



**Livelihoods Improvement, Environmental Protection  
and Cultural Preservation  
in the Tibetan Areas of China**

**PROGRAM COMPLETION REPORT**

*December 2009 to October 2016*

Submitted to the U.S. Agency for International Development  
as per Cooperative Agreement # 486-A-10-00002

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# Executive Summary

In December 2009 the U.S. Agency for International Development (USAID) and The Poverty Alleviation Fund (TPAF) signed a Cooperative Agreement (# 486-A-10-00002) for a grant award to support a program in promoting poverty reduction and sustainable development in selected Tibetan areas of China. By the end of the program implementation (i.e. 31 October 2016), USAID had provided a total grant amount of US\$ 5,496,758 to support the program, which was carried out in different places of China, e.g. Yunnan, Sichuan, Beijing, Qinghai, and the Tibet Autonomous Region (TAR).

The program was intended to help enhance the awareness, knowledge and skills of the local Tibetan communities and villagers to improve their capacities and practices in the following main program areas (components):

- Livelihoods improvement
- Environmental protection
- Cultural preservation
- Local capacity building and institutional learning

In planning and implementing the program activities, a special attention was paid to the following cross-cutting issues: (i) targeting poor Tibetan villages and households, (ii) promoting women’s empowerment and gender equality, (iii) strengthening local capacities and self-reliance, (iv) being culturally sensitive, and (v) enhancing environmental sustainability. The above cross-cutting themes spanned all aspects of the program.

By the end of the program period, more than 2,200 households (more than 12,000 Tibetan villagers) benefited directly or indirectly from the program support. Specifically, the program accomplished the following results:

Program component and support	No. of households who directly benefitted from the program support
<b>Component 1: Livelihoods Improvement</b>	
Greenhouses	671
Training in basic farming skills	617
Livestock raising	533
Training in employable skills	236
Micro-credit services	52
Irrigation for farming	67
Grape growing	80
Piped water for household use	44
Training in healthcare	1,659
<b>Component 2: Environmental Protection</b>	
Training in environmental protection	473
Solar water heaters	842
Fuelwood-saving stoves	54
<b>Component 3: Cultural Preservation</b>	
Training in handicraft skills	216

<b>Component 4: Local Capacity Building and Institutional Learning</b>	
Knowledge-sharing workshop in Beijing	30 participants (representing 12 different organizations) attended the workshop, which focused on sharing experiences in poverty reduction in Tibetan areas of China.
Knowledge-sharing workshop in Chengdu, Sichuan	26 participants (representing 15 different organizations) attended the workshop, including the senior management teams of CPRI and the Government of Litang County, Sichuan Province. At the workshop, the participants shared and discussed poverty reduction activities implemented by various organizations (i.e. NGOs, foundations) in China. The workshop was then followed by a field visit to the Litang County, where the TPAF program activities were implemented.
Training workshop in Xining, Qinghai	More than 90 people from the province attended the training workshop, which covered such issues as (i) poverty reduction strategies in the context of the provincial 13 <sup>th</sup> Five-Year Economic and Social Development Program (2016-2020); (ii) best practices demonstrated by various development agencies (including the TPAF program); and (iii) monitoring and evaluation of poverty reduction activities/projects.
Training workshop in Lhasa, TAR	More than 40 people from TAR attended the training workshop, which covered such issues as (i) poverty reduction strategies in the context of the TAR's 13 <sup>th</sup> Five-Year Economic and Social Development Programs (2016-2020); (ii) best practices demonstrated by various development agencies (including the TPAF program); and (iii) monitoring and evaluation of poverty reduction activities/projects.

By the end of the program period, the following impact was achieved:

- increased incomes and improved quality of life of poor Tibetans (especially poor Tibetan women) living in selected village communities; improved the knowledge and practices of local villagers in health, nutrition and hygiene;
- trained and equipped local villagers to participate in community-based eco-tourism development that increased their incomes, enhanced their commitments to biodiversity conservation, and reduced the environmental risks of commercial tourism;
- strengthened capacities of local Tibetan artisans to preserve cultural traditions through training and marketing support to sell their products successfully in local, regional, and international markets; and
- documented and disseminated best practices and lessons learned for a wider use.

China is now in the process of implementing its 13<sup>th</sup> Five-Year Economic and Social Development Program (2016-2020), during which poverty reduction and sustainable development will continue to be one of the top priorities of the governments at various levels in China. TPAF believes that the best practices and successful models demonstrated under the TPAF-USAID program in China will continue to be relevant and helpful to China's efforts in reducing human poverty in the years to come.

## **A. Program Background**

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In December 2009, the U.S. Agency for International Development (USAID) and The Poverty Alleviation Fund (TPAF) signed a Cooperative Agreement (# AID-486-A-10-00002) for a grant award in support of a five-year program (2010-2014) to promote livelihoods improvement, environmental protection and cultural preservation in the Diqing Tibetan Autonomous Prefecture of Yunnan Province, People's Republic of China. The Cooperative Agreement was subsequently extended by one year on a no cost basis to overcome implementation delays and enable the completion of the main program activities in Litang County of Ganzi Tibetan Autonomous Prefecture in Sichuan Province. The project also included activities promoting Tibetan artisans in the Tibetan Autonomous Region. The program was later extended by a further year to October 2016 with a total grant amount of \$5,496,758 to enable completion of all originally envisaged activities, including the extension of project best practice back to local government officials concerned with poverty reduction in the Tibetan areas of Qinghai, Sichuan, Yunnan and the TAR.

The program aimed to achieve the broad goals of: (i) improving the livelihoods of the poor Tibetan communities in a sustainable manner, (ii) enhancing environmental protection in the target Tibetan areas, and (iii) preserving the Tibetan cultural traditions.

To achieve those broad goals, the program adopted an innovative and integrated multi-sector development strategy in following the Millennium Development Goals (MDG) approach developed by the United Nations in 2000, which intended to help rural communities lift themselves out of poverty through increased income and food security, improved health and education, gender equality, self-reliance and environmental sustainability. The program adapted the comprehensive MDG approach to the local conditions in the target poor Tibetan communities.

### **A.1 Main challenges in poverty reduction in China**

Since 1978, the national government has been promoting rapid economic growth in Tibetan areas of China. The government's strategy focused mainly on investment in physical and social infrastructure, especially roads, power and telecommunications, and social services, mainly health and primary education. In the TAR, priority was also given to the development of tourism. The government's poverty reduction strategy focusing on regional economic growth in Tibetan areas has contributed to high and increasing economic disparity between rural and urban areas, and has been primarily beneficial to people living in urban areas, and has not led to much trickle-down benefit in the Tibetan rural areas. As a result, most Tibetan people continued to depend for their livelihoods on relatively stagnant traditional agriculture and animal husbandry conditions. Per capita incomes in urban areas were generally as much as 4 times greater than in rural areas a result.

Because of the relatively static economic conditions in rural areas, as much as 20 percent of the rural Tibetan population was unemployed or underemployed. This has contributed to seasonal migration of many Tibetans, particularly younger men and women to urban areas in search of jobs. Their lack of education and skills needed for steady remunerative jobs in urban areas has contributed to frustration and criminal activities.

