

Ethnic Minority Development Planning Document

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PRC: Xinjiang Municipal Infrastructure and Environmental Improvement Project

Prepared by Kanas Scenic Region Management Commission for the Asian Development Bank (ADB).

The ethnic minority development plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

ADB Financed Project

Ethnic Minority Development Plan

Kanas Environmental Improvement and Recovery Infrastructure Project
of
Xinjiang Municipal Infrastructure and Environmental Improvement Project

Kanas Scenic Region Management Commission

September 2007

Endorsement Letter of the EMDP

The Ministry of Finance has approved the Kanas Scenic Region Management Commission (KSRMC) of Altay Prefecture, which is located in Xinjiang Uygur Autonomous Region (XUAR), to implement the Kanas Environmental Improvement and Recovery Infrastructure Project which is financed by the ADB. The project is planned to commence in 2008 and finish in 2012. According to the requirements of ADB, an EMDP for the project should be compiled in accordance with the Social Safeguards Guidelines of the ADB. This EMDP is a key planning document of the project, which is approved and monitored by the ADB. Assisted by the PPTA consultants, the EA and IA have finished this EMDP which contains relevant the procedures of implementation and monitoring, which can guarantee the EMDP to be implemented effectively.

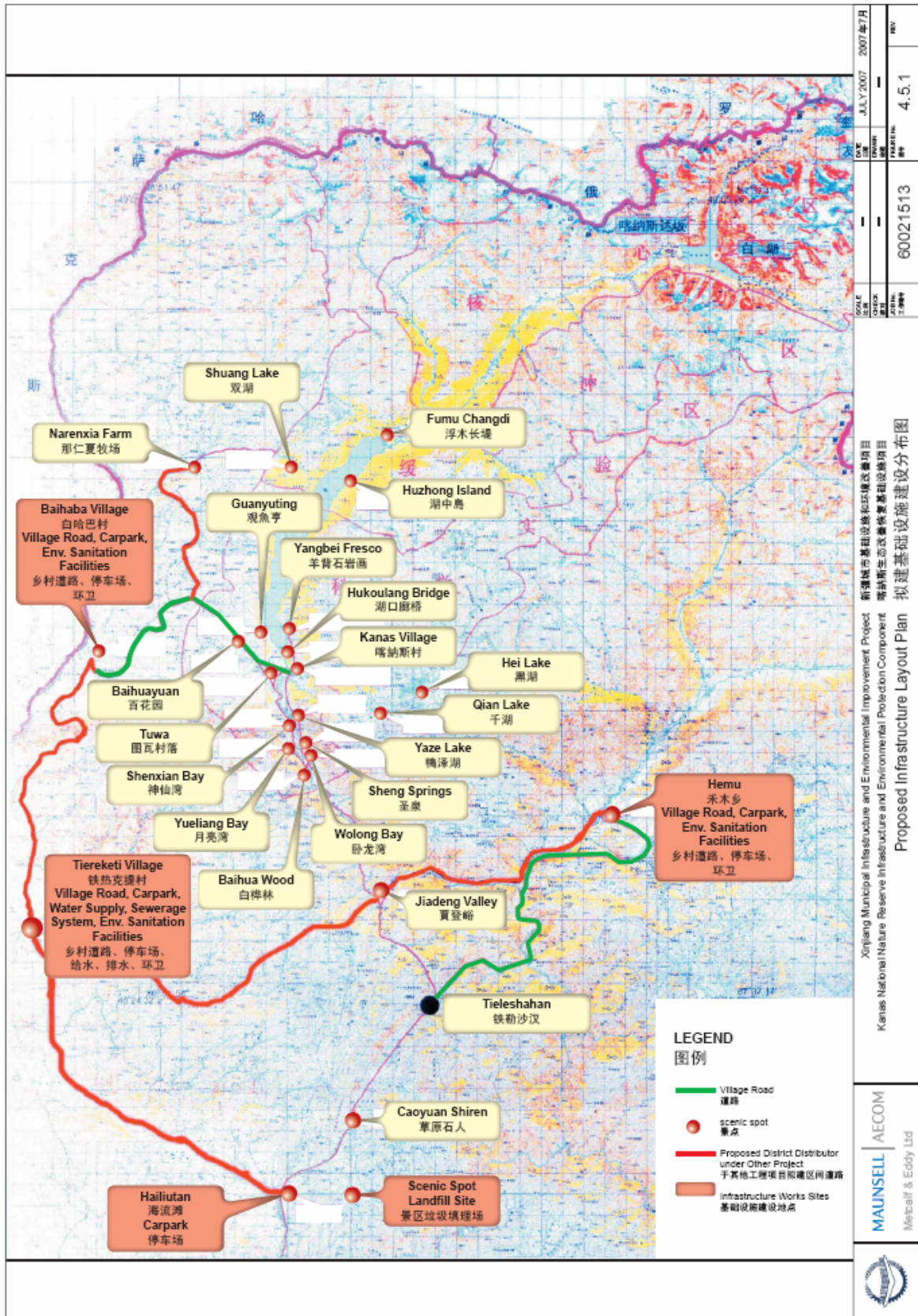
The XUAR project management team has empowered KSRMC to be responsible for the implementation of the project and compilation of the EMDP. KSRMC has asked for the views on the draft of this EMDP from relevant bureaus, departments, governments of towns or townships, and communities and absorbed those views into the EMDP. KSRMC confirms the content of this EMDP and will implement the principles, procedures and measures of the EMDP and guarantee the funds required for the implementation of all measures.

