts.

He acts in various leading capacities in a number of public policy institutes and organisations, as an advisor to governments and corporations, and as a frequent commentator in the international media. He is the author of several books and numerous articles.

**Yvonne Li**

Founder and CEO  
Avantage Ventures

Yvonne Li is the founder and CEO of Avantage Ventures. She founded Avantage Ventures to bridge the information and funding gaps between social entrepreneurs and investors in Asia. She is a former Hong Kong finance executive who has worked in investment banking, hedge funds, and commercial banking. Her experience includes working at Lehman Brothers' capital markets division in equity structured derivatives and at HSBC's commercial banking sector. She began her career as a macro-economic analyst and options trader at Asia Financial Asset Management.

Yvonne was a leading member of Lehman Brothers' philanthropy committee, where she successfully engineered the re-development of a rural primary school in China. She has also managed and provided strategic consulting to a number of fundraising projects for the China Literacy Foundation and Aids Concern.

**Sim Lim**

Managing Director/Singapore Country Manager  
DBS Bank

Veteran banker and Singapore citizen, Sim S. Lim is the Country Manager for DBS Singapore. In his 26-year banking career, the bulk of which was in Asia, Mr. Lim had stints in Singapore, Malaysia, Hong Kong, Japan, Middle East and the U.S. He was most recently President and CEO of Citigroup Global Markets Japan, a position he held from June 2008 to December last year. During this time, Mr. Lim was also a board member of Citigroup Japan Holdings Corp.

During his international banking career, Mr. Lim held a wide variety of roles. From April 2007 to June 2008, he was Country Officer, Hong Kong and also Chairman of Citibank Hong Kong. During his tenure, he managed the Citigroup Hong Kong country franchise, including developing the strategy for Hong Kong's markets and banking franchise, and providing support to the consumer and wealth management businesses. Between October 2003 and March 2007, Mr. Lim was regional head of emerging markets sales and trading for the Asia-Pacific, based in Singapore. During this period, he was also the non-executive Chairman of Citibank Berhad Malaysia.

**Alan Sze**

Chief Project Coordinator  
Institute for Integrated Rural Development

Alan Sze lectured in social policy and economics in Hong Kong Polytechnic (2002-2010) and currently runs his own e-learning company. As an undergraduate at the University of Hong Kong (HKU), he founded an NGO to help education development in rural China and returned to HKU to pursue an MPhil in Chinese Economy with a focus on the reform of small and medium state-owned enterprises. While completing his degree, he wrote extensive research papers analysing the post-reform Chinese economy and poverty issues in Hong Kong.

At Hong Kong Polytechnic University, Mr. Sze's major research area is on social development in China. This began with his pioneering research on reform of the social security system, then rural medical system reform and the cooperative movement.

Mr. Sze has been a core member of the research team led by Prof. Yang Tuan of the Chinese Academy of Social Sciences since its formation. He was one of the co-authors of the conceptual paper on the integrated rural cooperatives pilot in Jianshi. Mr. Sze now also serves as a board member of the Chinese cooperatives.

**Marius van Huijstee**

Chief Executive  
Sonepar Asia

Mr. van Huijstee has worked for the company since 2000. Under his leadership he has positioned the company to be a leader in the electronics industry. In 2005, Mr. van Huijstee set up the first Sonepar office in China in Shanghai, which has experienced growth as a result of a number of acquisitions, joint ventures and development. Prior to his position at Sonepar, Mr. van Huijstee was an integral part of managing the operations of DHL Netherlands, where he was the Change Director of the Member Executive Committee.

Sonepar, a distributor of technical equipment and solutions for electricity professionals world wide, is represented by over 100 companies and operates in 29 countries on 4 continents.

**Module 2 keynote speaker****Professor Yang Tuan**

Deputy Director, Center for Policy Studies - Head, Social Policy Department  
Chinese Academy of Social Sciences (CASS)

Prof. Yang has 30 years of experience in social policy research. She has been Deputy Director of the Center for Policy Studies, CASS since 1999. She has written widely on the subject of social policy, China's social security and community public service. Most recently, she was commissioned by the UK Department for International Development to research the reconstruction of China's social security system. From 1994-1998 she was Deputy Secretary General of China Charity Foundation. Prior to this she was Secretary General to the China Population Welfare Foundation.

### III. Timetable for module one

Date	Time	Session
14-Feb (Monday)	08:30	Introduction and ice-breaking – GIFT
	10:00	Tea break
	10:30	Impacts of globalisation – GIFT
	12:30	Lunch
	14:00	Front line leadership – Peter Messervey, Training & Development Manager, Mainland China of Swire Properties
	15:30	Tea Break
	16:00	GIFT and the YLP – Q&A
15-Feb (Tuesday)	08:30	The role of government – GIFT
	11:00	Tea break
	11:30	Asia rising and Europe declining? Some provocative perspectives beyond the stereotypes – Jean-Pierre, Founding Director of the Evian Group
	13:00	Lunch
	14:30	Corporate social responsibility overview – GIFT
	15:30	Tea break
	16:00	Corporate social responsibility breakout session – GIFT
16-Feb (Wednesday)	08:30	Business ethics – GIFT
	10:00	Tea break
	10:30	Missing market finance – Yvonne Li, Founder and CEO of Avantage Ventures
	12:30	Lunch
	14:00	The role of civil society – GIFT
	15:30	Tea break
	16:00	Civil society and multi-stakeholder negotiation – GIFT
17-Feb (Thursday)	08:30	Lessons from the financial crisis – Sim Lim, Managing Director/Singapore Country Manager of DBS Bank
	10:00	Tea break
	10:30	The role of media – GIFT
	12:30	Lunch
	14:00	Project briefing – Alan Sze, Chief Project Coordinator of Institute for Integrated Rural Development
	16:00	Tea break
	16:15	YLP team roles and responsibilities
17:00	YLP evening reception	
18-Feb (Friday)	08:30	Team presentation on business planning
	10:00	Tea break
	10:30	Leadership in a changing world – Marius van Huijstee, Chief Executive of Sonepar Asia
	12:00	Lunch
	13:00	Wrap up and reflections – GIFT
	14:30	Depart to airport – Flight at 18:00

#### IV. Module one venue

14 – 16 February 2011

##### **Hong Kong Football Club**

Happy Valley Room

3 Sports Road, Happy Valley, Hong Kong

Tel: (852) 2830 9500

Fax: (852) 2882 5040

<http://www.hkfc.com.hk>

17 – 18 February 2011

##### **Royal Hong Kong Yacht Club**

Gun Room

Kellett Island, Causeway Bay Hong Kong

Tel: (852) 2832 2817

Fax: (852) 2572 5399

<http://www.rhkyc.org.hk>



#### **Accommodation for overseas participants:**

Cosmopolitan Hotel

387-397 Queens Road East

Wan Chai, Hong Kong

Tel: (852) 3552 1111 Fax: (852) 3552 1122

Website: <http://www.cosmopolitanhotel.com.hk>

\*Transportation to venue: The Module 1 venue, the Football Club is within a 10 minute walk or 5 minute taxi ride from the hotel and the Yacht Club is a 20 minute walk or 10 minute taxi ride. On 14 Feb and 17 Feb, a GIFT representative will escort you from the hotel to the Module One venue. Participants should gather in the hotel lobby at 8:10am on both dates.


### 3. Module 2 – Experiential learning

#### I. Background

The following section provides participants with an overview of Hubei, China, a brief introduction to the market challenges facing smallholder farmers, a snapshot of some of the key socio-economic challenges they face and an introduction to asset-based development. Finally, it also includes a description of the East Asia farmers' association model which the YLP field project is based on.

#### A. Country and province background

Table 1. Facts and figures of Hubei, China

	2009 Snapshot	Hubei Province <sup>1</sup>	Enshi Prefecture <sup>2</sup>
Capital		Wuhan	Enshi
Land Area, km <sup>2</sup>		185,900	24,061
Population, m		57.2	3.5
GDP, RMB bn		1,283.2	29.4
GDP Per Capita, RMB		22,433	8,436
Annual Household Income Per Capita, RMB		Urban: 14,367 Rural: 5,035	Urban <sup>3</sup> : 10,307 Rural: 2,810
Real GDP, % yoy		13.2	12.8
Inflation, % yoy (November 2010)		5.1	-
Net Export, USD m		9980 <sup>4</sup>	86.7

Hubei province is situated in central China, at the middle reaches of the Yangtze river. It is home to the Three Gorges Dam, the largest hydroelectric power station in the world. GDP in Hubei has doubled from RMB 660 billion in 2005 to 1.3 trillion in 2009 with foreign investment as the major driver of development. The key industries in the province include automobile manufacturing, iron and steel, mechanical and electrical equipment, shipbuilding, textiles, chemicals, and building materials.<sup>5</sup> Hubei is often called the "Land of Fish and Rice" because of its strong agriculture base. The capital of Wuhan is a major transportation hub in central China, with north-south and east-west railways crossing the city, as well as highways connecting to major cities in China. It is also the second largest inland port along the Yangtze River.

1

[http://www.dbresearch.de/servlet/reweb2.ReWEB?addmenu=false&document=PROD000000000247527&rdShowArchivedDocu=true&rwdspl=2&rwnode=DBR\\_INTERNET\\_EN-PROD\\$NAVIGATION&rwobj=ReDisplay.Start.class&rwsite=DBR\\_INTERNET\\_EN-PROD](http://www.dbresearch.de/servlet/reweb2.ReWEB?addmenu=false&document=PROD000000000247527&rdShowArchivedDocu=true&rwdspl=2&rwnode=DBR_INTERNET_EN-PROD$NAVIGATION&rwobj=ReDisplay.Start.class&rwsite=DBR_INTERNET_EN-PROD)

<sup>2</sup> <http://www.hktdc.com/info/mi/a/mpcn/en/1X074B6X/1/Profiles-Of-China-Provinces-Cities-And-Industrial-Parks/Enshi-Hubei-City-Information.htm>

<sup>3</sup> [http://www.stats-hb.gov.cn/structure/xxgk/tjgb/sztjgbzw\\_191530\\_1.htm](http://www.stats-hb.gov.cn/structure/xxgk/tjgb/sztjgbzw_191530_1.htm)

<sup>4</sup> [http://www.gov.cn/test/2010-02/05/content\\_1529177.htm](http://www.gov.cn/test/2010-02/05/content_1529177.htm)

<sup>5</sup> <http://www.china-briefing.com/news/2010/11/08/chinas-fastest-growing-provinces-the-demographics.html>

YLP participants will be staying in the south-western corner of Hubei in Enshi Tujia and Miao Autonomous Prefecture. The Enshi Tujia and Miao prefecture is the only administrative division in the province to be included in the Chinese government's Western Development programme, a policy adopted in 2000 to boost the economic development of the western regions in China, to prevent them from lagging further behind the eastern regions. Enshi prefecture has the second smallest



The Yichang-Wanzhou railway crossing Sanli township

economy among the 13 prefectures and prefecture-level cities in the province. Tujia and Miao ethnic groups make up 52.6 per cent of the population. The opening of the Yichang-Wanzhou railway in December 2010 and the Shanghai-Chongqing highway in December 2009 has made a relatively inaccessible area somewhat more accessible.