The continued high incidence of poverty in rural Tibetan areas is also due to a range of physical factors, including remoteness, lack of adequate natural resources, harsh weather conditions and continued dependence on subsistence agriculture. However, other factors have also contributed to the protracted poverty in the Tibetan areas of China, including

- Expanding rural population and livestock numbers and increasing degradation and reduced productivity of available agricultural and rangeland resources;
- Rising costs of basic staple commodities such as fertilizer and basic food commodities such as sugar, salt, tea and barley;
- Rising costs of basic health care, including both clinic and hospital medical services, drugs and other related needs. . The rapidly increasing costs of healthcare, including health care for life threatening illnesses, are regarded to be a main cause of increasing Tibetan poverty; and
- Failure of government poverty alleviation policies to target directly the needs of poor village households and communities.

## **A.2 Key Government of China's strategies and programs**

Since the mid 1990s, the Government of China had implemented a number of important national strategies and programs to reduce poverty, including the “8-7” national poverty reduction program intended to eliminate poverty among 80 million rural poor over seven years (covering the period of 1994-2000). By 2000, poverty had been reduced to about 27 million. A positive aspect of the “8-7” program was the guiding principle that direct assistance to poor households should focus on the “Five Ones”-that each poor rural household should possess one mu of food crops, one mu of cash crops, one component of livestock, one sideline household enterprise activity and one family member possessing an urban job. The “Five Ones” were intended to improve poor household food and income security, and were central to TPAF project poverty reduction activities in its selected pilot areas.

During the period 2000-2015, government increased its focus on area based- especially rural physical infrastructure, improved health and basic education, skills training and rural and urban small enterprises. While significant poverty reduction gains were made, poverty continued to prove intractable in poorest rural townships and villages. Efforts to directly target the needs of poorest communities and households tended to be limited until 2016, when Premier Xi Jinping launched a program to eliminate residual poverty among 70 million people living in 1,200 administrative villages during the 13<sup>th</sup> Five Year Plan period (2016-2020).

## **A.3 Overall goals and strategy of TPAF's program**

The goals of the TPAF program were to pilot and demonstrate an effective household-based approach to poverty reduction in selected residual poor Tibetan areas of China. The household-based approach suggested by TPAF was adopted from earlier community-based poverty reduction experience in the Tibet Autonomous Region during the 1998-2008 period (consistent with the government's “Five Ones” strategy) and a UN MDGs approach to poverty reduction, which was characterized by achievement of priority integrated economic, social and environmental goals contributing to human development on a sustainable basis.

In December 2009, USAID, through its mission in Bangkok, Thailand (RDMA), approved the TPAF program proposal under the Cooperative Agreement # 486-A-10-00002. The program aimed to achieve the following broad goals in selected poor Tibetan areas of China:

- Improved, more sustainable livelihoods;
- Protection of local environmental resources;
- Enhanced preservation of local cultural traditions; and
- Strengthened capacity building and institutional learning.

After its approval, the program was implemented in two main phases:

Phase I (December 2009 – December 2012). During the period 2010 to 2012 TPAF maintained a strategic partnership with the Center for Biodiversity and Indigenous Knowledge (CBIK) in Kunming which took major responsibility for coordinating implementation directly and through several local NGOs. To some extent local governmental departments also implemented activities where they had a particular advantage. This included the local engineering units of the Agricultural Bureau for greenhouse construction and erection, and a local NGO with rural health expertise for the village health, hygiene and sanitation training activities. During 2012 it became increasingly difficult and sensitive to continue working relations with needed local partners, and it became necessary to find alternative implementation arrangements. During this period, TPAF was able to directly execute (DEX) some activities through subcontracting arrangements with local NGOs. Most notable was a continuing relationship with the Shangri-la Association for Cultural Preservation (SACP) during 2012-2016. SACP coordinated the implementation of the project ecotourism activities at 2 main sites, and conducted a series of successful employable skills training activities in such fields as cement structures, electrician services and village cooking catering services. TPAF also managed to continue to directly execute its support to two local municipal enterprises carrying out Tibetan artisan development activities in Lhasa and Shangri-la, respectively.

Phase II (January 2013 – October 2016). To enable a continued implementation of the program, TPAF built a new partnership with the China Philanthropy Research Institute (CPRI) of the Beijing Normal University (BNU) during 2013-2016. Under this partnership, TPAF shifted to a national execution (NEX) modality for community based activities with the CPRI where it would take responsibility for the detailed planning and implementation of activities on behalf of TPAF. With this arrangement, the TPAF program implementation proceeded smoothly in: (i) Shangri-la County, Deqin County, and Weixi County of the Diqing Tibetan Autonomous Prefecture in Yunnan Province during 2013-2014; and (ii) Rige Administrative Village in Litang County of the Ganzi Tibetan Autonomous Prefecture, Sichuan Province during 2015. In 2016, TPAF subcontracted the implementation of four TPAF program best practice workshops to CPRI in Beijing and the Center for Integrated Agricultural Development (Beijing Agricultural University) in Qinghai, the Tibet Autonomous Region and Litang County (Sichuan).

By the end of its activities in October 2016, the TPAF program had achieved most of the objectives originally established for it. A comprehensive assessment made by a team of national consultants confirmed that the TPAF program made valuable and useful contributions by increasing poor household incomes and well-being in the selected Tibetan areas on a sustainable basis.

**Figure: Program Sites, People's Republic of China**



The following section summarizes the key achievements made under each of the main program components.



## B. Program Achievements

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### B.1 Livelihoods Improvement

This component was intended to demonstrate a multi-sectoral development strategy to help rural poor households lift themselves out of poverty through activities intended to increase household income and well-being. Program activities stressed the importance of practical knowledge transfer and capacity building. Main achievements made under this component are summarized below.

#### 1.1 Agricultural and livestock production

Agricultural production and animal husbandry were the main sources of livelihoods and cash income for many poor Tibetan families. However, harsh local natural conditions and traditional subsistence farming and livestock practices had usually impeded efforts to increase their food and income security.

#### Greenhouses to increase agricultural productivity and dependable family food supplies.

- This output aimed to provide greenhouses for the target households, enabling year-round production of vegetables and other food crops for household consumption. Increased vegetable crop production was intended primarily to improve the diets of poor families, and to enable the sale of surplus food as a way to boost family income. During the 2010-2012 period, a total of 627 households received greenhouses in 37 villages of Dong Wang and Wu Jing Townships of Deqin Prefecture in Yunnan Province. The greenhouses were built on household garden plots and were approximately 30 square meters in size. Households grew cabbage, lettuce, eggplant, chili peppers, bell peppers, tomatoes, onions, garlic, and chives in the new greenhouses. In addition to the household greenhouses, 4 community greenhouses of about 60 square meters were constructed. at a primary school. They provided a source of improved nutrition for students, and also were used to conduct crop experiments and demonstrate to villagers integrated pest management (IPM) practices.



Exteriors of greenhouses- Dong Wang



Interior of greenhouse – We Jing

- Households in Dong Wang and Wu Jing receiving greenhouses also received training from farmers' field school (FFS) trainers who taught the villagers on such subjects as vegetable growing and pesticide management.