Director of Kanas Scenic Region Management Commission

Date: September 13, 2007.

ABBREVIATIONS

ADB	–	Asian Development Bank
AP	–	affected person
EMDP	–	ethnic minority development plan
GAD	–	gender and development
KSRMC	–	Kanas Scenic Region Management Commission
M&E	–	monitoring and evaluation
PMO	–	project management office
PRC	–	People's Republic of China
RP	–	resettlement plan
XUAR(G)	–	Xinjiang Uygur Autonomous Region (Government)



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SUMMARY ETHNIC MINORITY DEVELOPMENT PLAN

1. **Introduction.** This Ethnic Minority Development Plan (EMDP) has been prepared to ensure that ethnic minority people are able to benefit equally from the *Kanas Environmental Improvement and Recovery Infrastructure Project* (the project), a component of the *Xinjiang Municipal Infrastructure and Environmental Improvement Project*, and that any negative impacts that may affect them are either reduced or mitigated. Provisions to enhance the economic conditions of minority groups have been integrated into the project design and project assurances. Special mitigation measures have also been included in the resettlement plan (RP) to help ensure ethnic minority communities affected by land acquisition will also benefit from the project. Government policies and programs for minority development further help protect and enhance project benefits. This EMDP is based on relevant laws and regulations of the People's Republic of China (PRC) and on the Asian Development Bank (ADB) *Policy on Indigenous People*.

2. **Project Description.** The project will remove existing constraints to further development of the Kanas Scenic Region for tourism and development of local ethnic minority communities while preserving the key resource of the area, the unique natural environment. The project includes road reconstruction and parking lots in four villages; water supply and waste water drainage facility construction in one village; provision of infrastructure for local sanitation and solid waste treatment (such as toilets, solid waste collection trucks/depots and a solid waste landfill); and re-vegetation of the local environment and plants which were destroyed or damaged as a result of past road construction.

3. **Socioeconomic Characteristics.** The population of the four main project affected villages of Kanas, Tierেকে, Hemu and Baihaba is approximately 3,629 which is made up almost entirely (99.5%) of ethnic minorities: Kazak (49.5%), Mongolian Tuwa (48.4%), and Hui (1.7%). Each village consists of an essentially pastoral community who base themselves in this area due to the long (about 8 months) and harsh winter, when they must find protection for themselves and their herds of cows and sheep, on which their livelihood depends. In the summer many families take their herds to the meadows and live in felt or canvas tents. Since the main road to the area from Burqin has been improved, villagers have increasingly taken advantage of access to the many tourists who come to visit the beautiful scenery of the lake and surrounding hills and pastures. Typically villagers sell mares milk wine, yoghurt and other milk products, and rent out horses to the tourists for additional cash income. Such income is important since the land and climate in this area is clearly not suitable for agriculture, and the available growing season is very short. As a result, all food not derived from sheep or cows must be purchased from outside. Kanas people have near universal basic education (9 years) however a weak point is ability to speak Chinese since education is in the local languages. Medical facilities cater only to common ailments and serious illnesses require treatment at county level, which can be a considerable financial burden. Household incidence of asthma, bronchitis and chronic tonsillitis was quite high (16%), as was incidence of diarrhea (11%). Access to improved water supply and sanitation is low to non-existent. Poverty is high in the area at more than 20%, and 85% of households have a family income per month below CNY 1,800. According to the household survey, total mean family expenses per month equate to 91% of income, leaving little cash for savings, livelihood expansion or emergencies. Gender roles are traditional, with local women undertaking most of the unpaid home-based work and men herding stock. At present there are few opportunities for employment other than the traditional herding activities.

4. **Project Benefits and Impacts.** The Poverty and Social Assessment indicates that local ethnic minorities will be the major beneficiaries of improvements to health and safety as a result

of water supply and sanitation infrastructure, and that women's work in domestic and community cleaning, and care of the sick, will be reduced. In addition, the village roads will allow tourists access to the villages so that villagers can participate more in tourism activities such as showcasing their culture (which will revive local culture), selling milk products and ethnic handicrafts, and offering other services such as renting horses and hospitality. Provision of car parks and public toilets will ensure the growing number of tourists do not damage the environment, reducing the quality of life and resource base for the residents. Revegetation of roadside areas damaged during the road project which provided access to Burqin County and further greening work will also ensure the project has sustainable environmental benefits and does not contribute to the erosion of grasslands. The project will create more than 1,310 construction jobs and 245 permanent operations period jobs in an area with fairly high (around 7%) unemployment. Impacts are expected to be gender neutral overall, with men benefiting more from temporary job creation and women benefiting more from reduced domestic cleaning and care work, broader opportunities for income generation in connection with tourism growth and project related business development initiatives. Ongoing improvements to grassland management and stock breeding, which the project will contribute to, are likely to benefit all through improved family income. The ADB has sought to strengthen project outcomes for local women through the Kanas Women's Enterprise Development Project funded by the ADB Gender and Development Fund, which focuses on building capacity at the local level for management and marketing of local tourism and integrating women's traditional knowledge on handicrafts and local foods. In addition, it supports demonstration projects in health and hygiene to help maximize the positive impacts of the improved water and sanitation infrastructure.