The YLP field project site is located in the Heshuiping region in Sanli township in Jianshi County and is one of six poverty-stricken counties in the prefecture. Yezhou is a major business town and home to the county government offices.

Sanli township has six administrative areas with a total of 36 villages, covering an area of 170.7 square kilometres, with a population of 44,026.

## B. Smallholder farming in China

There are approximately 700 million rural smallholder farmers in China struggling to make a living. Rural development policy in China is at a critical juncture. It needs to maintain food security across the nation whilst managing the serious challenges associated with migration.

With a population of 1.32 billion, China's per capita cropland area of 1.4 mu (0.093ha) is equivalent to only one third of the world's average.<sup>6</sup> It is the world's largest agricultural producer and consumer. It produces 30 per cent of the world's rice, 20 per cent of the world's corn, 25 per cent of the world's cotton, 37 per cent of the world's fruit and vegetables and half of the world's pork.<sup>7</sup>



However, at present, the majority of smallholder farmers have little capacity to benefit from the opportunities presented by the rising demand for food in China.

<sup>6</sup> [http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/fortune/2010-07/08/c\\_12310430\\_7.htm](http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/fortune/2010-07/08/c_12310430_7.htm)

<sup>7</sup> <http://www.ers.usda.gov/AmberWaves/June08/Features/ChinaFeed.htm>

## Challenges associated with supply and demand for agricultural products

Smallholder farmers have little bargaining power and lack the economy of scale to enter the competitive market, mainly because they find it difficult to access markets and information. Without stable sales channels and with little capacity to bear the risk of price fluctuation, many farmers live on unstable incomes and cannot plan for the long term. Moreover, due to a lack of access to capital, farmers also find it difficult to enter the value chain (a value chain can be thought of as a set of activities, services, and products that lead to a product or service that reaches the final consumer).

To help organise farmers and give them more leverage in the agriculture value chain, the Law on Farmers' Professional Cooperatives was implemented in 2007. There are now 270,000 professional cooperatives in China<sup>8</sup> specialising in the supply chain of a single crop or several products. The various professional cooperatives are set up to represent the interest of farmers and enhance their bargaining power to gain access to the market. However in practice the entrepreneurial and more capable farmers tend to be the bigger ones, and ultimately dominate most of the professional cooperatives, which on average only represent 10 per cent of the farmers.<sup>9</sup> Due to the higher transaction costs of working with a large number of scattered smallholder farmers, most professional cooperatives do not welcome smallholder farmers. Even if smallholder farmers are included, they are usually not in a favourable position to negotiate with the big farmers.

## C. Socio-economic development in China

China's rapid economic development and industrialisation has created a growing gap between rural and urban areas. China's urban population has increased from 18.96 per cent in 1979 to 46.60 per cent in 2009<sup>10</sup>, and the per-capita disposable income for urban residents was RMB 17,175, compared to RMB 5,153 for rural residents. To find additional income, many rural residents, including farmers, look for work in the more developed coastal provinces and industrial cities as migrant workers.

### Rural migration

Today, there are 145 million migrant workers working in cities to support their families back home in rural areas.<sup>11</sup> Due to the relative ease of sending money back home to their families, many young people are making the choice to 'go out' and work when they come of age, lured by the prospect of earning money quickly. For those that don't want to leave the rural areas or simply cannot leave, their contribution to farming land is based more on the need to survive, a subsistence existence, rather than through a system of organisation which would allow communities to thrive. In these circumstances young children, the elderly and women tend to be left behind living in relative poverty with very little prospect of economic and social development. On average, each person is assigned 1.3 mu (0.086 ha) and each household has less than 10 mu (0.66 ha) of scattered land parcels. While the abolition of the commune system in 1984 liberalised farming and gave farmers the production ownership, the allocated land is generally insufficient to support a family.

<sup>8</sup> [http://big5.ce.cn/cysc/agriculture/gdxw/201010/29/t20101029\\_20533380.shtml](http://big5.ce.cn/cysc/agriculture/gdxw/201010/29/t20101029_20533380.shtml)

<sup>9</sup> Yang Tuan, [http://www.zgxcfx.com/Article\\_Show.asp?ArticleID=26117](http://www.zgxcfx.com/Article_Show.asp?ArticleID=26117)

<sup>10</sup> [http://big5.am765.com/zt1/zdzt/2010lhztbd/2010jsxw/201003/t20100308\\_547524.htm](http://big5.am765.com/zt1/zdzt/2010lhztbd/2010jsxw/201003/t20100308_547524.htm)

<sup>11</sup> [http://www.cnr.cn/gundong/201003/t20100319\\_506179292.html](http://www.cnr.cn/gundong/201003/t20100319_506179292.html)

The paradox for migrant workers is that urban life does not automatically provide them with long-term stability in urban areas. The unequal social status of migrant workers as compared to their urban resident counterparts is a source of social tension. The residential registration system means migrant workers are excluded from social security, healthcare and nine years of mandatory education in urban areas. They are by far the largest marginalised group living in urban China. Many of the children of the migrant workers are left in rural villages to live with their grandparents to attend schools there. These children consequently have little opportunity to interact with their parents during their formative years of growing up because their parents are working in the cities.

### **Rural social security**

At present the majority of the rural residents do not have social security such as pension and healthcare insurance. They rely on the local government to provide the needed social services such as healthcare however in remote rural areas such services are non-existent or inaccessible.

The central government introduced the New Rural Pension Plan in August 2009 allowing farmers to enjoy the same guaranteed incomes later in life as their urban worker counterparts. Farmers over the age of 60 will be able to receive a monthly endowment of varying amounts according to income standards in their local area. The new scheme, to be subsidised by the central and local government, is expected to expand to the whole country by 2020.



## **D. Asset-based rural development**

Asset-based development focuses on building a capital and social asset base as a means to accumulate wealth within the community, whilst also taking care of the overall wellbeing of society through the provision of public services. There can be significant direct and indirect benefits for the community and external stakeholders in which assets are utilised, some of which are highlighted below:

- Wealth creation activities, often deliberately aimed to create jobs for local people, will directly bring increased income and improved health within the local community.
- The revaluing of an asset such as land can restore confidence in that place. It can restore the viability of local businesses, help reverse the exodus of residents and businesses and help restore land values and attract new investment.
- Asset-based organisations can offer a base for local service provision, making it more accessible to local people, particularly important in rural areas.
- Ownership of a capital asset can be one of the key factors in providing collateral for further borrowing, in leveraging additional assets, and generating surpluses to finance new activity, thus providing a springboard for further growth.

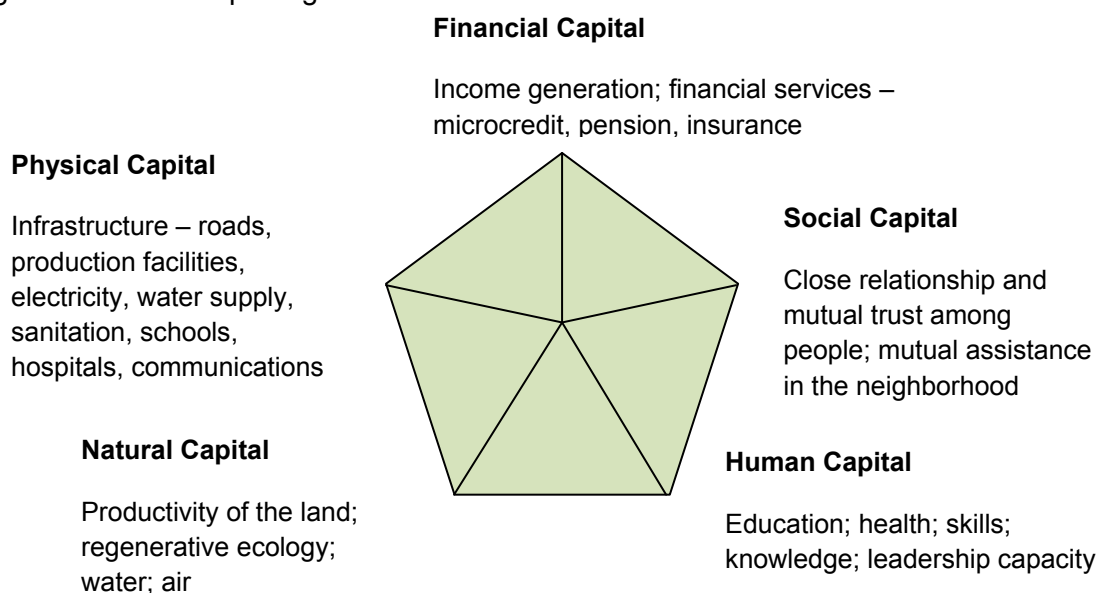
An asset-based approach starts with an analysis of strengths rather than needs, and the focus is on asset building to assist people and communities to become more robust, stronger and better able to develop their own livelihoods.

### The Sustainable Livelihoods Framework<sup>12</sup>

A livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.

The approach is founded on a belief that people require a range of assets to achieve positive livelihood outcomes; no single category of assets on its own is sufficient to yield all the many and varied livelihood outcomes that people seek. They have to seek ways of nurturing and combining what assets they do have in innovative ways to ensure survival.

Figure 1. The asset pentagon



**Environmental sustainability** is achieved when the productivity of life-supporting natural resources is conserved or enhanced for use by future generations.

**Economic sustainability** is achieved when a given level of expenditure can be maintained over time. In the context of the livelihoods of the poor, economic sustainability is achieved if a baseline level of economic welfare can be achieved and sustained.

**Social sustainability** is achieved when social exclusion is minimised and social equity maximised.

**Institutional sustainability** is achieved when prevailing structures and processes have the capacity to continue to perform their functions over the long term.

<sup>12</sup> DFID, Sustainable Livelihoods Guidance Sheets, 2000

## II. The Field Project: Creating a five-year development plan for the Integrated Farmer's Association of Heshuiping Region (IFAH)

### A. Overview

In April 2008, the government of Jianshi county invited the Chinese Academy of Social Sciences Social Policy Research Center, China Youth Development Foundation, Bright China Group and China Social Entrepreneur Foundation to form a strategic partnership. The goal of this partnership has been to create a pilot programme for running the IFAH as a platform for integrated rural development and governance.

Working with the Integrated Rural Development and Governance Pilot Programme Office under the county government, Professor YANG Tuan and her team of researchers are responsible for the development of the IFAH. The Consulting Center for Farmers' Associations (CCFA) was founded in November 2010, by Prof. Yang, to take on the advisory services provided to the IFAH.