- During 2015, the program also provided an additional 44 greenhouses to households in Rige Administrative Township in Sichuan Province. The greenhouse construction was complemented by instruction on best techniques for cultivating vegetables.

#### Cultivation of Cash Crops.

- During 2011, the project financed the planting of 400 mu (about 66 acres) of walnut saplings in Dong Wang Township. After five years the trees were to provide a crop of walnuts that would survive rough marketing conditions over rural roads to urban markets. The walnut plantings were made possible as a result of the construction with project financing of new cement lined water channels (discussed more below). In addition to walnut saplings, the gravity flow diversion channels directed water more efficiently to over 1,200 mu of farm land for the production of a cash crop, highland sorghum, benefiting more than 70 households.
- In 2011 and 2012, the project also demonstrated the benefit of cultivating high value Chinese herbal medicines to 53 poor villagers in Wu Jing Township. A particular herbal medicine plant (*Rhizoma Atractylodis*) was found to flourish at about 2000 meters and be easy to cultivate by village farmers, with some initial supervision. This crop proved able to increase the annual income of poor households by as much as 3000-4000 Yuan/mu. To support the villager cultivation of this high value crop, the Wu Jing government established a *Rhizoma Atractylodis* production cooperative and an associated herbal medicine trading company at the township level. This enabled villagers to purchase needed seed and other inputs and to market their harvested production of *Rhizoma Atractylodis* crop each year.



Rhizoma atractylodis cultivated in the Zimuxiong Village



Rhizoma atractylodis field in the Zimuxiong Village

#### Increased livestock production.

- In 2011-2012, the program provided livestock (e.g. cattle, goats, pigs) to poor households in villages of Dong Wang and Wu Jin to increase household food consumption and to increase sales of surplus animals in local markets. Of the 627 pilot households in the program in Dong Wang, 254 households were provided pairs of young Tibetan black pigs and goats for raising and sale in local markets. The black

pigs reproduced after 4-5 months and the local sale of young pigs became an important source of family revenue. Village project committees with poor household and women participation were established to help ensure the equitable distribution of pigs to poorest households.

- In 1913 and 2014, the program also purchased and distributed 100 cattle to households in Jiefang Administrative Village in Shangri-la County to serve as the basis for the production and sale of milk and other dairy products.
- In 2015, the program provided a yak and power grass cutting equipment to 34 families in Rige Administrative Township, Litang County (Sichuan). A main purpose was to demonstrate how best former nomadic families could sustain their yak herds and feed them stored hay in confined household locations during the harsh winter period.



A local villager in Jiefang with her cattle



Tibetan pigs in Dongwang Township

## 1.2 Micro-credit support

Prior to the program in the 2000-2008 period, TPAF provided micro-credit to over 3,000 rural women in the TAR with a total payback rate of about 98 percent. Loans of up to 1,000 RMB were made to village women organized in groups of 5-6 persons. The women were required to pay the loans back in quarterly amounts over one year. When the group of women all paid back their loans at the end of the one year, they became eligible for a second cycle of loans. This approach, based on the Bangladesh Grameen Bank model, depended heavily on the women mutual support groups to ensure that loans were all paid back on a timely basis. This mutual support group approach was also the basis for rural credit in the USAID program. TPAF found, however, that local government officials in Dong Wang were skeptical that women would pay loans back and generally did not agree that the TPAF program should include a micro-credit component. In part, local government officials were motivated by at times poor pay back experience under the lending activities sponsored by the Agricultural Development Bank.

The one exception was in Wu Jing, where local government agreed to the introduction of micro-credit to support the investment needs of 52 poor households. As with the earlier micro-credit in the TAR, all the borrowers were women. The women used the credit to invest in a variety of small businesses, such as the raising chickens and other small livestock, the establishment and running of small grocery stores, and the purchase of seed, fertilizer and other inputs for a high value medicinal plant cash crop (*Rhizoma Atractylodis*).



Investment in village dry goods store



Investment in chicken raising and sales

### 1.3 Employable skills training

In many Tibetan areas of China, large numbers of young men and women were migrating seasonally to urban areas without the education and skills needed to secure steady remunerative employment. The TPAF program launched a number of vocational skills training programs intended to boost employment and incomes as a way to reduce urban and rural poverty.

- Follow-up training in automotive maintenance and repair, Dong Wang and Wu Jing Townships. In late 2014, the project followed up on an earlier vocational skills training project in motorcycle and automotive repair and maintenance services carried out in 2009 under an earlier USDOS/ECA project. Under the USAID program, a series of supplementary training workshops were provided to strengthen the coordinated management and functioning of repair workshops in five townships (Dongwang, Wujing, Nixi, Xiaozhongdian and Shangjiang Townships). The follow-up training included small enterprise accountancy and improved management practices. In addition the program helped to establish a small enterprise network to facilitate future exchanges of information and joint purchase of spare-parts inventories at discounted bulk prices. Several Chinese motorcycle and automotive spare parts companies agreed to provide such discounted bulk prices to the five rural enterprises. After the skill and business development training, the enterprises also received micro-credit support for the purchase of needed spare parts and new equipment.
- Training in cement making skills. In Dong Wang Township in 2012, over 30 local farmers were taught cement mixing and utilization skills in connection with the construction of a cement lined irrigation channel from a water source one mile to farmer fields.
- Training in cement making skills. In Guonian Village in 2013, 10 local villagers learned cement making and utilization skills during the construction of a large cement lined rubbish treatment facility. At the same time they were taught how to use cement in the construction of brick walls. The local government later employed the trained farmers in other cement construction activities.
- Training in cement making skills. The Shangri-la Association for Cultural Preservation (SACP), a local NGO, received financing from TPAF to train 36 villagers from over 30 villages in basic cement techniques in 2015. They returned to

their villages where they made cement pig pens, cement fireplaces for household kitchens and other cement structures that eliminated the need for the employment of outside Han skilled workers who formerly did the same work.

- Training in cement making skills (Rige Administrative Village). In 2015, villagers from 44 poor households participated in the construction of cement-reinforced piping of water from an upland water source to all houses in their village. Villagers later employed their skills in other cement work in and around their houses.
- Training of electrician and cooking skills. In Shangri-la County SACP also trained 18 Tibetans in basic electrician skills, especially wiring for lighting and other household appliances. After the training, most of the trained Tibetan electricians were able to secure jobs installing wiring in the new houses in Shangri-la which was being reconstructed after the devastating fire in January 2014.
- Training in cooking skills. SACP also trained 32 Tibetan women and 6 men in restaurant cooking skills. After the SACP training, most trainees formed groups to work in local restaurants in their villages or to cook and cater food for local parties.



Young women learning cooking skills.



Cement reinforced pig pens made by trainees



Local young men attending electrician training



Trained electrician rewiring a house

#### 1.4 Water diversion

Lack of readily available water in poor rural villages was a major constraint for increased food and cash crops production, but also for convenient water supply for household purposes.