5. The emphasis in the project therefore is on ensuring ethnic minority people are given the opportunity to fully participate in all stages of the project cycle, and be supported in their own initiatives to revive and showcase their culture to tourists. The major barrier to participation is lack of mainstream Chinese language skills so production of information materials and signage in local languages, and Chinese language training and interpretation have been built into both the impact mitigation and benefit enhancement strategies.

6. **Consultation and Disclosure.** Extensive consultation has taken place with affected people throughout the project, including (i) community meetings with affected people, (ii) village heads and villager's representatives, (iii) local government agencies, service providers and relevant bureaus, (iv) a household survey of 185 (4.1%) households, and (v) women and vulnerable groups. During June and July, consultative meetings were held in Kanas, Burqin and Urumqi to discuss and finalize the EMDP. Upon ADB approval, the EMDP will be uploaded to the ADB website and distributed to the affected villages and township offices. In the mean time, a Project Information Booklet has been distributed to all project affected persons (APs) disclosing the contents of the RP and EMDP. Continuing consultation and participation will take place during project implementation at key construction and training milestones, plus in conjunction with project impact monitoring and evaluation.

7. **Implementation/Institutional Arrangements.** The Ministry of Finance and Xinjiang Uygur Autonomous Region Government have appointed the Kanas Scenic Region Management Commission (KSRMC) of Altay Prefecture to implement the Kanas Environmental Improvement and Recovery Infrastructure Project which is financed by the ADB. KSRMC will implement the EMDP, supported by the Civil Administration Bureau, Ethnic Affairs Administration Commission and the Women's Federation of Altay Prefecture. Implementing partners include the Hemu Hanas and Tierketi township local governments, village committees and project contractors. Local government staffing and related costs, and planned related projects are covered by the

local government administrative budgets. The ADB will provide consulting services for implementation of the Kanas Women's Enterprise Development Project.

8. **Budget and Financial Sources.** Implementation of the EMDP does not require a separate budget. The initial estimate for EMDP implementation is CNY 4.79 million. The required funding is mainly from project investment funds (including design and planning funds, resettlement consultation funds, construction and installation funds, resettlement plan funds and environmental protection funds) local government budgets at various levels and the operational plans of relevant departments. In addition the ADB will provide USD150,000 for the Kanas Women's Enterprise Development Project. Since all the land acquisition is of collective land, the affected people have chosen to invest the compensation funds into the development of the local stockbreeding industry and village-based tourism activities in order to increase the incomes of herdsmen and their families. The EMDP will assist with the management and coordination of these community initiatives.

9. **Monitoring and Evaluation.** Monitoring and evaluation (M&E) of the EMDP is required to ensure implementation achieves the intended impacts and outcomes. Objectives of the M&E plan with respect to minorities will be (i) to collect data and information to identify project impacts based on the EMDP and RP monitoring indicators, including qualitative information to describe social or poverty changes on minority people and their communities; and (ii) to ensure that appropriate participatory approaches have been adopted to engage local ethnic minorities in project implementation, training and employment opportunities, support to local tourism initiatives and measures to support vulnerable people. The findings and suggestions of M&E will be recorded and submitted to the project management office, project management teams of all levels and the ADB to facilitate continuous improvement. KSRMC will undertake internal monitoring of the project and an independent organization will be hired in conjunction with the RP external monitoring to provide independent advice on progress, impacts and outcomes. The project is scheduled to commence in 2008 and finish in 2012.

Summary of Kanas EMDP, 2007-2012

No.	Summary of Measures ^a	Budget (CNY 10,000)	Fund Source	Agencies Involved	Timing	Monitoring Indicators
A MITIGATION MEASURES TO ADDRESS NEGATIVE IMPACTS & SOCIAL RISKS						
A1	Optimize design to minimize land acquisition, resettlement action plan	7	PPTA & Resettlement Consultation Contracts	KSRMO, project consultant and design unit and RP contractor	2007.4-7	<ul style="list-style-type: none"> ➤ Impacts of land acquisition within the period of project implementation. ➤ Number of grievances and compliance for land acquisition. ➤ Number of signs
A2	Erect bilingual "Caution" signs to guarantee the safety of local residents and their livestock	20	Project investment for the project construction and installation	KSRMO, project contractors and the governments of project township	2008	<ul style="list-style-type: none"> ➤ Traffic accident frequency in a year in the project construction area. ➤ Number of traffic security trainings given to teachers and students. ➤ Number & type of complaints from locals about project construction.
A3	Mitigate impacts induced by project construction on local environment/public health	110	Contracts of project contractors	KSRMO, project contractors and the governments of project township	2008-2012	<ul style="list-style-type: none"> ➤ Incidence/type of disease ➤ Awareness of project construction workers on local ethnic minority cultural practices.