During more than ten years of research in rural development issues she found the East Asia farmers' association model to be most suitable for rural China. The successes of farmers' associations in Taiwan, Japan and Korea in the past century are valuable models for China to learn from; for reviving its rural economy, building a capital and social asset base, closing the urban-rural disparity gap and achieving modernisation in rural areas without a mass urban migration.

The IFAH aims to integrate the experience of farmers' associations in East Asia with the local best practices of asset-based development and devise a model suitable for the smallholder farmer economies in rural China.

The IFAH is positioned as a professional farmers' organisation and is operating as a social business guided by the government. By organising the farmers and utilising the local and external resources effectively to strengthen the capital and social asset base of the community, the IFAH creates the foundation for smallholder farmers to enter the agriculture value chain and sustain their livelihoods. In addition, through the provision of public services, the IFAH safeguards the sharing of socio-economic development outcomes among all farmers.

The five-year development plan will start with a pilot programme covering six villages in Heshuiping area, with the potential to scale up to the whole Sanli Township. It will also include villages in other townships within Jianshi County in 3-5 years, thereby eventually forming a county level integrated farmers' association.

The YLP output delivered to the IFAH at the conclusion of this programme has the potential to be a ground-breaking model, to be emulated in other parts of China and may serve to inform and lead social policy reforms.

## **YLP project partners**

### **The Integrated Farmers' Association of Heshuiping Region (IFAH)**

Please see Section C below.

### **The government of Jianshi County and the Integrated Rural Development and Governance pilot programme office**

A pilot programme office was established by the government of Jianshi County under the leadership of a specialist committee overseen by the vice county mayor. Its purpose is to coordinate the integrated rural development and governance pilot programme and support and guide the development of the IFAH, while facilitating the integration of government resources effectively.

### **Consulting Centre for Farmers' Associations (CCFA)**

The Consulting Centre for Farmers' Association was founded by Professor YANG Tuan of the Chinese Academy of Social Sciences with her team of researchers and specialists from across China and Hong Kong. It supports the development of integrated farmers associations in China. Based in Beijing, the consulting center is also the secretariat of a network of over 25 farmers' associations in China.

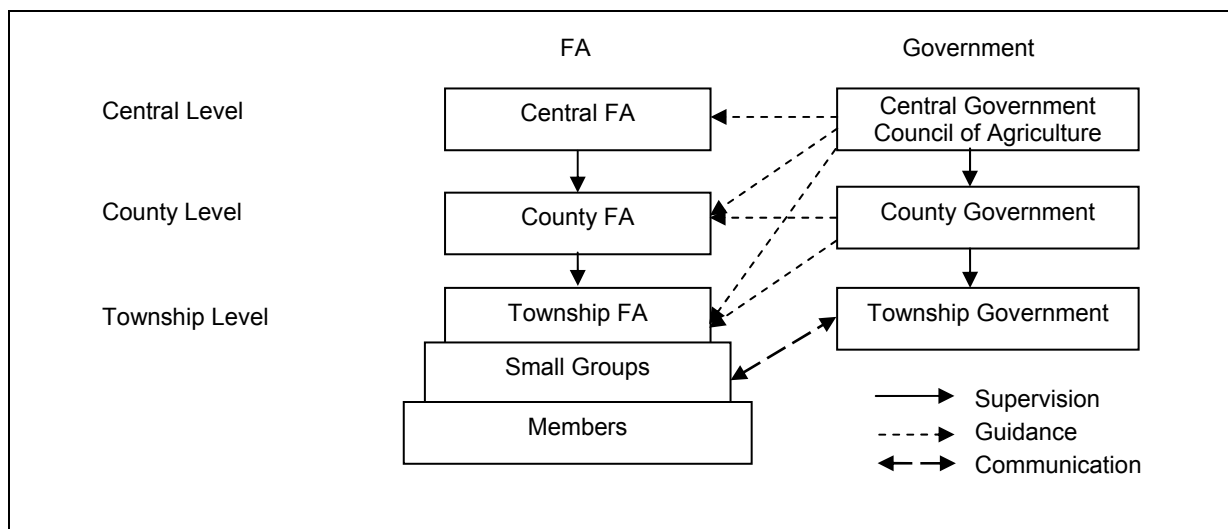
## **B. Experience from Integrated Farmers' Associations in East Asia (Taiwan, Japan, Korea)**

The IFAH pilot project is based closely on the East Asian models of Farmer's Associations (FA) from across Taiwan, Japan and Korea. For over a century, the farmers' cooperatives and the later FAs played a crucial role in protecting the rights and interests of farmers, improving their knowledge and technical skills, increasing their production income, raising their standard of living, improving the rural economy and promoting modern agriculture.

Below is an example of the governance and organisational structure of the Taiwanese model and its 4 key functions.

The Taiwanese FAs are organised into three levels; central, county and township levels as illustrated in Figure 2. The FA represents the collective voice of the farmers. The executive board and supervisory board of the FAs are elected by the members through a democratic system at the general assembly, starting from the township level, up to the county and central levels. To have a clear separation of authority and function, an executive director is recruited by the executive board to run the operations of the FA.

Figure 2. The three-level organisation of FA in East Asia and its relationship with the government<sup>13</sup>



The Council of Agriculture (COA) in Taiwan is the central authority in charge of the nation's agriculture, forestry, fisheries, animal husbandry and food administration, as well as planning for nature conservation and agricultural development. COA provides guidance and technical support to the FAs at different levels.

Taiwan has a “one township one FA” policy, and the township FAs became the only legal professional farmers organisation in rural areas. FAs act as the link between the farmers and the government. Over time they became the platform for the government to deliver public services, including welfare allowance for senior farmers and health insurance at the grassroots level.

Core functions of Taiwanese farmer’s associations include:

- **Production, supply and distribution**
- **Financial services**
- **Social security**
- **Education and cultural activities**



**Production, supply and distribution:**

In Taiwan farmers are organised into product specific small production and marketing groups. Farmers in the group support each other in the collective purchasing of agriculture supplies, production as well as marketing of their products. The products are distributed through a distribution channel established by the FA with traceability to individual farms.



<sup>13</sup> Adapted from 廖樹宏,2008.台灣農會-新合作化經營 figure 1.

The benefit of the FA is that it helps to protect the interest of farmers through offering lower prices in agriculture supplies and establishing stable sales channels for agriculture products. In addition, the FA also provides the necessary technical support and training for farmers with government support. The FAs own storage, processing, distribution facilities and retail shops, which are profit-making businesses and help to reduce the market risk for farmers.

**Financial services:** Credit unions and banks provide mutual credit, loans, savings accounts and other financial services for farmers and agri-businesses. The community banking system plays a central role in providing working capital and relieving the cash flow pressure of farmers and supporting the growth of the agriculture industry and the FAs. The interest rate for loans and savings are 2.5-4 per cent and 1.9 per cent respectively. Profits generated from financial services are used to support social services that benefit the community as a whole.

**Social security:** The FAs have pension, health insurance, agriculture insurance and other insurance schemes for their members. The FAs run their own hospitals using the funds from their health insurance scheme. The FAs also have elderly homes, providing elderly care services in rural areas.

**Education and cultural activities:** The youth and women's groups in FAs play a major role in developing community education and cultural activities, to promote cultural heritage and enrich the spiritual life of the rural community.

A strong social network, complementing economic and social functions and a good working relationship with the government, gave the FAs leverage in leading the transformation of rural development.

### **Challenges in transferring the East Asia experience to China**

It is usual practice in China that any major policy reform needs to go through a policy pilot in a selected area with support from the local government. This helps with gaining practical experience before entering the legislative process and being rolled out on a larger scale.

Due to the different historical backgrounds and political systems, the multi-faceted nature of the FA is not well defined and recognised in the current socio-political environment in China.

The positioning of the FA needs to be aligned with its stakeholders, including the farmers, government, village committees, professional cooperatives, local community, NGOs, policy research institutes, financial institutions and others.

### C. The Integrated Farmers' Association of Heshuiping Region (IFAH)

**Core value:** The IFAH is an organisation that accommodates the common interests of all farmers and safeguards the sharing of socio-economic development outcomes among all farmers.

Modelled after the farmers' associations in Taiwan, the IFAH is a cross-territory, cross-administrative professional and social organisation that covers all farming households. The organisational structure of the IFAH includes three levels, namely the region association, member groups and members, with jurisdiction over six villages.

Table 2. An overview of IFAH membership in Heshuiping Region

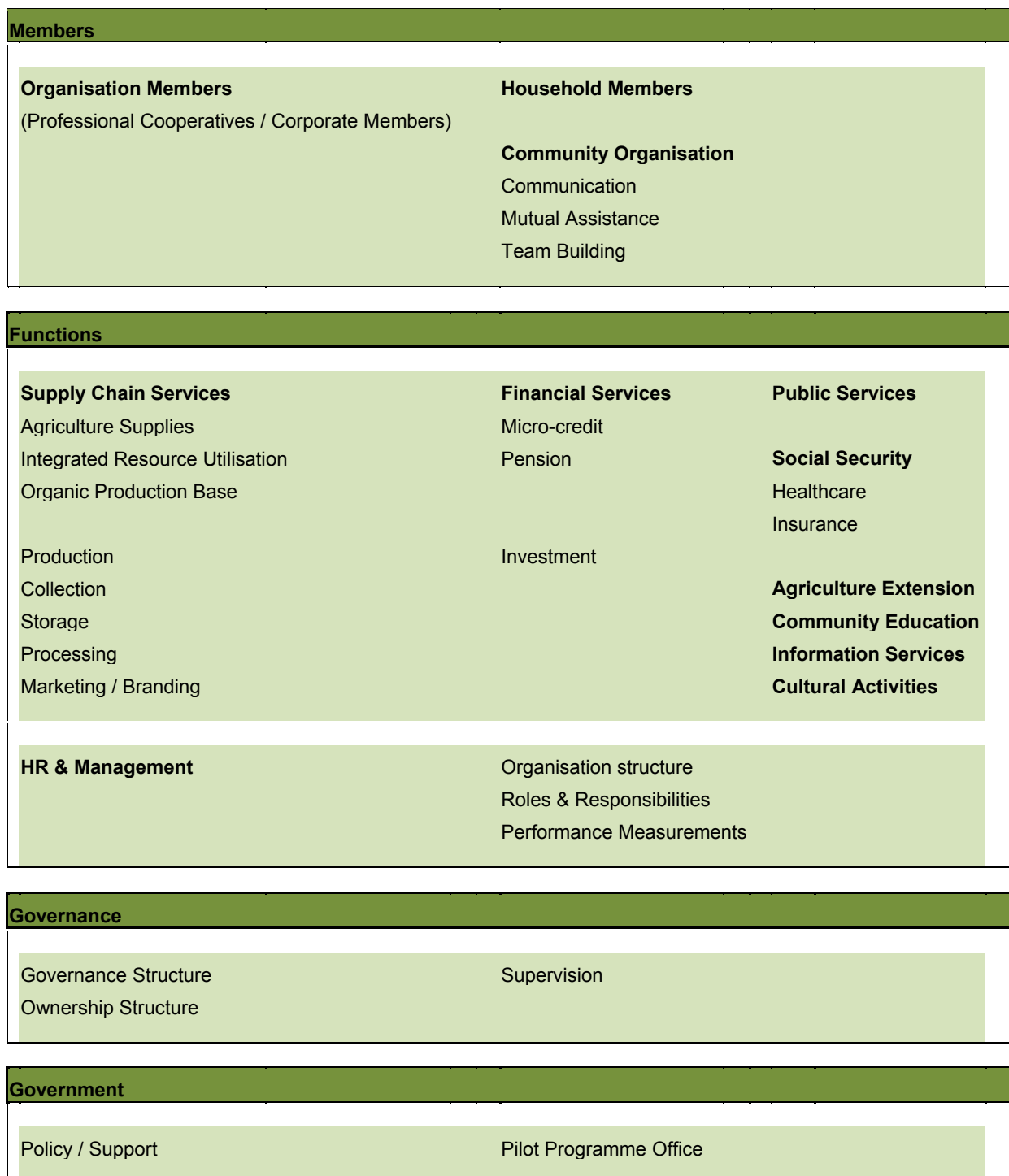
	Community	IFAH Members	Percentage
No. of villages	6	-	-
No. of member groups	-	64	-
No. of households	2050	1320	64.3%
No. of people	8180	5000	61.1%