Under the program two major water diversions were taken to provide major benefits to poor households. They included:

- Cement lined water diversion in Dong Wang. Project activities in 2011 included the development of a major cement lined canal carrying water to new food and cash crops benefiting 111 households and 314 poor people in three villages in Dong Wang Township. Some villagers set up cash crop walnut orchards along the system. As a result of the scheme, villagers were also able to expand their cultivation of highland barley by as much as 80%. The Dong Wang water diversion system enabled many villagers to learn new cement making and utilization skills that they were able to apply to subsequent jobs around their village and households. .
- Reticulated Piped Fresh Water System in Rige. In 2015 the project financed the development of a reticulated water system providing clean potable water from a highland spring to each of 44 households in Rige Administrative Township in Litang County (Sichuan Province). Villagers participated in the construction. The system supported running hot and cold water for a broad range of household and animal feed making purposes.



*New cement lined canal for irrigation in Dong Wang*



*Farmland benefited from the water diversion systems*



*Piped running water available at home in Rige Township*



*A woman doing washing at home*

### **1.5 Forage grass (hay) and highland barley harvesters**

In Tibetan livestock areas, nomadic families are encouraged by the government to spend increased time in their winter village areas with their livestock on a semi-settled basis. This has resulted in a need to cut and store surplus hay in their household shed areas to feed to their yak and other animals as needed. Government policy stems from widespread overgrazing in summer pasture areas, and the availability of health services and schooling for children at or near the winter village areas.

- Fodder cutting machines. In 2015, the program provided grass harvesting machines to 44 households in the Rige Village of Ganzi Prefecture, Sichuan Province. The intent was to facilitate the cutting of pasture grass and harvesting of hay in the Fall for storage and feeding to yaks in the harsh winter period when available rangeland grass cover was depleted or unavailable. The project also provided training to the villagers on the best use and maintenance of the gas powered cutting machines.



*A local villager receiving a new set of the harvester*



*A local technician explaining the use of the harvester*

## 1.6 Community health behavior change training

Poor family health, hygiene, and nutrition were common barriers to increased productivity and income-generating capabilities of poor households, and contributed to continued poverty in poorest villages. TPAF experience showed that community health, health, hygiene and nutrition could be substantially improved through direct training of poor villagers in preventive practices based on Behavior Change Communication (BCC) methods.

- Health, hygiene and sanitation behavior change practices. In 2012 and 2013 a total of 785 households and 3,698 local villagers in Dong Wang and Wu Jin participated in health, hygiene and sanitation behavior change trainings. The training was implemented in two steps: (1) training of 64 township and village BCC trainers in improved community health, hygiene and nutrition practices; and (2) training of 785 rural village women and men in the improved practices by the 64 BCC trainers. The project interventions in BCC covered 100% of the households in 36 project pilot villages. The training covered preventive health messages regarding such communicable diseases as TB, acute diarrhea and respiratory infections and HIV/AIDS. It also included messages about improved personal practices relating women's reproductive health and maternal and child health care, and ways to improve family nutrition and household sanitation practices.
- Gynecological examinations. In 2014 the program responded to the needs of 172 village women who needed gynecology examinations at the County (Shangri-la and Deqin) Maternal and Child Health (MCH) Hospitals. This included 89 women from Jiefang village and 83 women from Guonian village. The women were also provided with simple family medical supplies kit based on the recommendation of the MCH Doctor providing the examinations.
- Training of Children. In 2014, 27 children from Jiefang Village and 30 children from Guonian Village participated in learning sessions which expanded and broadened their

general awareness of the broader world around them—giving them knowledge and understanding expected of township level children. The broader purpose of the training was to build on the limited knowledge conveyed in their rural primary schools to help prepare them for functioning and securing eventual employment in the modernizing world found in their townships and beyond.

- **MCH Brochures.** The program produced and distributed brochures intended to enhance the knowledge and skills of local people in practicing and promoting healthcare for women and children. In this connection, a set of ten bilingual maternal and child health care brochures (in Chinese and Tibetan) were compiled for distribution to local villagers.



*Training of Trainers in Wujing Township*



*Trainers training villagers in Wujing Township*

## **B.2 Environmental Protection**

In recent decades, a steady build-up of Tibetans and their livestock in fragile high altitude agricultural and pasture areas have contributed to environmental degradation. This has included loss of forest cover in agricultural areas due to overcutting, and reduced pasture in nomadic areas due to overgrazing. Apart from loss of natural resources needed to meet basic energy requirements, Tibetan villages have increasingly seen a build-up of household wastes, pollution of scarce water resources and loss of natural biodiversity.

To address some of these challenges, the program implemented environmental planning and management activities at many activity sites. The program activities were intended to: (i) further enhance local villager awareness and knowledge regarding better utilization and protection of the local environment and its natural resources; (ii) introduce affordable environmentally-friendly technologies; and (iii) improve local waste management.

### **2.1 Training on environmental protection and natural resource management**

This output was intended to enhance the awareness and knowledge of poor villagers in better protecting and managing their local environment and its available energy resources. Environmental sensitivity and training took place in various forms. The training took place formally in the context of training on the importance of measures to help reduce the consumption of scarce rural energy resources. It also promoted the substitution of solar energy resources where possible, and on the introduction of more fuel efficient devices. It also included training efforts to change villager behavior around household waste management and sanitation practices.



- Environmental Resources Preservation. In June 2013, training workshops on environmental protection awareness were conducted at the beginning of the TPAF supported eco-tourism development program at two locations: Dara Village and Bisong Village in Shangri-la Township. The training workshops were attended by a member of all 62 households from the Dara Village, and a member of all 40 households in Bisong Village. The trainer, an environment professor from the Shangri-la Vocational School, made an introduction at each location about the importance of environmental preservation. Then the household representatives were encouraged to share their knowledge and experiences with past and current environmental preservation efforts. The workshops stressed, for example, why grasslands were important for Tibetans and why Tibetans should not cut trees in their areas and in the more distant holy mountains. Through plenary and group discussions, the villagers gained a better understanding of the importance of protecting the local environment in their own best interests. The training also focused on the relationship between profitable eco-tourism and an attractive environment, and how all villagers could benefit from helping to protect their natural resources. Villagers also discussed in each location on what they could do in their daily life to protect the local environment and its natural resources.



*Local villagers attending an environmental preservation training workshop*

## **2.2 Introduction of environmentally-friendly technologies**

At home, most Tibetan villagers relied heavily on wood for cooking and heating purposes, and this was leading to increasing degradation of forest resources, and the need to travel longer distances to secure the needed fuelwood. To help reduce dependence on fuelwood the program introduced renewable solar photovoltaic energy and more fuel efficient wood stoves.

- In 2010 and 2011, 333 households or 1,655 poor villagers in Dong Wang and Wu Jing Townships benefited from the provision of solar water heaters. The households used the solar heated water primarily for bathing, hand washing and heating of water for the mixing of livestock feed. The solar hot water heaters reduced household wood fuel use and freed up the women's time for productive activities around the household. The solar hot water heaters were often constructed over bathroom and toilet facilities that facilitated family members using the hot water to improve their personal hygiene.
- In 2010 and 2011, 54 of the same 333 households also benefited from TPAF funded fuel-efficient kitchen stoves intended to further reduce wood fuel consumption.