No.	Summary of Measures ^a	Budget (CNY 10,000)	Fund Source	Agencies Involved	Timing	Monitoring Indicators
A4	Design respects distinctive ethnic features of each village	5	Project Feasibility Study and Design Contract	KSRMO, project consultation & plan unit & the govts of project townships	2007.6	➤ The level of satisfaction of local residents with project design
A5	Vulnerable group assistance	100	Resettlement Planned Investment: Poverty assistance fund of Altay Prefecture	Civil Admin. Bureau, Ethnic Affairs Admin. Commission & Prefecture/ county Women's Feds, KSRMO, township govts. & village committees	2008-2012	➤ Number of poor people in the project area. ➤ Average income levels per peasant or herdsman.
E PROJECT BENEFIT ENHANCEMENT MEASURES						
E1	Employ the local labour force to construct the project	100	Contracts of project contractors	KSRMO and project contractors	2008-2012	➤ Number & average wages of workers by sex and skill category.
E2	Promote the development of the local stockbreeding industry	20	Development fund of the tenth five-year plan	Stockbreeding Administration Bureau, KSRMO, township govts.	2008-2012	➤ Number and type of livestock per household. ➤ Average livestock prices.
E3	Encourage women to participate in the project	5	Resettlement Planned Investment Women's Development budget of the County tenth five-year plan ADB Gender and Development Fund	Altay Prefecture & county Women's Federations, KSRMO, project townships govts & village committees	2008-2012	➤ Number of women trained. ➤ Number/average wage of women employed in project construction. ➤ Number of women employed and their average wage during project implementation. ➤ Impacts and outcomes of the Kanas Women's Enterprise Development Project
E4	Promote the development of tourism	100	Development plan of KSRMO	KSRMO & Tourism Administration Bureau of Altay Prefecture	2008-2012	➤ Number of tourists & revenue generated. ➤ Percentage of local people employed in tourism (by gender). ➤ Number of local people trained (by gender).
E5	Technical Training	11.5	Resettlement Planned Investment	KSRMO and the governments of project townships	2008	➤ Types of training & local evaluation of usefulness. ➤ Total fund used in technical training.
E6	Strengthen public participation	0.5	Resettlement Planned Investment	KSRMO and the governments of project township	2008-2012	➤ Dates and places of public participation. ➤ Complaints and outcomes.

EMDP = ethnic minority development plan, KSRMO = Kanas Scenic Region Management Office, PPTA = project preparatory technical assistance.

^a The full EMDP document also includes performance Targets for each EMDP measure.

1. Introduction and Background

1. Located near the far northwest border of the People's Republic of China (PRC), the Kanas component of the Xinjiang Municipal Infrastructure and Environmental Improvement Project is in an area dominated by ethnic minorities with significantly different language, culture and mode of livelihood from mainstream PRC. This ethnic minority development plan (EMDP) has been prepared to ensure that during project implementation the local population of ethnic minorities can participate in, and benefit from, the project, and that any negative impacts are eliminated or mitigated. In recent years, owing to the beautiful natural landscape, special ethnic culture and traditions and improvements in road access, the number of tourists visiting the area has increased at over 63% per annum. The objective of this project component therefore is to develop the infrastructure of the area to cope with the growing tourist numbers while protecting the unique natural environment and improving the living standards of local ethnic minorities.

2. The project will support local initiatives to showcase ethnic culture, enhance the living standard of local people through provision of infrastructure and skills training in livestock breeding to protect and improve the local environment and ensure that natural resources are sustainably used. In this way, the project will promote poverty reduction in Kanas, which is consistent with the development policies of PRC, Xinjiang Uygur Autonomous Region Government (XUARG) and the aims of the Asian Development Bank (ADB).

3. The development of this EMDP has included a survey for project land acquisition and resettlement plan (RP), and a socioeconomic survey of project affected areas. It has used participatory interviews, group discussions, typical case interviews and questionnaire surveys with relevant officials, residents (men and women) and poor people, townships and villages that are affected by the project; assessment and evaluation of the positive and negative impacts on the local society, economy and especially ethnic minorities by the project construction; and development of the EMDP in consultation with all relevant parties. The measures for alleviating negative impacts and strengthening positive outcomes reflect these consultations with the local communities and the project objectives for poverty reduction, women's participation, public health and safety enhancement, stockbreeding and tourism development, environmental protection and education.

4. The project consists of five sub-projects as outlined in Table 1-1. The project construction will last 5 years (from June 2008 to May 2013).