Figure 3. Map of Jianshi County and Heshuiping Region



Guided by the government, the IFAH is designed to be a multi-functional platform servicing farmers in production and supply chains, financing, outreach programmes and social security. The following diagram shows the key areas that need to be considered in the five-year comprehensive development plan for IFAH.

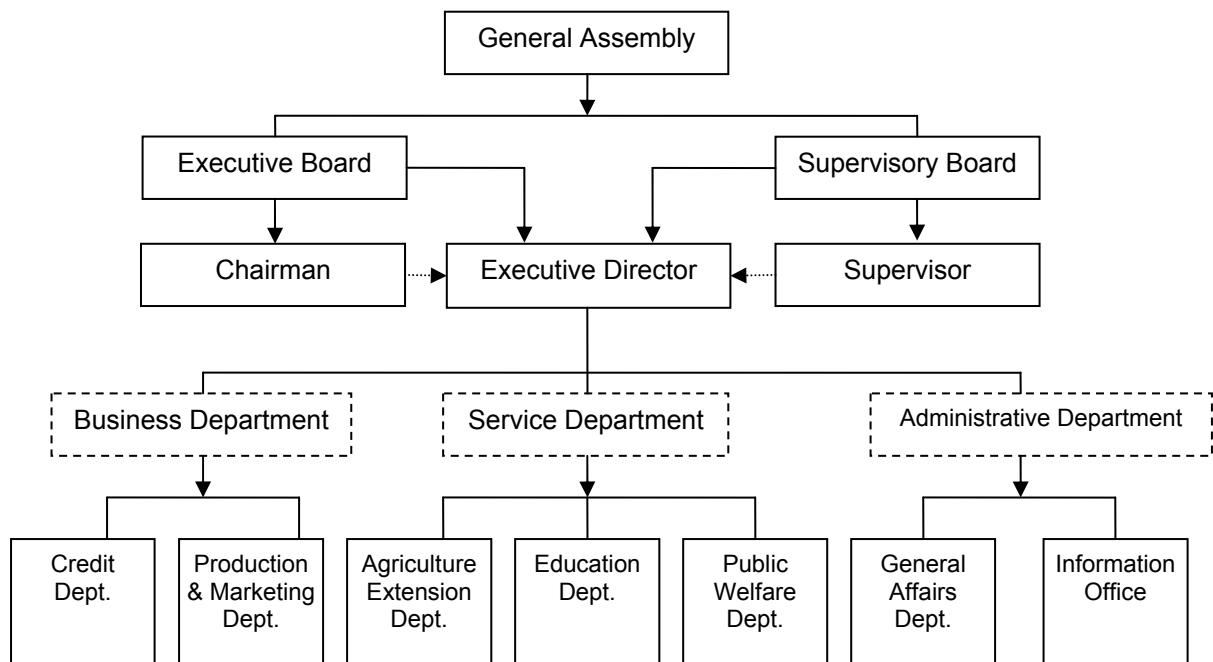
Figure 4. Key stakeholders and functions of the IFAH



## IFAH governance structure

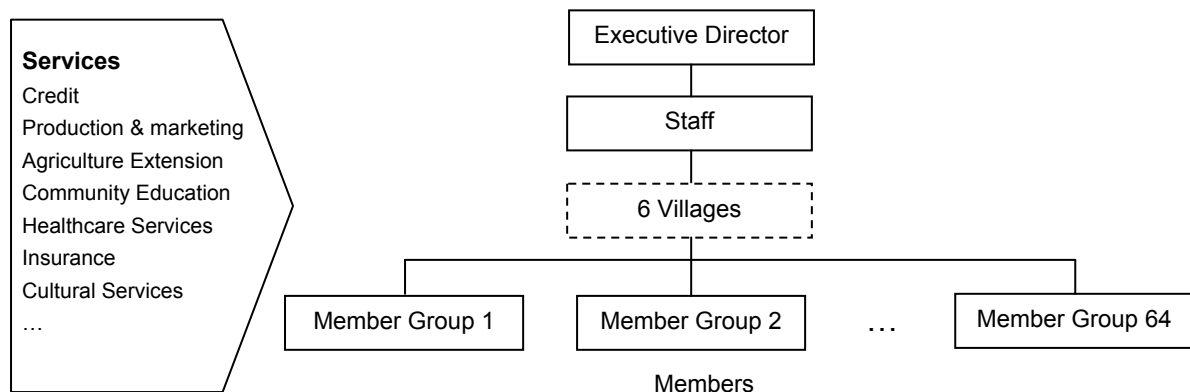
The governance structure of the IFAH follows the structure of the farmers' associations in Taiwan with the separation of authority and function through election and recruitment. The general assembly is the highest authority. The Executive Board has nine elected directors and the Supervisory Board has three elected supervisors. The Chairman is elected by the Executive Board, and the Executive Director is recruited by the Board. The governance structure is shown below.

Figure 5. The governance structure of IFAH



In addition, to promote the initiatives of the IFAH among the members, the IFAH has a functional organisational structure shown below. The Executive Director leads the functional group with a team of staff and has 64 member groups each with a leader elected by the group members. The grassroots network is an effective platform to facilitate the participation of farmers, support the function of IFAH and deliver services.

Figure 6. The functional structure of IFAH



At present, China Social Entrepreneur Foundation is supporting the operation of IFAH by providing the salary for five members of staff and a vehicle.

Participants will need to think about how the following issues can be included in the development plan.

- Member recruitment – educating farmers and encouraging participation
- Human resources planning and talent management
- Integrating human resources within the government
- Performance measurements
- Integration of top-down government guidance and bottom-up community initiatives
- Development of member groups



## Functions of IFAH

The tightly knit relationships of smallholder farmers coupled with cooperation and mutual assistance form the basis of the social capital, which allows IFAH to effectively provide services to the community.

The three key functions set out in the IFAH framework are:

- **Financial services**
- **Supply chain services**
- **Public services**

**1. Financial services:** All the elements of the financial service needs of the IFAH come under the new Credit Department. It was launched in January 2011 with the help of the local government and the Enshi branch of the People's Bank. The aim of the department is to be able to fill the gap in providing much needed capital for farmers and the local agricultural industry. A portion of the profit earned by the department will be channelled to support public services and social welfare needs of the local community. The IFAH's financial functions will be the core part of its comprehensive service offerings and the key feature to attract new members. A major challenge for the Heshuiping development plan is constructing a model that both balances local farmers' need for financial assistance and IFAH's need for self-development and expansion. At present, the Rural Credit Union is the major source of funding for farmers, but they meet less than 40 per cent of the demand for capital, therefore the needs of poorer farmers remain unmet.

Table 3 provides a summary of the major funding needs of farmers. To put this into context, current demand for loans in the six villages is on average over RMB 20M per year.

Table 3. Funding needs of rural communities

Funding needs	Amount (per loan)
Working capital for agriculture production	< RMB 20K
Contingency funds for disaster, illness, child education etc.	< RMB 40K
Expansion of agriculture production	< RMB 40K
Professional Cooperatives and Private Business	> RMB 40K

The following section describes briefly the key elements of the five-year development goals of the credit department. These include start-up capital sources, the capital mutual assistance scheme and proposed business financing models.

To address the funding gap, the following goals of the credit department have been agreed between IFAH, the People's Bank and the government of Jianshi County:

Table 4. Goals of the credit department

<b>Short Term</b> <b>Year 1</b>	<ul style="list-style-type: none"> <li>Establish a micro-credit facility through capital mutual assistance among farmers, with matching funds from the government</li> <li>Setup the governance structure of the credit department, based on cooperative principles</li> <li>Provide the fundamental financial services infrastructure to develop micro-credit and other financial services functions</li> <li>Establish rural credit systems and improve rural credit environment</li> <li>Promote financial policies and disseminate financial knowledge.</li> </ul>
<b>Medium Term</b> <b>Year 2-3</b>	<ul style="list-style-type: none"> <li>Increase the size of capital, and develop the credit department into a small rural financial institution, offering most financial services functions, and explore an independent development path for a rural financial cooperative</li> <li>Improve the governance structure of the credit department and rectify the relationship between democratic control and professional management</li> <li>Expand the services to become the centre for farmer's social security accounts and become the agent for state transfer payment and rural land circulation</li> <li>Innovate and expand means of service, and seek government support in finance and preferential policy</li> <li>Develop financial services beyond the membership to increase the revenue of the credit department.</li> </ul>
<b>Long Term</b> <b>Year 5</b>	<ul style="list-style-type: none"> <li>Develop the credit department into a non-corporate rural financial cooperative that can operate independently, bearing risks and assuming sole responsibility for its own profits and losses, while providing IFAH with the necessary long term financial support</li> <li>This will be a new model of replicable and sustainable rural financial cooperative system suitable for rural villages, addressing the characteristic needs of farmers, with ownership belonging to the farmers association.</li> </ul>

### **Start-up capital sources**

The IFAH is raising RMB 1.5M through grants, share offerings and government input. Shih Wing Ching Foundation in Hong Kong is providing RMB 0.5M as a start up share capital to test the idea for the first year. All the profit of the share capital will go to the IFAH. In addition to these sources of start-up funding, participants should consider other sources of funding which may be relevant to the development of the five-year plan and the related businesses' capital requirements. These may also include funds or investment from the private sector.