Beneficiaries surveyed reported using between 20-30% less fuel wood than before receiving the solar heating and fuel efficient stoves. The fuel efficient stoves also had improved ventilation out of the homes and helped to reduce smoke pollution in the home and resultant eye infections and bronchial diseases.

- In 2013, solar hot water heaters were also provided to 93 households in Jiefang Village and 46 households in Guonian Village.
- In 2015, a total of 46 solar hot water heaters were provided to households in Rige administrative village. In Rige, the solar hot water heaters were connected to running water available from a nearby spring fed water reticulation system to provide household members with hot water on a continuing basis for personal use and for livestock feed mixing purposes.



*Solar-water heater in Guonian Village*



*Solar-water heater in Rige Village*



*Fuel efficient wood stoves introduced in Dong Wang and Wu Jing during 2011-2012*

### **2.3 Improved local waste management**

Most Tibetan villages lacked any systematic procedure for the removal and disposal of poor household wastes. This has had a negative impact on sanitation practices within and around poor village households, and more generally on household member health and a degradation of the surrounding area environment.

Based on consultations with the local villagers, the TPAF program supported the construction of several central waste disposal pools, which have helped change the behaviors of local villagers in terms of waste management. Surprisingly, this practice has also helped to improve neighborhood relationships.

- As part of an effort to improve sanitation and environmental conditions in Guonian village and its surrounding area, the program supported local efforts to construct a cement waste disposal and incineration facility. Ten local farmers from Guonian village undertook the supervised construction of a large household rubbish container 12 meters long, 4 meters wide and 9 meters deep. In the process they learned new employable cement and brick wall construction skills. To ensure optimal use of the facility, a neighboring township government purchased a rubbish collection truck to help collect and dispose their own rubbish in the Guonian facility. The project was expected to help reduce the disposal of rubbish around village houses and have indirect sanitation and health benefits for all the villagers being served.



Central Waste Disposal Unit in Guonian Local Rubbish Tank near Guonian

## 2.4 Community-based eco-tourism development

During 2012-2013, the project helped to introduce innovative models of sustainable eco-tourism development in three villages of the Shangri-la County: namely Dara, Bisong, and Nizu. Activities in each village include: (i) participatory community eco-tourism development planning and management; (ii) environmental protection training; (iii) practical eco-tourism skills training; and (iv) construction of eco-lodge facilities for visitors/tourists. A major objective was to develop new sources of income for villagers through socially and environmentally responsible tourism that would at the same time protect local flora and fauna natural resources and surrounding biodiversity.

- Cooking training for eco-lodge housekeepers. A 3-day cooking training was conducted for 3 eco-lodge housekeepers (i.e. 1 from Bisong, and 2 from Dara). The objective of the training was to further enhance the housekeepers' cooking skills so that they could better serve their foreign guests. A local well-known restaurant in the old town of Shangri-la County was selected as the venue for the training. During the training, the trainer demonstrated Tibetan and Chinese recipes, which were followed by trainees' hands-on practice with guidance from the trainer. As a result of the training, the trainee housekeepers are now able to make such dishes as fried chicken, braised pork, fried potatoes, spicy Tofu, fried Tibetan yak cheese, fried vegetable mix, vegetables chips, fried eggs, vegetable soup, and Indian tea.
- Cooking and hygiene training for villagers. Special training was also organized to provide eco-tourism cooks with special training in ways to ensure that high hygienic cooking standards were maintained. For this, the program organized a 3 day training

session for 8 local village cooks at the Bisong eco-lodge. This training involved learning of ways to ensure use of high hygienic standards in the cooking of basic Chinese and Tibetan dishes. The training was provided to 5 cooks from Bisong village and 3 cooks from Dara. At the training, the instructor presented a video demonstrating how dysentery and other diseases could be caused by unhygienic cooking habits.

- Housekeeping training. In December 2012, a 5-day housekeeping training focusing on high professional standards for room bed making and cleanliness was organized for 7 villagers. During the training, the trainer used different training methods, e.g., presentation, group discussion, role playing, on-site practice, etc.
- Training of tour guides. The community eco-tourism management teams of the Dara Village and the Bisong Village worked with local travel agencies to attract tourists/visitors to the two villages. In order to upgrade the skills of villagers to function as tour guides, a 4-day eco-tourism tour guide and management training course was delivered to 16 villagers (10 from Dara, 6 from Bisong) in the Shangri-la Old Town. The purpose of the training was to train selected local villagers to become more qualified local tour guides leading tourists into rural areas of high flora and fauna interest. Trips were organized for different durations, using horses, tents and other equipment to facilitate tourist comfort. The trainers came from local travel agencies and were familiar with the Dara and Bisong community eco-tourism project, and were able to tailor training to the capabilities of the village guides and other village support personnel.
- Learning traditional Tibetan songs and dances. The program also supported sessions to help prepare villagers at Dara and the Bisong Villages to perform at special events where local ethnic songs, dances and food were presented to tourists. At these sessions, young Tibetan villagers were often learning traditional songs and dances from older Tibetans to ensure that village Tibetans of all ages were part of the performances. More than 50 villagers often attended the training sessions.

### **B.3 Cultural Preservation**

Tibetan people have had a long tradition of maintaining their many cultural traditions through the making of a broad range of local handicrafts. These have included local clothing and other textile products, leather bags, traditional carpets, painted wood and metal working products, stone carving products, black pottery, silver jewelry, dolls and toys, etc. However, with the development of the local economy in Tibetan areas and increasing prices and living expenses, many valuable Tibetan cultural products and traditions were being ignored and forgotten. Also, older Tibetan artisans were finding that Tibetan youth preferred to find employment in higher paying urban jobs. Tibetan artisans were also finding a diminished local market for their products among other Tibetan households and monasteries. In order to boost income and reduce poverty among traditional artisan households, and to help preserve their cultural traditions, the TPAF program supported a series of activities to boost and preserve the traditional artisan products in the TAR and Shangri-la County.

The Tibetan artisan component of the program was intended to help local Tibetan artisans: (i) improve the design, quality and market appeal of their handicraft products; (ii) enhance their understanding of evolving market tastes and trends; (iii) expand market opportunities to sell

the artisan products in local and foreign markets and increase cash incomes for their families; and (iv) strengthen the capacities of locally-managed social enterprises to sustain artisan activities on a commercially-viable basis.

The following is a summary of the main achievements.

### **3.1 Capacity strengthening for local social enterprises**

To achieve the objectives, the TPAF program worked closely with two main local social enterprises, i.e. (i) the Lhasa Villages Handicrafts Development Center (LV), which is based in Lhasa, TAR; and (ii) the Tangtong Handicrafts Development Center (THDC), which is based in Shangri-la, Yunnan. The above two local social enterprises were both managed by Tibetans, and were established legally as municipal enterprises.