Table 1-1 Subprojects of the Project Component

No.	Name	Construction Scope and Main Components	Land Acquisition	Budget (CNY 10,000)
1	Road re-construction subproject	Rebuilding rural road 24.28 km in South-Akehaba Village, North-Akehaba Village, Hemu Village, Tiereketi Village; building a new parking lots respectively in Hailiutan, South-Akehaba Village and North-Akehaba Village, Hemu Village, Tiereketi Village, total 4 parking lots.	Using land 409.20 mu, including previous road 319.20 mu and new acquiring natural grassland 90 mu.	5,068.20
2	Water supply subproject	Building a new water supply system in Tiereketi Village, increasing water supply capability 300 m ³ /d, 7.5 km distribution pipeline and 4.9 km household connection pipeline.	Acquiring land 1.50 mu, all of which is natural grassland.	22.60
3	Waste water drainage subproject	Building a new drainage system in Tiereketi Village, increasing wastewater treatment capability 200 m ³ /d, 5.8 km collection pipeline and 4.85 km household connection pipeline.	Acquiring land 3 mu, all of which is natural grassland.	1,470.80

No.	Name	Construction Scope and Main Components	Land Acquisition	Budget (CNY 10,000)
4	Sanitation and solid waste treatment subproject	Building waste landfill site in Hailiutan with 23.42 t/d; building 33 environmental protection toilets, 18 waste collection stations, emplacing 1,746 dustbins in Kanasa Village, South-Akehaba Village and North-Akehaba Village, Hemu Village, Tiereketi Village.	Acquiring land 26.8 mu, all of which is natural grassland.	2,280.00
5	Plant recovery subproject	Restoring the destroyed vegetation along the existing roads and scenic spots area of the Scenic Area, the planting area is 620,000 m ² .		2,405.00
6	Total			72790.16

km = kilometer, m² = square meter, m³ = cubic meter, m³/d = cubic meter per day, mu = 667 m².

^a Total includes CNY61,041,600 for interest on the loan during construction, CNY50,233,1000 used for other required expenditure of the project and CNY25,648,000 used for basic preparation fees.

1.1. Policy Framework

1.1.1. Major Policy Framework

5. This EMDP is pursuant to relevant laws or regulations related to ethnic minorities of PRC, the policies for ethnic minorities and involuntary resettlement of ADB and relevant regulations of the XUAR.

6. Relevant Laws and Regulations of PRC and XUAR

- *Constitution of PRC*
- *Ethnic Minority Autonomous Religion Law of PRC*
- *Village Committee Composition Law of PRC*
- *Regulation of PRC for the Administration of Ethnic Minority Autonomous Township*
- *the Tenth Five-year Scheme for Ethnic Minority Enterprise Development*
- *Regulation of Xinjiang Uygur Autonomous Region for Language Work*
- *Regulation of Xinjiang Uygur Autonomous Region for the People's Congress of Autonomous Township, Ethnic Township and Town*

7. Relevant content of the above laws and regulations:

- Except for the common rights that are shared equally by all local governments, the local autonomous governments share these additional rights: autonomously making laws, local political affairs self-administration, local economy self-administration, local finance administration, local science, education and culture self-administration, local public safeguard force self-composition, and use and development of ethnic minority language, etc.;
- People of PRC have the right to practice their chosen religion, which is protected by national government and local autonomous government;
- Development of administration systems and regulations to promote the development of the economy and culture of ethnic townships, assure ethnic minority legal rights and strengthen the union among all ethnic groups;
- Except those specifically deprived of political rights, all people over 18 years old share the rights to vote or be voted for, regardless of their ethnic group, nationality, sex, occupation, family, religion, education, property, or residence period;

- The national government should assist to accelerate the development of the economy and culture of ethnic minorities from the aspects of finance, materials and techniques, etc.;
- All ethnic groups have the right to use their indigenous language; they are guaranteed the freedom of using and developing their indigenous language, and to advocate and encourage all ethnic groups to learn their language.

8. Relevant Policies of ADB

➤ *Policy on Indigenous People*

9. The major objective of the ADB ethnic minority policy is to guarantee that ethnic minorities benefit from the project. ADB notes that the socioeconomic conditions and living standard of ethnic minorities are generally lower than the dominant ethnic group, therefore measures should be taken to guarantee positive project outcomes for ethnic minorities. The EMDP should (i) ensure that development interventions are compatible in substance and structure with the affected ethnic minorities' social, cultural and economic institutions, and consistent with the needs and aspirations of those peoples; (ii) design and implement projects which ensure that ethnic minorities are at least as well off as they would have been without development interventions; and (iii) make certain that ethnic minorities benefit from interventions. In addition, the EMDP includes relevant procedures for project implementation, monitoring and evaluation

1.1.2. Ethnic Minority Policy Analysis – PRC and ADB

10. All relevant policies and laws and regulations of PRC are comparable with ADB objectives, that is, centred on the equality and development of ethnic minorities, and paying special attention to the development of the ethnic minority economy, society and culture, with the view of maintaining the rights of ethnic minorities and promoting their socioeconomic status.

2. Socioeconomic Conditions of the Project Area

2.1. Brief Introduction to the Project Area

11. There are 2 townships with 5 villages in the Kanas Scenic Region¹ which will be affected by the Project: Hemu Village and Kanas Village of Hemu Hanasi Township, Tiereketi Village, Akehabanan Village and Akehababei Village of Tiereketi Township. There are two main ethnic groups (Mongolian Tuwa and Kazak) in the project area. In 2005, the two ethnic groups had a population of 4,340, which accounted for 98.23% of the total population in the Kanas Scenic Region.