### **Capital mutual assistance scheme**

The capital mutual assistance scheme works by pooling together smaller amounts from farmers of approximately RMB 500-2000 each, and allowing poor farmers to get matching funds of RMB 500 from the government. The pool is then used for micro-credit without collateral at an annual interest rate of 7-10 per cent with some dividends issued at the end of the year. The loan term is usually 0.5 to 12 months. A credit risk assessment mechanism is an essential requirement for the micro-credit fund, to ensure borrowers are able to repay the loan.

The capital mutual assistance scheme can also be linked to agriculture production and provide farmers with working capital to start production. The loan is paid back when the crop is harvested. In certain cases, professional cooperatives subsidise farmers for the interest and use the credit to provide farmers with the needed agriculture supplies. The credit department settles the account with the farmers and earns a service fee from the professional cooperative in addition to the interest.

### **Business financing**

A larger loan in the range of RMB10-40K or greater will be needed for the IFAH or small agri-businesses to develop new agriculture operations, for example establishing a processing facility or for expanding an existing business. This type of loan will need collateral, and is similar to the loans provided by the Rural Credit Union.

The loan model for both the capital mutual assistance scheme and business finance needs to be established. Participants on the YLP will need to evaluate the three loan options (see Table 5) listed below for their relative merits; addressing the value provided to farmers of IFAH and the community overall. Based on the needs assessment performed during the site visit, YLP participants may also propose a revision to these existing models or additional options that would meet the community's needs as appropriate.

Table 5: Loan models

Model	Strengths	Weaknesses
<p><b>Independent model</b></p> <p>The IFAH credit department allocates all funds for micro-credit. It will operate independently at its own risk and assuming sole responsibility for its own profits and losses. The size of each loan is less than RMB 7000.</p>	<p>Promotes a self-sustaining local economy; can count on the village leaders who have a better understanding of farmers in the village and does not need collateral and guarantee; low cost of funding, fast turnaround; mutual assistance among farmers help reduces risk; relatively higher profit.</p>	<p>When the fund is small, it cannot reach a sizeable scale to cover the cost; it takes time to train new staff and there may be operational risk in the short term; the agriculture insurance mechanism is not mature and the operational risk may be higher than it can tolerate.</p>
<p><b>Guarantee model</b></p> <p>The credit department sets up a guarantee fund and works with the Rural Credit Union or other financial institutions to magnify the fund by three times to offer loans. The partnering financial institution gives the credit department 20 per cent gross profit.</p>	<p>Can count on the village leaders who have a better understanding of farmers in the village and do not need counter guarantee; the financial institutions bear most of the risk; through the magnifying effect, the funding needs of farmers can be met.</p>	<p>The profit is smaller and not conducive to the longer term development of the credit department; the credit department still needs to bear the associated risk when the loan faces risk.</p>
<p><b>Hybrid model</b></p> <p>The credit department allocates two thirds of the fund following the Independent model for micro-credit, and one third of the fund following the guarantee model to cater for larger loans.</p>	<p>This model has the strength of the previous two models, and balances each other's weakness. It can spread the risk and meet the different types of funding needs.</p>	

## Implementation

The Peoples' Bank has developed a credit rating system, and is providing the software, a computer, personnel, training and training materials to the IFAH credit department. The first training and outreach at the village was completed in October 2010. The system is now loaded with the credit records of 88 farmers and the data entry is still in progress. The IFAH commenced the micro-credit service in January 2011.



The hybrid model is the present preferred model and the YLP will work with the IFAH and the People's bank to refine this model. With regard to the loan operation models, the following issues need to be considered:

1. Will capital invested be allocated as share capital or guarantee fund?
2. How to use the profit generated?
3. What is the preference for making the credit available, preference for smallholder farmers over corporate farmers with larger needs?
4. What is the minimum retention time of share capital?
5. What is the optimum interest rate?

**2. Supply chain services:** The vision of the IFAH is to develop the Heshuiping area into an organic production base to encourage the farmers in the area to collectively contribute to the sustainable development of the local economy, and create a healthy living environment for the community.

The YLP participants will need to consider the assets available that can be strengthened to develop the various industries, including looking at how to work with existing professional cooperatives. As the Heshuiping area produces a diverse range of agricultural produce, including rice, vegetables, green tea, kiwi fruits, chestnuts, citrus fruits, potato, tobacco, konjac, rapeseed and pork, an analysis of the optimal scale for each major industry will be needed.

Specifically, participants will need to consider the scale and investment required for the organic fertiliser facility and the organic greenhouse to cultivate vegetables. Participants may also need to think about the scale and investment required to develop its existing programmes; the professional fruit cooperative, a two-way cross sow breeding farm, optimal utilisation of regenerated wasteland and the role of marketing Sanli Fragrant Rice.

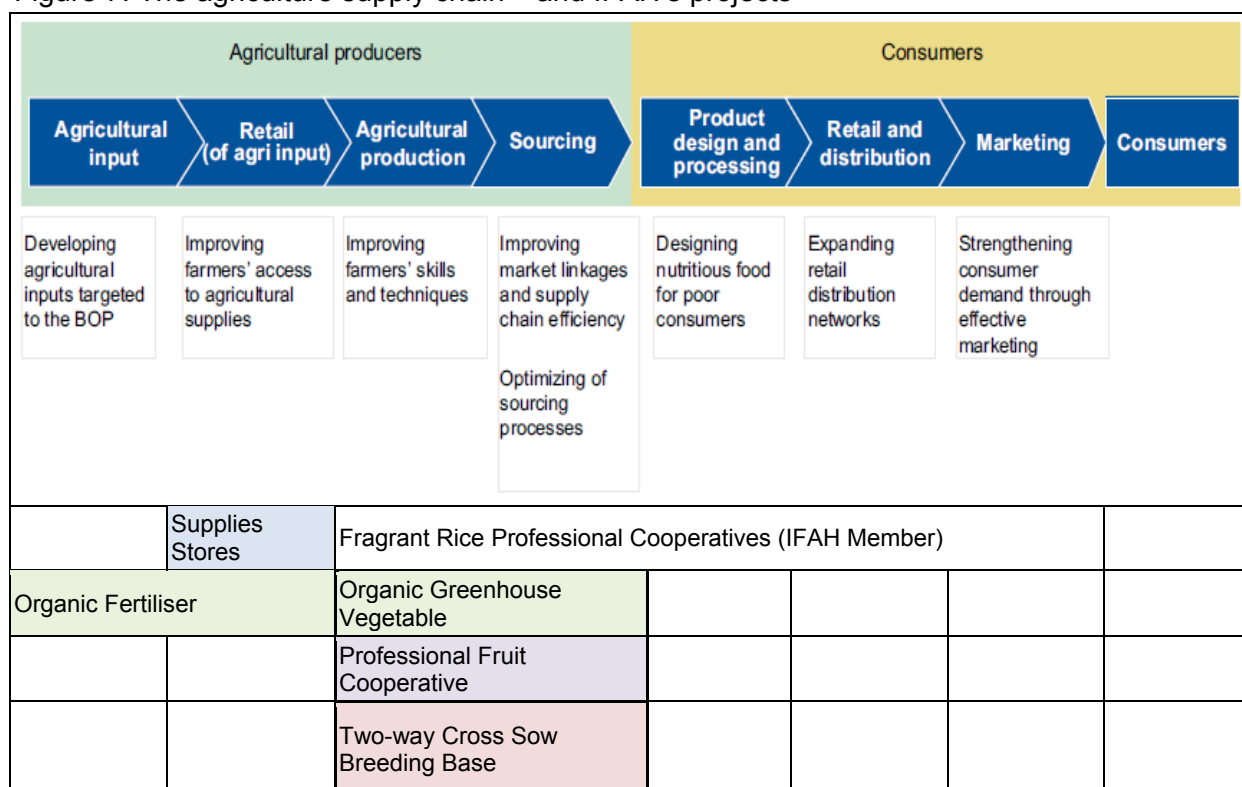
### **The natural capital of Sanli township**

At an average altitude of 800-1000 m, and annual rainfall of 1300-1400 mm, the climate belongs to a transitional region of temperate - subtropical monsoon, humid mountain climate with distinct four seasons. Both winter and summer are mild. The pleasant climate, fertile soil and clean water sources are valuable natural capital to support farming in the area.

However, the Sanli township government is also planning to develop an iron mine in the area and it may pose a risk to the environment and agricultural production, and needs to be carefully planned and managed.

The following diagram shows the agriculture supply chain and areas in which IFAH is currently engaged, including agricultural inputs, retail services, production support, and supply chain services. On the consumer side, the IFAH can also be involved in product processing, distribution, retail and marketing in the future.

Figure 7. The agriculture supply chain<sup>14</sup> and IFAH's projects



### Agriculture and household supplies

An IFAH agriculture supplies store was opened in November 2008 with RMB 50K support from the government. This is the first project that IFAH launched. It sells agriculture supplies, including fertilisers and pesticides to farmers at 7-10 per cent lower than market price. Expanding to include household products, the agriculture supplies store is now part of the Integrated Services Co-op with six branches, one in each village. It was established with RMB 50K support and guidance from the Hubei co-op federation, and the stocks come from the co-op federation. Currently, four branches have opened, and each branch carries over 300 types of products. To date, over 100 tonnes of fertiliser and over ten types of seeds and pesticides had been sold. It has proved hugely successful for farmers who need to purchase low cost household and farming supplies.

<sup>14</sup> World Economic Forum, 2009. The next billions: business strategies to enhance food value chains and empower the poor, page 17.