This output was aimed to strengthen the capacities of the two local social enterprises so that they would be able to support the local artisans in a better and more sustainable way. During the program period, The TPAF program provided capacity building to the two local social enterprises in terms of product development, production, marketing and the sale of Tibetan artisan products locally and in the large US artisan market. The TPAF program also supported training of key management staff of the two local social enterprises in business and financial management.

- During 2014 and 2015, LV was restructured to improve its operating effectiveness. Its earlier establishment as a cooperative with equal shares held by all staff was found to be divisive, and contributing to laziness and absenteeism. Similarly a board with strong staff representation tended to undermine management ability to use of revenues for investment in improved capacity and operations. The restructuring included a buying out and retirement of some staff, and a new board consisting of the LV manager and the dynamic President of the Ancient Art Restoration Company which owned the LV building space. LV is now operating smoothly.
- During 2015 and 2016, THDC also restructured its board to secure more financing and managerial support from outside backers in Shangri-la. It sought to achieve the strong financial support of a major tourist hotel in Shangri-la and managerial expertise from a local businessman. This did not work out as expected, and THDC now has converted about half of its space to an upscale restaurant to help cover the costs of its local artisan development activities. It hopes that its restaurant and artisan sales activities will benefit from the recovery of tourism with the current rapid rebuilding of Shangri-la Old Town after the 2014 fire. Late in the program, THDC was finally taken over by the stronger better financed LV operation in Lhasa, and it is hoped that this will provide greater stability to the THDC operations in Shangri-la.



*THDC in Shangri-la, Yunnan*



*LV in Lhasa, TAR*

### 3.2 Training in handicraft skills

This output was aimed to develop the capacities (e.g. knowledge and skills) of local villagers (artisans) so that they could make quality Tibetan handicraft products, which were saleable both in the domestic and international markets. Working closely with THDC or LV, two experienced international consultants and several local artisan product designers/trainers were involved in the training activities. During the program cycle, a total of 222 local villagers received relevant training. Now, the trained local villagers are able to make about 50 different types of handicraft products. As time went on, many of the trainees, especially in the textile sector were rural women, as male artisans either stopped production or shifted to other more lucrative professions. TPAF found that products in the textile sector based on traditional weaving designs proved most profitable in a dynamic US market for Tibetan artisan products.

- Training of women in artisan skills. TPAF provided artisan skills training in artisan skills to a total of 222 women during the project period (2010-2015). The training took place in Lhasa (about 64 women) and Shangri-la, including Jiefang and Guonian (about 158 women). The training included initial information on handicraft production, including product design, materials and sewing techniques, as well as the methods for the collection of finished artisan products being produced in remote rural areas, and the payments to rural women artisans based on the numbers products produced of required quality suitable for sale in local and international markets.
- Training of women in Shangri-la. TPAF conducted training to artisans in a range of skills in Shangri-la, including in woodworking, painting, leatherworking, ceramics, metalworking and textiles. It found that as a result of rapidly increasing costs of living and the loss of tourists after a massive fire burned down much of the quaint old town area in January 2014, many artisans gave up their artistic activities and took up alternative more lucrative employment. As a result, TPAF shifted to training about 30 rural village women to make artisan textile products for sale locally and in the US market. The program helped to establish systems for providing the women with needed materials, for delivering the finished products to the THDC store in Shangri-la and for the reimbursement of the women on a piecework basis.



*Local women attending handicraft skills training*



*Local women with handicrafts made by themselves*

In view of the success of the LV model (social enterprise model), the TAR government approved in 2014 a grant of RMB 1 million to LV for conducting training activities for TAR artisan association members. This showed a positive recognition by the government that the social enterprise model was the right institutional arrangement to promote artisan products development and sales in the TAR.

### 3.3 Marketing support to local social enterprises

In order to help the local social enterprises (LV and THDC) sell the handicraft products made by the local Tibetan artisans, TPAF set up a mechanism in the United States to promote the sales of the handicraft products in the US market. Efforts included compilation of product catalogues, display of product samples at the annual New York International Gift Fair (NYIGF), and processing of purchase orders from international customers. Proceeds from the sale of artisan products in the US market were repatriated to Lhasa and Shangri-la through a Paypal financial mechanism. Those efforts had helped local artisans earn more incomes for their families, as the demand for Tibetan products tended to be strongest with foreign buyers.



*Catalogue of handicraft products*



*Display of handicraft products at the NYIGF*

## B.4 Local Capacity Building and Institutional Learning

This component was intended to further strengthen local capacities and institutional learning necessary for managing and sustaining poverty reduction efforts. The program demonstrated several models that may be replicated and scaled up by the government and other development actors. Training was provided to communities and local partners, and government adoption of successful strategies was encouraged through dissemination of best practices and lessons learned.

Main achievements made under this component are summarized below.

#### **4.1 Capacity building for local communities**

During the program period, the villagers in the program villages were fully involved in the planning and implementation of the concerned activities. Specifically, village committees were established to organize and facilitate discussions and decisions among the villagers, and regular villagers' meetings were held to ascertain problems and identify solutions on a collective basis. This has enhanced the local villager capacities and helped to ensure sustainable continuity of main poverty reduction activities in the future.

#### **4.2 Capacity building for local social enterprises**

During the program period, in addition to working with and supporting THDC and LV, the TPAF program also worked with and supported another local social enterprise, i.e. the Shangri-la Association for Cultural Preservation (SACP), which is also based in Shangri-la, Yunnan. The TPAF program provided training to selected key staff of SACP in business and project management, especially in the local eco-tourism development and employable skills training fields.

#### **4.3 Documentation of best practices**

Under the TPAF program, a handbook on poverty reduction strategies and best practices was prepared by a team of national consultants. The handbook covers a wide range of areas in poverty reduction, from national strategies to grassroots best practices, from the roles of the government in poverty reduction to the roles of NGOs and international agencies. It is our view that the handbook is one of the most systematic and comprehensive summaries of the best practices in poverty reduction in rural, ethnic minority areas of China in recent years. Contents of the handbook were used at several provincial training workshops for local partners who were involved in poverty reduction efforts.

Best practices able to help achieve income and food security of poor households in Tibetan communities based on TPAF field experience were based on the Government's own "5 Ones" strategy for achieving poverty elimination during the "8-7 Poverty Reduction Plan" intended to eliminate poverty among 80 million people over seven years (1994-2000). The 5 Ones strategy focused on promotion of food crops, cash crops, livestock development, small household sideline enterprises and off-farm urban employment. The TPAF best poverty reduction practices included the following:

- Greenhouses that enabled increased annual food crop cultivation, especially vegetables, able to improve family nutrition;
- Cash crops such as grapes, walnuts and high value medicinal plants able to increase family incomes;
- Large and small livestock, particularly cattle, yak, pigs, goats and chickens able to increase household consumption and incomes;
- Microcredit enabling families to invest in increased household small income generating activities;
- Solar water heaters able to save scarce energy resources while providing hot water for household cooking and animal feed preparation purposes;



- Fuel efficient stoves able to help save scarce wood, dung and other energy sources needed for household cooking and heating purposes;
- Vocational skills training helping unemployed youth to find steady off-farm jobs, and repatriate income to their poor families;
- Training in improved personal health, hygiene and sanitation behavior practices, and.
- Improved design of artisan products enabling poor Tibetan artisans to increase their income selling in the local and US markets.