Table 2-1 Administrative Areas of the Project Affected Area

Sub-project	County	Township	Village
Road Reconstruction Subproject (RRS)	Buerjin	Hemuhanasi	Kanas Hemu
	Habahe	Tiereketi	Tiereketi Akehabanan Akehababei

¹ They originally belonged to Buerjin County and Habahe County. Akehabanan Village and Akehababei Village are generally called Baihaba Village.

Sub-project	County	Township	Village
Water Supply Subproject (WSS)	Habahe	Tiereketi	Tiereketi
Waste Water Drainage Subproject (WWDS)	Habahe	Tiereketi	Tiereketi
Sanitation and Solid Waste Treatment Subproject (SSWTS)	Buerjin	Hemuhanasi	Hemu Kanas Tiereketi
	Habahe County	Tiereketi	Akehabanan Akehababei
Vegetation Recovery Subproject (PRS)	Buerjin County	Tiereketi, Hemuhanasi	

2.2. Socioeconomic Conditions of Altay Prefecture and Project Areas

2.2.1. Socio-Economics of Altay Region

12. Altay region lies in the northwest of Xinjiang Province, PRC. It is a frontier area which borders Kazakhstan and Russia in the northwest and Mongolia in the east. The total area is 117,700 square kilometers, accounting for 7% of the area of Xinjiang. There are 36 ethnic groups (11 main groups) in the Altay region, including Kazak, Han, Hui, Uygur, Mongolian Tuwa and others. In 2005, the total population was 630,200, and the ethnic minority population made up 57.18%. Kazaks are the dominant ethnic minority, accounting for 87.99% of all ethnic minorities.

2.3. Socioeconomic Conditions of Affected Counties

13. The affected counties include Buerjin County and Habahe County, which are located in the northwest of Altay Prefecture. In 2005, the total population of this county was 66,400. The population of ethnic minorities accounted for 68.52% of the total. Major ethnic groups of both counties include Kazak People, Han People, Hui People and Uygur People. Socio-economic conditions between the two counties are similar. Habahe County has developed much more rapidly due to the development of mining.

Table 2-2 Population and Ethnic Minorities of Buerjin County and Habahe County

No.	Ethnic Group	Buerjin County		Habahe County		Total of the Two Counties		
		Population	Rate (%)	Population	Rate (%)	Population	Rate (%)	% of Total Ethnic Minorities
1	Kazak	37,542	56.50	48,678	60.27	86,220	58.60	85.46
2	Han	20,941	31.52	25,324	31.36	46,265	31.44	
3	Hui	3,876	5.83	5,137	6.36	9,013	6.12	8.99
4	Mongolian Tuwa	1,592	2.40	394	0.49	1,986	1.35	1.97
5	Uygur	1,045	1.58	371	0.46	1,416	0.96	1.41
6	Tatar People	270	0.41	54	0.07	324		
7	Russian	140	0.21			140	1.53	2.22
8	Xibo	9	0.01	5	0.01	14		
	Others	977	1.47	789	0.98	1,766		
	Total of the county	66,441		80,764		147,144	100	
	Total, Ethnic Minorities	45,500	68.48	55,440	68.64	100,879	68.56	

2.4. Summary Socioeconomic Conditions of Kanas Scenic Region (Project Area)

2.4.1. Infrastructure

14. **Education:** In the two townships, there are 10 schools in total, including 3 middle schools and 7 primary schools; 123 teachers, (60 middle and 63 primary school); and 740 students. Attendance for the 9 years compulsory is 98%. Further education outside the region is financially unattainable for most.

15. **Health and Sanitation:** There are 4 medical facilities in total in the two townships (2 facilities at township level and 2 at village level. These facilities are staffed by 22 doctors, 6 nurses and have a total of 10 sickbeds. When villagers suffer common illness, they can go to the nearest facility; but when they suffer serious illness, they need to go to the county centre or Urumqi city for treatment. Each village has at least one community toilet at present and some houses have their own outdoor toilet, however all of these facilities are simple screened off platforms where waste is deposited beneath on the ground.

16. **Roads:** The transport system of the Kanas Scenic Region is bad. In winter, local residents are essentially trapped up in the mountains due to heavy snowfall, so it is hard for them to get help in time if they suffer serious illnesses, accidents or natural disasters. Since the development of the Kanas Scenic Region, many vehicles have entered this area, damaging the already rudimentary local roads and causing dust pollution. The poor transport network and bad road conditions impede the livelihoods, access to education and medical treatment and act as a barrier to growth.

17. **Electricity Supply:** Among the 7 villages of the two townships, Tiereketi, Qibaerxilike and Akebulake villages have a systematic electricity supply; but the other 4 villages have no electricity facilities, and some herdsman only have off-grid electricity generation facilities, such as solar, wind power or hydroelectric power. The rate of electricity supply overall in the Kanas Scenic Region is 32.2%.

18. **Communications:** A mobile phone network has been set up covering all but 2 villages. All villages have the facility for fixed telephones and there are 272 telephones in the area, but villagers seldom use them. In addition, there are facilities for cultural activities/meetings located in Tiereketi Village, Akehaba Village and Hemu Village.