### Organic fertiliser

An organic fertiliser processing facility is critical to realising IFAH's goal of promoting a cyclic organic agriculture industry. The IFAH is collaborating with Full-lead Bio Tech in Taiwan to introduce their "PLG Microbe Optimization Treatment System"<sup>15</sup> to Jianshi as a pilot project. The waste recycling treatment facility turns agriculture and kitchen food waste into organic fertiliser through a fermentation process. The system uses microbial agents to decompose organic waste into water, carbon dioxide, nitrogen, phosphorus, potassium and other natural elements. The waste volume is reduced up to 70 per cent on average after 8-24 hours and up to 90 per cent if the fermentation continues. The produced probiotic organic fertiliser can revitalise the soil and improves nutrient absorption for plants.<sup>16</sup>

Figure 8. The organic fertiliser production facility

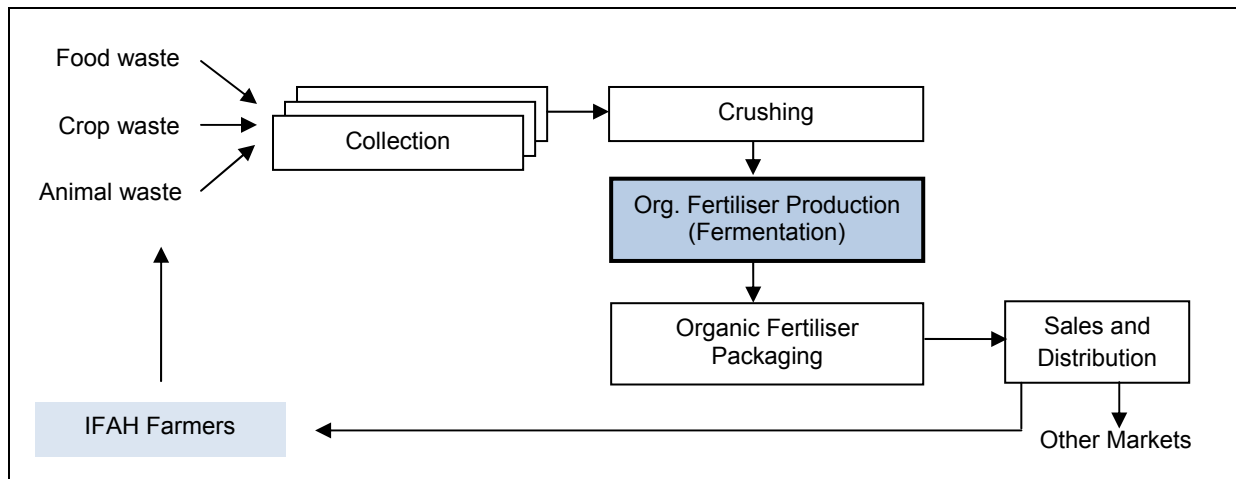


Figure 9 shows the processes and material flow of the organic fertiliser processing facility. Organic wastes are collected, turned into fertilisers and distributed back to the farmers or sold in the market. A crusher will be placed at each collection point to minimise the volume of the solid waste and make transportation to the processing plant easier. The farmers are encouraged to take their agriculture and food waste to the collection point in exchange for organic fertiliser.

<sup>15</sup> [http://www.full-lead.com/jsf/tech\\_en.jsf](http://www.full-lead.com/jsf/tech_en.jsf)

<sup>16</sup> [http://www.full-lead.com/jsf/tech\\_en.jsf](http://www.full-lead.com/jsf/tech_en.jsf)

Figure 9. The material flow of the organic fertiliser processing facility



During the pilot testing phase which started in January 2011, the capacity of the processing facility is five tonnes of waste per day. The produced fertiliser will be tested in the field at four different locations with various crops. After the pilot testing phase, the production capacity will be scaled up to meet the needs of the local organic agriculture production. Other methods of producing organic fertiliser include the biogas digester, which is common in the area for digesting pig manure. Farmers have been using the byproduct of biogas production as organic fertiliser as well.

### Organic greenhouse vegetables

The IFAH plans to set up an organic greenhouse vegetable base. The production will start with "Pollution Free Vegetables" (PFV) at the conversion period and move up to attain the organic certification in 3-5 years. The economic benefit of growing greenhouse vegetables is around RMB 15K per mu. IFAH is planning to set up a 400 mu organic greenhouse vegetables production base to produce off-season vegetables, of which 100 mu will be the core demonstration base. Following the Taiwan experience, farmers will organise themselves into production and marketing groups. Each household will grow vegetables on their own land. They will share technical knowledge and support each other on production and market their produce as a collective.

The IFAH can also organise farmers to lease uncultivated land and develop them into professionally managed greenhouse vegetables production base. The variety of greenhouse vegetables suitable for Jianshi County includes cucumber, asparagus, lettuce, cabbage, tomato, chili pepper, eggplant etc. Most of the greenhouse vegetables are sold in supermarkets.



### **Professional fruit cooperative**

A professional fruit cooperative was setup in March 2009 under the IFAH with over 50 members and four special fruit tree demonstration areas. The cooperative had provided five technical trainings and is doing collective pruning of fruit trees in Heshuiping area. The cooperative also provide members with services in sales and marketing. The main products are chestnuts, kiwi fruits and citrus fruits.



### **Two-way cross sow breeding base**

This is a RMB 0.5M project invested by the government and managed by the IFAH. All profit from the project goes to IFAH. The construction was completed in 2009, and IFAH is calling for tenders to contract the breeding base business.

In addition to the industrial farms, almost every household in the area keeps a few pigs for their own consumption. Some of them have a few additional to sell to the market. Traders will come to the village to collect the pigs from them. To better protect their interest, the farmers can organise themselves through the IFAH platform to market the pigs collectively and enhance their bargaining power.

### **Fragrant rice**

Sanli Township is famous for its Sanli Fragrant Rice, covering a production area of 5000 mu. IFAH has a marketing partnership partnered with the fragrant rice professional cooperative. Thus far this relationship has resulted in IFAH having its logo featured on Sanli packaging.

## Riverbank regeneration project

The IFAH is currently contracted by the government to regenerate previous wasteland to reuse for agricultural production whilst also improving the ecology of the riverbank. The government is investing a total of RMB 6 million in the land over five years. YLP participants might want to think about how the IFAH can best utilise the regenerated land to generate revenue.

**3. Public services:** Community-based activities are very beneficial for meeting local needs and can be supported through a reinvestment of the surpluses generated from the association's agri-business and financial services. The IFAH is working closely with the government to contract public services and is aiming to gradually become the platform for delivering public services at the grassroots level.

The IFAH currently runs agriculture extension services, health services, community education and cultural activities. The YLP participants should consider the needs of the community and deliver a plan to strengthen the asset base, including building human and social capital through public services.



## Agriculture extension

The agriculture technology service centre was set up in June 2009 to provide agriculture technology services and training to farmers. Agricultural specialists were invited to train the 10-member strong agriculture extension service team. The service team has provided a rice paddy pest control service for farmers in the area, and helped improved the yield of both fragrant rice produced for the market and conventional rice planted for subsistent consumption.

## Health services

The IFAH provides health services in the area of health education, prevention and fitness. The farmers' health club was set up in 2009, and the 64 health club group leaders have completed the health profile of over five thousand members. Each group has a set of basic health inspection equipment and is responsible for organising monthly health inspection and health education workshops for the members.



### Community education and cultural activities

The IFAH works with academic institutions and professional training organisations to provide community education programmes to members. The services include languages, social and ecological training, housekeeping, dietary habits, ethics and etiquette. It helps members to develop a healthy and spiritually fulfilling lifestyle. Professors and students from Taiwan National Chengchi University conducted a 10-day English language summer school for over 60 primary and secondary students in 2009 and 2010. A culture and arts association was set up and has 85 members, including a 40 member drum team. The association organises regular dance activities in the evenings. Through regular cultural activities, people get to know each other better and it helps to strengthen the bonds among members and build social capital.



## C. Case studies

### **A success story in building asset-based programmes in Hutubi, Xinjiang<sup>17</sup>**

Rural social security in China is underdeveloped, particularly for retirement savings. As opposed to pay-as-you-go schemes in western countries, in China there is a reliance on personal savings. To promote savings, the central government introduced the China Rural Social Security Scheme in 1992 and has since guaranteed annual interest rates for individual social security accounts. The rural social security office at the county level is then responsible for policy implementation and matching contributions to individual accounts. However, poor incentives, inadequate contributions from resource-poor governments and constraints of fund usage for investment and other household priorities, have led to a sharp decline in the number of participants and the levels of savings.

To address these challenges and to improve household incomes, the local rural social security office in Hutubi County, a poor and remote area of Xinjiang Province, introduced a new rural social security loan programme in 1998. Recognising that the poor tended to focus on immediate household priorities, the programme allows farmers to use deposits from their social security accounts to obtain loans for purposes of purchasing livestock, farming tools and other agricultural production activities. Loans are capped at 50 per cent of the total deposit amount and farmers can use their own and other people's accounts as collateral.

By creating access to loans and providing a foundation for asset building, the programme's success has attracted considerable interest from policymakers and has been piloted in other parts of China. In particular, the programme has demonstrated the possibility of developing an asset-based policy, integrating both social protection and social investment.

### **Microfinance in Sichuan; Association for Rural Development of Yilong County (ARDY), Sichuan Province, China<sup>18</sup>**

Founded in 1995 as part of a United Nations Development Programme poverty alleviation project, ARDY is a locally-run organisation that is registered as an NGO under the Yilong County government. According to its 2008 Annual Report, ARDY has 3086 borrowers (both men and women), annual interest rates of 16-20 per cent, an average loan size of RMB 3744, and an on-time repayment rate of more than 98.8 per cent. Many clients are victims of the devastating earthquake of 2008, who have used microfinance loans to help rebuild their lives. ARDY's loan officers work closely with borrowers to teach them business skills such as managing money. This personal attention has been crucial to ARDY's success.

For Shu Hongqun, who lives with her husband and two children in Da Huang town, Sichuan Province, microfinance has enabled a profound personal transformation. She explains:

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<sup>17</sup> Guo, Baorong. 2008. Dual incentives and dual asset building: policy implications of the Hutubi rural social security loan programme in China <http://www.innovations.harvard.edu/cache/documents/9226/922648.pdf>

<sup>18</sup> <http://www.collectiveresponsibility.org/en/microfinance-china-tool-empowering-women-new-asset-class-or-both>

“Several years before, I relied on part-time jobs.... everything I did was controlled by other people; I had no autonomy, no freedom. I didn’t even dare to speak in a loud voice. And still, the money that I earned was never enough to clothe and feed my children....” She carefully observed her more successful neighbours, and came to realise that, “if you want to make more money, you have to develop your own self.”

To develop herself, Mrs. Shu took out a microfinance loan from the Association for the Rural Development of Yilong County (<http://www.ardy.org.cn/>), which she used to start a fruit stand. She and her husband had noticed that rising standards of living increased demand for fruit. The stand’s profits allowed them to increase their income and repay the loan, and the psychological benefits were even greater. “A great amount of pressure was lifted from our shoulders. This opportunity made me realise that I have the opportunity for success.”

As more money moves into China’s microfinance sector, organisations should continue to emphasise these personal relationships. When used to educate and empower women, these loans have the potential to dramatically change the economic landscape of rural areas.

As for Shu Hongqun, she has returned to ARDY to take out her second \$450 loan. “Now, my husband and I would like to take out a micro-loan in order to purchase a car” to deliver fruit, she explained. “We plan to use the profits gained from the use of the car to repay our debt. Within a year or two, we will be able to fully repay our debt, and then we will have a car to call our own.”

### **Carrefour Quality Line: Beijing Xiaotangshan special vegetables base<sup>19</sup>**

In addition to its usual lines, Carrefour has a “Quality Line” brand of vegetables which has the following added value: “better taste, moderate price, high safety standard, sustainability and reliability.”

Beijing Xiaotangshan special vegetables base is the first supplier of Carrefour’s quality line of vegetables in China defined as products that sit between “non-pollution” and organic produce, equivalent to Green Food in safety and quality.