#### **4.4 Dissemination of best practices and capacity building**

In order to disseminate the successful practices and encourage other partners (including the government and NGOs) to adopt the successful practices elsewhere, the TPAF program supported a series of activities which have contributed to knowledge sharing and capacity building.

- Workshop in Beijing. In January 2016, a national workshop to disseminate and share program results (i.e. best practices and lessons learned) was co-sponsored by TPAF and CPRI in Beijing. It was attended by 30 participants (representing 12 different organizations), focused on sharing experiences in poverty alleviation in Tibetan areas of China. At the opening of the workshop, WANG Zhenyao, Dean of CPRI, and Arthur Holcombe, President of TPAF, welcomed the participants and emphasized the importance of NGOs and NPOs in promoting poverty reduction and sustainable development in China, especially in the context of China's 13<sup>th</sup> National Economic and Social Development Program (2016-2020), during which 70 million people will have to be lifted out of absolute poverty. At the workshop, Mr. Arthur Holcombe (TPAF) and Mme. GAO Yurong (Assistant Dean of CPRI) each made a presentation on the TPAF-USAID program in China, including its goal, strategies, methodologies, and main results. During the workshop, six other agencies also presented their experiences in implementing poverty alleviation and sustainable development projects/activities in the Tibetan areas of China. During the workshop, WANG Zhenyao initiated a proposal to establish an alliance of Chinese NGOs and NPOs who might in the future coordinate their efforts and share information and experiences in a better way. The participants welcomed the idea and suggested that CPRI take the lead in the initiative. At the workshop, a set of 10 pamphlets on women's reproductive health developed under the TPAF program was distributed to the participants.
- Workshop in Yunnan Province. In February 2016, the Poverty Alleviation Office of Yunnan Province and the Beijing Office of the Bill Gates Foundation co-sponsored a workshop in Yunnan Province to discuss and share experiences in reducing poverty in remote poor areas of China. WANG Zhenyao (Dean of CPRI) and Mme. GAO Yurong (Assistant Dean of CPRI) attended the workshop and participated in the exploration of ways in which NGOs/NPOs could contribute better to the poverty reduction in China. Key participants of the workshop included officials from the Poverty Alleviation Office of Yunnan Province and senior managers of a number of Chinese NGOs and think tanks. At the workshop, Mr. WANG and Mme. GAO shared CPRI's experiences in planning, implementing and evaluating poverty reduction projects in remote, ethnic minority areas of China, including the experience of the TPAF-RDMA program in China.

- Workshop in Sichuan Province. In July 2016, with the support of the TPAF program, CPRI and the Government of Litang County, Ganzi Tibetan Autonomous Prefecture, Sichuan Province sponsored a two part workshop. The first part in Chengdu was attended by 26 participants (representing 15 different organizations), discussed poverty reduction activities implemented by various organizations (i.e. NGOs, foundations) in China. CPRI made a detailed presentation on the TPAF-supported poverty reduction activities implemented in the Litang County. The second part of the workshop was a field trip to Litang County where participants observed the TPAF-supported program in the Rige Village and talked to the local villagers on the usefulness and helpfulness of the program activities. Then the participants held further discussions with the leadership of the Litang County on best practices, lessons learned and possible future actions. At the conclusion of the field trip, CPRI and several organizations committed to supporting the poverty reduction efforts of the Litang County in their own ways in the future.
- Workshop in Qinghai Province. In August 2016, a team of national consultants from the Center for International Agricultural Development of the Beijing Agricultural University (CIAD) conducted a workshop in Xining of Qinghai Province, on poverty reduction strategies and best practices. The workshop covered such issues as (i) poverty reduction strategies in the context of the national and provincial 13<sup>th</sup> Five-Year Economic and Social Development Programs (2016-2020); (ii) best practices demonstrated by various development agencies (including the TPAF program); and (iii) monitoring and evaluation of poverty reduction activities/projects. Initially, the TPAF program only planned the workshop for 20 participants (trainees) from the province who are directly involved in planning, implementation, or monitoring & evaluation of poverty reduction activities in the province. However, in view of the high relevance and timeliness of the workshop to provincial poverty reduction strategies in the coming five years, the Qinghai Poverty Alleviation and Development Bureau (the provincial partner for the workshop) decided to expand the workshop to include 90 participants.
- 5<sup>th</sup> China Charity Fair in Guangdong Province. In September 2016, the senior management of CPRI attended the 5<sup>th</sup> China Charity Fair in Shenzhen, China. The theme of the Fair was “Promote charity by law and support poverty reduction”. More than 2,600 charity organizations, enterprises or individuals from China, and 75 international non-profit organizations attended the Fair. At the Fair, the participating agencies and individuals made presentations on their achievements and experiences on charity and poverty reduction. The senior management of CPRI attended the Fair and presented its experience with poverty reduction (mainly from the TPAF-supported program) and child welfare activities in China.
- Workshop in TAR. In October 2016, a team of national consultants from CIAD conducted a workshop in Lhasa of TAR, on poverty reduction strategies and best practices. The workshop covered such issues as (i) poverty reduction strategies in the context of the national and provincial 13<sup>th</sup> Five-Year Economic and Social Development Programs (2016-2020); (ii) best practices demonstrated by various development agencies (including the TPAF program); and (iii) monitoring and evaluation of poverty reduction activities/projects. Initially, the TPAF program only planned the workshop for 20 participants (trainees) from TAR who were directly

involved in the planning, implementation or monitoring & evaluation of poverty reduction activities/projects in the province. However, in view of the high relevance and timeliness of the workshop in terms of the implementation of the provincial poverty reduction strategies in the coming five years, the regional authorities in TAR decided to expand the workshop with their own funding to include over 40 people involved in poverty reduction work in the region.

The receptivity to TPAF poverty reduction best practices by provincial officials directly involved in the implementation of the poverty elimination goals of the national 13<sup>th</sup> Five Year Plan, was greatly stimulated by the strong personal interest of President Xi Jinping in the success of the poverty reduction goals of the 13<sup>th</sup> Five Year Plan. The Plan called for the elimination of absolute poverty of 70 million poor people located in 120,000 poor administrative villages during the 2016-2020 period. President Xi Jinping had earlier declared that government at all levels should take responsibility for the successful implementation of the program. He emphasized that local officials personally responsible for working with the identified poor households in the 1,200 poor administrative villages and lifting their incomes above the official poverty threshold should not receive promotions or be transferred out of their current rural locations until their household poverty reduction goals under the 13<sup>th</sup> Five Year Plan were met.

## C. Challenges Faced and Lessons Learned

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### C.1 Main challenges faced

During the implementation period, the TPAF program encountered a number of challenges, which affected TPAF ability to implement the program in a timely manner as agreed with the donor.