19. **Public Waste Facilities:** No villages have improved facilities for waste water drainage, public sanitation or solid waste treatment.

2.4.2. Tourism Development

20. Kanas Tourism Area is composed of glaciers, snowfields, mountains, rivers, lakes, forests and grasslands, with many spectacular scenic spots and nationally designated protected areas including three original Tuwa villages. The region is a living museum of the hunting culture that precedes the current agro-farming culture. There are many wall paintings and stone tombs of the period from warring states days to Yuan Dynasty left by the nomadic ancestors of the ethnic minorities inhabiting the area today. Tuwa People, and with a population of not more than 2,000 persons at present, have been living collectively in the Kanas Scenic Area for thousands of years. They maintain their own religion, language and traditions. The Tuwa language is one of the rarest languages left in PRC. They live together with local Kazaks, forming a special grassland

culture. Tourism growth in the area has been rapid. Growth in the rate of tourist visits has averaged 63% each year from 1997 to October of 2006, (tourism income has increase 70% annually).

2.4.3. Poverty Profile and Analysis

21. Hemu HMAT is classified by government as an extremely poor township with CNY 1,812 of net income per peasant or herdsman. Tiereketi Township, while not classified 'poor' has lower mean incomes of CNY 1,790. The two townships, both with a low level of production and living are situated in last position of all townships in the two counties, and at the same time under the average level of XUAR. The project villages of Hemu, Tiereketi, Kanas, Akehabanan and Akehababei are classified as extremely poor villages, and account for 71% of the region total. The poverty profile of the Kanas Scenic Region is shown in Table 2-3.

Table 2-3 Poverty Profile of Kanas Scenic Region

		Poor Households	Total Households	Rate (%)	Poor People	Total Population	Rate (%)
Buerjin County		1,905			296		
Habahe County		5,346			1,259		
Total of the Two Counties		7,251			1,555		
Hemu Hanas Mongolian	Hemu Village	75	324	23.15	287	1,320	21.74
Autonomous Township	Kanas Village	35	208	16.83	140	768	18.23
	Total	110	532	20.68	427	2,088	20.45
Tiereketi Township	Akehabanan Village	20	141	14.18	100	552	18.12
	Akehababei Village	12	75	16.00	60	256	23.44
	Tiereketi Village	29	175	16.57	146	733	19.92
	Total of Project Villages	171	923	18.53	733	3,629	20.20
	Qibaerxilike Village	11	62	17.74	57	281	20.28
	Akebulake Village	22	118	18.64	105	508	20.67
	Total	94	571	16.46	468	2,330	20.09
Total of the Two Townships		204	1,103	18.50	895	4,418	20.26

22. Through interviewing relevant township governments and holding focus discussions, the major reasons for the high poverty rate are mainly geographical, and are given following:

- Poor living conditions with bad geography and climate.
- Residents lack basic production factors of agriculture and livestock breeding, such as land and grassland.
- The production structure of agriculture and stockbreeding is simple and local secondary industry and tertiary industry is under-developed.
- Income from non-agricultural production and non-stockbreeding is scarce. Local residents seldom go out to other places for work because of their traditions, language and lack of skills.
- The infrastructure of some villages cannot satisfy the requirements of the developing tourism industry.

2.4.4. Tourism and Fighting Poverty

23. Developing tourism in the Kanas Scenic Region has been effective and direct. The net per capita incomes of Kanas village have increased 200% since 1999, or by an average of 12.19% per annum over 7 years. In Tiereketi village, remote from the 'tourist circuit', the comparable increase is only 120% growth in net per capita income, or 7.31% per annum over 7 years.

24. Most local residents have engaged in tourism business, only over the short term, so they still lack relevant experience or capacity, and their businesses are still at a rudimentary level. Most villages have insufficient infrastructure for developing tourism.

2.4.5. Population and Ethnic Composition

25. The composition of ethnic minorities of the Kanas Scenic Region is shown in Table2-4.

Table 2-4 Ethnic Composition of Population of Kanas Scenic Region in 2005

Township and Village		HHs	Population								
			Mongolian Tuwa		Kazaks		Hui		Han		Total
			Males	Females	Males	Females	Males	Females	Males	Females	
Hemu Hanas Mongolian Autonomous Township	Hemu Village	324	462	434	203	185	17	11	5	3	1,320
	Kanas Village	208	258	242	130	111	13	11	1	2	768
	Total of the township	532	720	676	333	296	30	22	6	5	2,088
	Total of Ethnic Groups		1396		629		52		11		2,088
Tiereketi Township	Tiereketi Village	175			365	353	5	3	3	4	733
	Akehabanan Village	141	36	68	231	217					552
	Akehababei Village	75	149	107							256
	Qibaerxilike Village	62			149	132					281
	Akebulake Village	118			262	246					508
	Total of the Township	571	185	175	1,007	948	5	3	3	4	2,330
	Total of Ethnic Groups		360		1,955		8		7		2,330
	Total of all	1,103	905	851	1,340	1,244	35	25	9	9	4,418
	Total of Ethnic Group of the two Townships	1,103	1,756		2,584		60		18		4,418