Xiaotangshan vegetable base was initially constructed in 1984 as a state-owned farm under the Beijing Agricultural Bureau. In 1999, the farm began supplying vegetables to XidanWanfang, the first supermarket in Beijing and by 2006, the farm is supplying to more than 70 supermarkets, including Itoiyakado, a Japanese-owned supermarket.

By 2005, Xiaotangshan expanded to include 14 production base areas in Beijing, Hebei, Inner Mongolia, Shandong, Guangxi and Yunnan. The estimated sales value reached RMB 30 million in 2006. The six base areas outside of Beijing belong to about 1000 small-scale farmers. Xiaotangshan manages these farms and is responsible for the arrangement of production, giving instructions in the process of production, providing technical assistance, and supervising the use of pesticides and fertilisers. The company also invites experts to give regular technical instructions.

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<sup>19</sup> Dinghuan Hu, et al. 2006, Case Studies on Carrefour’s Quality Lines in China

By September 2005, the quality line vegetables produced by Xiaotangshan were formally sold in six Carrefour chain stores. Vegetables produced under the Quality Line were cucumber, cherry tomato, large tomato, cabbage, sweet pepper, carrot, potato and Chinese radish.

Traceability is the key to the quality line of vegetables. Each greenhouse has a code number and detailed records. Field production records include field operations such as fertiliser application, spraying of pesticides, irrigation, amount of harvest and raising seedlings, etc. All the products produced in Xiaotangshan vegetable base area are tested before harvest.

The differences between Carrefour's quality line products and domestic green foods are as follows:

1. Carrefour's quality line products have traceability while domestic green foods do not.
2. The price of Carrefour's quality line products is lower than that of the domestic green agri-foods.
3. The quality requirements on Carrefour's quality line products are higher than that of the domestic green agri-foods.
4. The cost of Carrefour's quality line products is 20-30 per cent higher than that of the domestic green agri-foods, while the selling price of Carrefour's quality line products is 30 per cent lower than that of the domestic green agri-foods, and the profit of the Carrefour's quality line products is 2.7 per cent lower than the normal profit.
5. Carrefour's quality line products demand a unified and fixed mode of packing while the domestic green agri-foods do not.



## D. Additional reading materials

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2. Bonheur, Neou. From an unhealthy farming system to an eco farming practice.  
<http://www.tsbr-ed.org/docs/Article/eco%20farming%20for%205%20TSB.pdf>
3. DFID, Sustainable livelihoods guidance sheets  
<http://www.enonline.net/resources/667>
4. Sherraden, Michael. China: inclusive asset-based policy  
<http://csd.wustl.edu/Publications/Lists/Projects/DispForm2.aspx?ID=188>
5. Wang, Sibin. A history of rural, economic, and social policies in China  
<http://csd.wustl.edu/Publications/Documents/WP08-13.pdf>
6. Zhang, L.X. Agriculture and rural development in China  
[http://www.worldfishcenter.org/Pubs/china/pdf/china\\_agricultural.pdf](http://www.worldfishcenter.org/Pubs/china/pdf/china_agricultural.pdf)
7. Allen, John C. Morphing rural community development models  
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8. Yang, Tuan. 借鉴台湾农会经验建设大陆综合农协  
[http://www.sociology.cass.cn/pws/yangtuan/grwj\\_yangtuan/dcyj/P020091230317411563723.PDF](http://www.sociology.cass.cn/pws/yangtuan/grwj_yangtuan/dcyj/P020091230317411563723.PDF)
9. Yang, Tuan. 建设新农村需要构建中国小农户社会保护战略  
<http://lib.tzswdx.gov.cn/wenku/xinnongcun/063314193996021066714204025223.html>
10. Guo, Baorong. Dual incentives and dual asset building: policy implications of the Hutubi rural social security loan programme in China  
<http://www.innovations.harvard.edu/cache/documents/9226/922648.pdf>
11. Swiss Re. Insurance solutions for managing the food crisis  
[http://www.swissre.com/rethinking/agricultural/insurance\\_solutions\\_for\\_managing\\_the\\_food\\_crisis.html](http://www.swissre.com/rethinking/agricultural/insurance_solutions_for_managing_the_food_crisis.html)
12. Microfinance – Association for Rural Development of Yilong  
<http://www.ardysc.org.cn>
13. World Economic Forum. The next billions: business strategies to enhance food value chains and empower the poor  
[http://www3.weforum.org/docs/WEF\\_FB\\_FoodValueChainsAndPoor\\_Report\\_2009.pdf](http://www3.weforum.org/docs/WEF_FB_FoodValueChainsAndPoor_Report_2009.pdf)

14. Hu, Dinghuan. Innovative practice China: case studies of Carrefour's Quality Line [http://www.regoverningmarkets.org/resources/global/innovative\\_practice\\_china\\_case\\_studies\\_of\\_carrefours\\_quality\\_lines](http://www.regoverningmarkets.org/resources/global/innovative_practice_china_case_studies_of_carrefours_quality_lines)
15. Rabobank. Sustainability and security of the global food supply chain. [http://www.rabobank.com/content/images/Rabobank\\_IMW\\_WB\\_report-FINAL-A4-total\\_tcm43-127734.pdf](http://www.rabobank.com/content/images/Rabobank_IMW_WB_report-FINAL-A4-total_tcm43-127734.pdf)
16. Rabobank. Asian agribusiness & the potential in north-east china <http://www.sais-jhu.edu/bin/y/l/rabobank.pdf>
17. Taiwan Provincial Farmers' Association <http://www.farmer.org.tw>
18. Japan Farmers' Association <http://www.dainihon-noukai.jp/>
19. Council of Agriculture, Executive Yuan, Taiwan <http://www.coa.gov.tw>
20. Huang, Jikun. Smallholder incomes, vegetable marketing and food safety: evidence from China <http://ageconsearch.umn.edu/bitstream/51653/2/424.pdf>
21. Experience of farmers' associations in Korea (Chinese article)  
Xu, Xinxin, 韩国农协的形成与发展及其对中国的启示  
[http://www.360doc.com/content/10/0610/11/47910\\_32291366.shtml](http://www.360doc.com/content/10/0610/11/47910_32291366.shtml)
22. Experience of farmers' associations in Japan (Chinese article)  
Yang, Tuan, 日本农协考察报告  
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## E. Itinerary for module two

Date 日期	Time 时间	Session 活动
18-Feb (Friday) (五)	18:05	Flight from Hong Kong to Wuhan KA850 香港-武汉 (18:05-20:00)
	20:00	Collect luggage and coach transfer to Holiday Inn 往晴川假日酒店
19-Feb (Saturday) (六)	07:00	Check out and Breakfast 早餐
	07:30	Coach transfer to Wuhan Airport and check-in 往武汉机场
	10:25	Flight from Wuhan to Enshi CZ6589 武汉-恩施 (10:25-11:30)
	11:30	Coach transfer from Enshi Airport to Jianshi Ciquan Hotel 恩施往建始茨泉宾馆
	13:30	Lunch 午餐
	15:00	<p>Welcoming speeches:</p> <ol style="list-style-type: none"> <li>1) Vice County Mayor 主管副县长致欢迎辞</li> <li>2) Chair of IFA 综合农协崔显品理事长致欢迎辞</li> <li>3) Keynote by Prof. Yang – Holistic view of rural development and IFA 杨团教授—农村发展概况及综合农协缘起</li> <li>4) Briefing by Mr. Wang, Director of County Pilot Programme Office – Government relations and support 试点办王德凤主任—政府关系及支持</li> <li>5) Briefing by Mr. Yang, Executive Director of IFA – Organisation Development of IFA 杨年斌总干事 - 综合农协组织建设</li> <li>6) Briefing by Project Team – Project implementation 综合农协项目介绍 - 信用部、直销店、农技、教育、健康、文化、肥料及其他计划中的项目如蔬菜等</li> </ol>
	19:00	Dinner 晚餐
	20:00	<p>Evening session: teams to consolidate information and formulate questions for field visit</p> <p>小组总结, 准备隔天实地考察</p>
20-Feb (Sunday) (日)	08:00	Breakfast 早餐
	08:30	Coach transfer to Heshuiping region 往河水坪地区
	09:15	Visit IFAH credit department 考察信用部
	10:30	Visit credit cooperative 参观互助合作社 (擦擦坡)
	12:30	Lunch 午餐
	14:00	<p>Visit agriculture supplies shop, organic fertilizer production facility, riverside regeneration area, greenhouse vegetable production base, pig farm</p> <p>考察农资店、有机肥料项目、河套综合治理、大棚蔬菜基地、二元母猪场</p>
	16:30	Visit fragrant rice professional cooperative 香米专业合作社
	17:15	Coach transfer to hotel 往宾馆
	19:00	Dinner 晚餐
	20:00	<p>Evening session: teams to consolidate information and formulate questions for field visit</p> <p>小组总结, 准备隔天实地考察</p>

Date 日期	Time 时间	Session 活动
21-Feb (Monday) (一)	08:00	Breakfast 早餐
	08:30	Coach transfer to Heshuiping region 往河水坪地区
	09:15	Briefing by Mr. Huang, Sanli Township Mayor – Development plan of Sanli Township 黄光举乡长 - 三里乡整体规划
	10:00	Group discussion with group leaders and farmers – livelihoods, agriculture production, agriculture extension, cultural activities 小组组长及村民（分组访问）- 农民生计、农业生产、农技服务、文化活动
	12:30	Lunch 午餐
	14:00	Visit to grape farm and professional cooperatives in Huaping Township to explore the possibility of expanding the IFA to other townships. 考察花坪乡葡萄园及专业合作社，探索综合农协的发展潜能
	17:00	Transfer to hotel 往宾馆
	19:00	Dinner 晚餐
	20:00	Evening session: teams to consolidate findings and begin outlining business plan 小组总结，制定规划书大纲
22-Feb (Tuesday) (二)	08:00	Breakfast 早餐
	08:30	Small group meeting / discussion 小组调研/小组讨论 1) Finance 金融服务 – People’s Bank 人民银行, Prof. Yang 杨团教授 2) Supply Chain 产销 – factories 加工厂、professional group 专业小组 3) Agriculture extension, community education 技术推广、社区教育 - government 政府部门、CCFA 农禾之家咨询中心 4) Resource Integration 资源整合 – government 政府部门、professional cooperatives 专业合作社 5) Governance 综合农协组织结构、治理、人才培养、会员发展 – IFA team 理事会/总干事/CCFA 农禾之家咨询中心
	12:00	Lunch 午餐
	14:00	Team to develop business plan 小组总结
	19:00	Dinner 晚餐
	20:00	Evening session: teams to develop business plan 小组制定规划书
23-Feb (Wednesday) (三)	08:00	Breakfast 早餐
	08:30	Team to develop business plan 小组制定规划书
	12:30	Lunch 午餐
	14:00	Team to develop business plan 小组总结
	19:00	Dinner 晚餐
	20:00	Evening session: teams to develop business plan 小组制定规划书