- In the first phase of the TPAF program implementation (2010-2012), activities were carried out mainly in the Shangri-la County, Diqing Tibetan Autonomous Prefecture, Yunnan Province, and in the TAR (for artisan development activities). During this phase, most of the program activities in Dong Wang and Wu Jing Townships were directly managed by a local NGO, the Center for Biodiversity and Indigenous Knowledge (CBIK), based in Kunming and by TPAF staff. However, since mid 2012, the program faced growing political difficulties securing local partnership arrangements because of the new policies adopted by the Government of Yunnan Province vis-à-vis foreign NGOs working in the province. As a result of the government regulations, the implementation of the program activities was suspended for a year before TPAF was able to enter a partnership with CPRI in Beijing. After an agreement with CPRI, future implementation of activities was undertaken or coordinated by CPRI on a national execution basis on behalf of TPAF and this worked smoothly.
- In January 2014, a devastating fire took place in Shangri-la, which destroyed almost half of the Shangri-la Old Town (Dukezong), and resulted in a diversion away of the local tourism trade. This adversely affected the local sale of artisan products being developed with TPAF training and other support, and the ability of TPAF to pay local artisans for the improved products they were making. To address the unexpected challenge, TPAF made special efforts to further enhance marketing internationally (especially in the US). This ultimately helped to make up for most of the income lost as a result of the lost tourism in Shangri-la due to the fire.

### C.2 Main lessons learned

TPAF experience in China over the past six years suggests that foreign organizations wishing to provide assistance to communities in the Tibetan areas of China can be most successful if they take into account the following:

- Special efforts should be made to partner with Chinese government units that can take direct responsibility for the local implementation of program activities on a national execution (NEX) basis. Such an arrangement with a compatible local partner can be based on continuing dialogue, communication and reporting back to the donor partner as required. The arrangement can be further facilitated by the presence of a local Chinese country director who can represent the international donor partner on a continuing basis. The local partner organization should have experience in the types of assistance proposed by the international donor partner.
- There should be strong communication and mutual trust built up between the

international and local counterpart partners, and between the local counterpart partner and local government and local NGO partners responsible for actual implementation. In this respect the local counterpart partner should develop systems that can ensure full financial reporting and accountability for all donor resources contributed to the program.

- Programs need to be sensitive to the local culture, religion and needs, and flexible to adjust to unexpected changing circumstances and requirements.
- There still is a role for both national execution (NEX) and direct foreign execution (DEX) in Tibetan areas of China. DEX will continue to be particularly important and acceptable where the assistance directly involves foreign expertise and/or international market access for their success—areas where the local partner organization lacks capability or interest in managing on its own. International donors to China still generally take responsibility for signing contracts for international consultants and arrangements. Generally, DEX should be limited, and should be fully discussed with, and acceptable to, the local partner organization.

## **D. A Recommendation**

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The new overseas NGO management law of the Chinese Government, to be managed by the Ministry of Public Security, has created concerns and uncertainties that will only be worked out with experience and time. As a rule, all international donors to China will continue to be required to operate on the basis of a county agreement (MOU) that spells out the broad terms and conditions for acceptable continuing assistance, presumably in line with the Government's own national priorities. For USAID, interested in helping to improve the well-being of Tibetans in Tibetan areas, a sensitive minority population, this would seem to be particularly important. We would urge that USAID move toward securing a country agreement if it can be done at an appropriate time and context. .

## Annex – Update on Program Indicators

The table below summarizes the progress vis-à-vis the main program indicators applicable to the TPAF program activities in China.

Indicator	Program Target	Program Actual	Implementation Rate
SO 1: Number of beneficiaries with improved livelihoods	14,500	12,205	84.2%
SO 2: Number of model actions applied and replicated	7	4	57.1%
IR 1.2* Number of people benefiting from USG-supported social services	10,000	7,101	71.0%
IR 1.3* Number of people gaining employment or better employment as a result of participation in USG-funded programs	465	375	80.6%
IR 1.4* Number of persons completing USG-funded workforce development programs	620	513	82.7%
IR 1.5* Number of micro enterprises receiving business development services from USG assisted resources	500	295	59.0%
IR 2.1 Number of beneficiaries with increased capacity to preserve cultural traditions	500	452	90.4%
IR 3.2* Number of people receiving USG-supported training in natural resources management and/or biodiversity conservation	650	473	72.8%
IR 4.1 Number of common platforms/technical networks created and strengthened to share lessons learned, best practices, and successes	5	4	80.0%

\* USAID standard indicator

The above program performance indicators are based on original baseline program target estimates included in the revised TPAF Performance Management Plan dated February 2010, and more recent data collected by the TPAF Program Monitoring Unit on the various program activities launched and implemented during the 2010-2016 period. In retrospect, the target estimates were in most cases somewhat overstated and were not fully implemented as can be seen in the above chart. There are a number of reasons for the overstatement:

1. The estimates were based substantially on prior experience with activity implementation of similar prior activities in the TAR during the earlier 2000-2008 period. For instance, in the TAR microfinance was strongly urged and supported by the local government as a way to encourage the development of micro enterprises, and resulted in considerable success - more than 3,000 household enterprises were established as a result. Establishment of microfinance activities were later not encouraged by local government in the Shangri-la County with the exception of small loans to 52 poor households in the Wujing Township. Also, while artisan training and small enterprise development were well received in the TAR, rising costs of living, especially in Shangri-la County, created a strong incentive for artisans to secure alternative employment in higher paying trades, and negatively affected the ability to train large numbers of Tibetan artisans. (Affecting SO 1, IR 1.3, IR 1.5 and IR 2.1).

2. During 2012-2013, local government sensitivities toward foreign NGOs negatively affected the ability to secure the services of local NGOs and other organizations to serve as partners in implementing project activities. The sensitivity particularly affected community-based and household economic and social development activities. (Affecting SO 1, IR 1.2 and IR 1.5)
3. Later, TPAF developed a strong collaborative relationship with the China Philanthropy Research Institute (CPRI) which agreed to implement community-based and other activities on behalf of TPAF. Many CPRI staff were from the Ministry of Civil Affairs, and their preferred local level partner was the local bureau for civil affairs that traditionally was stronger in promoting social and health activities. They were inexperienced and less capable in organizing and promoting income-generating activities such as employable skills training and microfinance, and environmental protection and cultural preservation activities. (Affecting SO 1, IR 1.3, IR 1.4, IR 1.5 and IR 3.2 )
4. The two local training workshops conducted in the Qinghai Province (August 2016) and the TAR (October 2016) aroused great interest from the local participants in the best practices demonstrated by the TPAF program. Feedback from the participants showed that many of them would like to adopt some of the best practices in their local contexts. However, the impact of some end-of-program best practices workshop training activities could only be measured in 1-3 years after the completion of project activities. (Affecting SO 2, IR 4 and IR 4.1).

Towards the end of the program, TPAF was able to implement strong training workshops promoting project best practices, especially in Qinghai Province, Sichuan Province and the TAR. Given the strong support given to poverty reduction by the government leadership at all levels, TPAF is confident that indicators SO 1, SO 2 and IR 4.1 will be positively affected and show much higher impact in terms of improved Tibetan livelihoods and increased poverty reduction. In this respect, TPAF is confident that the program will eventually achieve its main livelihoods improvement, environmental protection and cultural preservation objectives.



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*TPAF – January 2017*