Date 日期	Time 时间	Session 活动
24-Feb (Thursday) (四)	08:00	Breakfast 早餐
	08:30	Team to develop business plan 小组制定规划书
	12:30	Lunch 午餐
	14:00	Team to finalise business plan and prepare for final presentation 小组制定规划书及准备发布会演示稿
	19:00	Dinner 晚餐
	20:00	Team to finalise business plan and prepare for final presentation 完成规划书及发布会演示稿
25-Feb (Friday) (五)	08:00	Breakfast 早餐
	08:30	Rehearsal for final presentation 准备发布会
	10:00	Final presentation by participants 发布会 Audience: local stakeholders – government, IFA, farmers, professional cooperatives, foundations, CCFA 对象: 利益相关方 – 政府、农协、农民、专业合作社、基金会、农禾之家咨询中心
	11:00	Q&A 问与答
	13:00	Lunch 午餐
	14:00	Reflections and wrap up session 总结及反馈
	18:30	Celebration dinner 庆祝晚宴
26-Feb (Saturday) (六)	08:00	Check out, breakfast and free time 退房、早餐及自由活动
	13:30	Coach transfer to Enshi Airport and check in 往恩施机场
	16:10	Flight from Enshi to Wuhan MU2455 恩施-武汉 (16:10-17:05)
	17:05	Collect luggage and check in for connecting flight at Wuhan Airport 准备登机回香港
	21:00	Flight from Wuhan to Hong Kong KA851 武汉-香港 (21:00-23:00)

## **4. Business planning framework**

### **I. Executive summary**

For over a century farmer's associations in East Asia have played a crucial role in improving the rural economy, promoting modern agriculture and protecting the interests of farmers and their communities. While the abolition of the commune system in 1984 liberalised farming in China and gave farmers the production ownership, the allocated land is generally insufficient to support a family. In addition the delivery of public services has long since become fragmented and disorganised. The IFAH in Hubei has created an opportunity to not only provide China's poorest smallholder farmers to compete in one of the toughest agricultural markets in the world, but also provide social protection through public services. To do this successfully over the long-term the IFAH must strengthen its asset base and this is where the YLP participants play a crucial role. Executives on the YLP will seek to identify additional revenue streams within the local agricultural sphere and develop a strategy to scale-up its existing agricultural services to generate revenue, develop a mechanism to integrate government resources and advise the IFAH on micro-finance initiatives. Surpluses from these activities will go towards funding much needed public services.

The overall objective of the field project is to create a five-year development plan for the IFAH as a social business, using an asset-based approach. This plan should include measurable goals, investment needs and strategies and human resource requirements for each IFAH function. In addition the mechanism for working with government, professional cooperatives and the local stakeholders, to integrate resources efficiently in a mutually beneficial way need to be considered.

YLP participants will need to think about ways to streamline the supply chain, strengthen governance and management issues, and refine the IFAH plans for the Credit Department (launched in January 2011). Participants will also need to consider the potential for investment and the ownership structure of the business.

## II. Business planning

Key Business Areas	Suggested Tasks
<b>Organisational Structure &amp; Governance</b>	<ul style="list-style-type: none"> <li>• Define the optimal organisational structure of the IFAH</li> <li>• Evaluate and make necessary revisions to current governance model including the means for maintaining the accountability of the General Assembly</li> <li>• Ensure the various services provided by IFAH (financial, supply chain, public) are well managed and delivered</li> <li>• Propose necessary human resource requirements, management roles and responsibilities and associated funding sources</li> <li>• Recommend ways to leverage existing government resources and communication</li> </ul>
<b>Finance and Investment</b>	<ul style="list-style-type: none"> <li>• Propose a system for decision-making for the allocation of resources</li> <li>• Create a mechanism for reinvesting profits and surplus into the IFAH</li> <li>• Recommend a process for managing external investment and returns</li> </ul>
<b>Production, Operations and Supply Chain Management</b>	<ul style="list-style-type: none"> <li>• Define requirements for agricultural extension support</li> <li>• Develop a process for the purchase of agricultural inputs</li> <li>• Understand the relevant issues and propose an effective approach to managing crops and farmland</li> <li>• Plan for the needed processing, distribution and marketing facilities to link producers to consumers</li> </ul>
<b>Growth and Business Development</b>	<ul style="list-style-type: none"> <li>• Develop an effective sales and marketing plan for agricultural products</li> <li>• Plan a timeline and strategy for the ideal mix of agricultural products given the relative costs and benefits of each as well as the existing products currently in production</li> <li>• Develop a strategy for the agricultural development of the riverbank with a view to increase revenue for IFAH</li> </ul>
<b>Public Services and Community Benefits</b>	<ul style="list-style-type: none"> <li>• Outline and articulate the services and benefits delivered to IFAH members and local communities</li> <li>• Identify the community priorities and public welfare needs and ensure they are met through the proposed five-year plan</li> <li>• Create realistic performance measures for the IFAH in the effective delivery of services</li> <li>• Plan for information services that can be delivered using the internet platform, including pricing information, technical knowledge and other educational materials</li> </ul>
<b>Government and Stakeholder Relations</b>	<ul style="list-style-type: none"> <li>• Develop communication plan and proper mechanisms for interacting with local government officials</li> <li>• Design effective systems for working with professional cooperatives, external buyers and the local financial institutions</li> </ul>

## 5. Frequently asked questions

### I. Travel, hotel, electricity

#### ***Do I need to arrange my own insurance?***

Participants are expected to possess the necessary insurance that covers medical, travel and personal liability for the duration of their GIFT experience. It is their responsibility to understand what the insurance package covers.

#### ***What travel document is required? Where can I get my visa for China?***

Home Return Permit is needed for Hong Kong and Macao citizens. A China visa is required for overseas passport holders, you can obtain this through the China Embassy based on your country. It is strongly recommended that you obtain your visa well in advance.

#### ***What is the time difference between Hong Kong and Mainland China?***

There is no time difference between Hong Kong and Mainland China, which is GMT +8.

#### ***What will the weather be like?***

The climate in Hubei is often foggy, rainy and humid. The average winter temperature lies between 6 - 12 degrees Celsius.

#### ***What kind of food will be available? Should I bring my own food?***

Simple local Chinese food will be available. Certain dishes will be moderately spicy. At the site, food varieties are limited, and their way of cooking may differ from what we normally have. If you have special diets or do not like Chinese food in general, you may want to bring along your own food that requires minimal preparation. Food is generally prepared hygienically, but you are recommended to stay away from street vendors.

#### ***What are the facilities available in the hotels?***

Standard facilities and amenities are available in the hotel – please refer to the hotel websites below for more details. Hotel rooms will have internet access – Wuhan hotel charges 60 yuan a day and the Jianshi hotel provides internet free of charge and has a LAN cable in each room.

#### ***What kind of electrical adaptor should I bring?***

Electricity in China is 220V, 50 cycles, AC. China accepts two-pin and sometimes three-pin sockets. On site, most hotels have a socket for shavers and hairdryers in the bathroom for both 110V and 220V.

### II. Travel health

#### ***Are there any health risks for travellers?***

Travellers should avoid buying food or drink from street vendors, and take precautions to avoid insect bites.

### **III. Money and currency**

#### ***How much local currency should I take?***

Domestic travel, accommodation and food are included in the YLP package. You only need to bring cash (Renminbi /Yuan) for personal expenses and hotel extras (laundry, and phone calls etc.). The hotels in Hong Kong, Wuhan will accept VISA and Mastercard payments. The hotel in Jianshi only accepts UnionPay, which is more common and popular throughout China.

#### ***Will I be able to change money there? Are credit cards accepted?***

You can change your money into Renminbi at banks in China, but it is advised that you do so in your home country. Having some small denomination notes is highly recommended. Credit cards are not commonly used, especially outside the major cities of Beijing, Shanghai and Guangzhou. Many local establishments accept locally issued credit cards only. ATM machines are available in major cities, but Cirrus and PLUS cards are not always accepted.

### **IV. Field work**

#### ***What should I wear?***

The temperature in Hubei is around 6-12 degrees Celsius in late February. Comfortable warm winter clothing, including scarf, gloves and overcoat are recommended. Temperature tends to be cooler in the evening. Comfortable, warm trousers and good walking or running shoes are recommended. Please also bring business attire for the conference when the development plan will be presented at the end of the week.

#### ***Will I be able to use my laptop computer there? Is it required?***

A computer is not mandatory but suggested for the field trip while preparing the development plan. There is 24-hour broadband internet connection in the rooms of all the hotels where you will be able to use your laptop.

#### ***What essential items should I bring for field work?***

- Medication for personal use
- Umbrella or coat
- Notepad and pen
- A small water container to hold drinking water – boiled water in China is safe to drink.

#### ***Will there be interpreters?***

Yes, we will have Putonghua-speaking staff from GIFT and interpreters that are responsible for simultaneous interpretation.

#### ***Will we be out of communication during the field work? How will we be able to contact people or be contacted if necessary?***

There should be no problems in using mobile phones in most areas of Wuhan and Jianshi. Stored value SIM cards can be purchased in the city.

## V. Hotel information

**Hong Kong (13-18 February and 26 February for those flying home on 27 February)**

### **Cosmopolitan Hotel**

387-397 Queens' Road East

Wan Chai, Hong Kong

Tel: 852-3552-1111 Fax: 852-3552-1122

<http://www.cosmopolitanhotel.com.hk>

### **Wuhan, Hubei (18 February)**

#### **Wuhan Riverside Holiday Inn Hotel**

88 Xi Ma Chang St., Wuhan, China 430050

Hotel Front Desk: 086-27-8471 6688

Hotel Fax: 086-27-8471 6181

<http://www.holidayinn.com/hotels/us/en/wuhan/wuhqc/hoteldetail>

### **Jianshi, Hubei (19 – 26 February)**

#### **Ciquan Hotel**

3 Ciquan Road (Ciquan Lu), Jianshi County

Tel: 086-718-332-1888

<http://www.escqds.com/>

## VI. Travel itinerary

Date	Flight	Itinerary	Departure	Arrival
18-Feb	KA850	Hong Kong → Wuhan	18:05	20:00
19-Feb	CZ6589	Wuhan → Enshi	10:25	11:30
26-Feb	MU2455	Enshi → Wuhan	16:10	17:05
26-Feb	KA851	Wuhan → Hong Kong	20:25	22:25

\*\*Individuals who are not travelling with the group may have a different itinerary from stated above

## 7. The GIFT team



Mr. Chandran Nair  
Founder & CEO



Mr. Eric Stryson  
Director



Ms. Feini Tuang  
Senior  
Consultant



Ms. Yuyun Chen  
Programme  
Associate



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# GIFT

GLOBAL INSTITUTE FOR TOMORROW

TOMORROW MATTERS