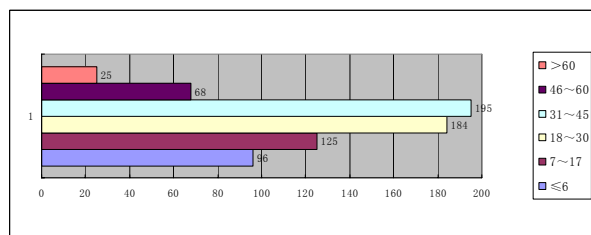
2.5. Socioeconomic Characteristics of Ethnic Minorities in Project Area

2.5.1. Family Size, Sex Ratio and Age Structure

26. The average household size of Hemu HMA is 3.9, while Tiereketi Township is 4.1. The sex ratio in the two townships for Mongolian Tuwa and Kazaks are respectively male: female

106:100 and 108:100, which are in line with the XUAR average. The dependency ratio is 0.55, which is low. The local age structure is reasonable, with a good ratio of labour force to dependents.

Chart 2-1 Age Structure



2.5.2. Asset Ownership

27. The economic conditions of the Kazaks and Mongolian Tuwa show no obvious differences. Grassland per household in the project area is 41.26 mu, living space per household is 48.6 square meters (m²) on average, and per capita is 12 m². Traditional houses are almost always constructed of wood in the style of a log cabin. Average livestock per household of ethnic minorities is 20 or 4.53 livestock per capita.

Table 2-5 Major Productive Assets of Ethnic Minorities in the Kanas Scenic Region, 2006

Item		Hemu Hanas Mongolian Autonomous Township Kanas			Tiereketi Township					Total of All	
		Hemu Village	Kanas Village	Total	Akehaba-nan Village	Akehaba-bei Village	Tiereketi Village	Qibaerxiliike Village	Akebulake Village	Total	
Grass-land	mu	93,500	76,500	17,0000	3,850	1,200	2,600	1,200	3,450	352,300	182,300
Room	amount	918	537	1,455	423	648	225	186	470	4,862	3,407
	m ²	14,688	8,592	23,280	6,768	10,368	2,700	2,976	7,520	76,892	53,612
Livestock	cattle	2,274	1,766	4,040	926	1,151	294	314	1,090	11,855	7,815
	goat	2,008	1,510	3,518	2,278	1,958	590	1,067	2,730	15,659	12,141
	horse	1,100	1,080	2,180	302	452	107	162	380	5,763	3,583
	Total of Livestock	11,4488	89,985	204,473	14,547	15,777	6,516	5,905	15,640	467,331	262,858
Farm Machine	macro-typed farm machine				2	2	1			5	5
	mini-typed farm machine				5	6	3	2	2	18	18
	Others shop										

28. The average percentage ownership for various assets was low for everything except a television, which was owned by 96% of households. Close to a third of households owned a motorbike, which is the most common mode of transport after the horse.

2.5.3. Production Pattern

29. Residents living in the project area engage in stockbreeding by utilizing the surrounding natural grassland. Small scale tourism efforts focus on renting horses, the catering trade, renting houses and selling food and handicrafts. However, the level of their engagement is generally quite low.

30. The production patterns of stockbreeding and agriculture between Kazaks and Mongolian Tuwa people show no obvious differences. But the pattern of stockbreeding has large differences with other places in XUAR. The traditional stockbreeding pattern of Xinjiang is mainly nomadic using different pasture sites for each of the seasons. The traditional stockbreeding pattern of Kanas however is non-nomadic. Kanas is cold with only two seasons. Therefore, residents base themselves in villages and move to the summer meadows for short periods. Historically, the local Kazaks had limited grassland and less population and stock, so their living system remained at a static level. The Mongolian Tuwa people however historically lived in the forests of the area and depended for their livelihood on hunting. At the establishment of the PRC, the Tuwa transformed from hunting and gathering to stockbreeding.

31. The women of the Mongolian Tuwa retain the practice of gathering wild forest products. They collect the fruits of plants, such as wild leek, wild scallion, Saren (also called Haxiaongsen, the root of a plant), Beike (also the root of a plant), wild strawberry, other wild berries and the seeds of pine, which are an important part of their non-staple diet.

2.5.4. Income and Expenditure

32. The income structure of ethnic minorities of project area depends on income from stockbreeding. The southern 3 villages (Tiereketi, Qibaerxilike and Akebulake) also have limited agricultural income. Household income shows no practical differences by ethnic group between Kazaks and Mongolian Tuwa people. Kanas Village, located in the core tourism area, has the highest net income per capita and tourism income accounts for the largest proportion of total income. The average per capita income in Kanas determined by the household survey was 293 CNY per capita per month, which is somewhat higher than the Xinjiang rural average of 207 CNY.

Table 2-6 Summary of Ethnic Minorities' Income in Kanas Scenic Region in 2005

Township/Village		Proportion of Stockbreeding Income (%)	Proportion of Tourism Income (%)	Proportion of Agricultural Income (%)	Proportion of Labor Force Doing Casual Labor (%)	Net Income Per Capita (CNY) pa
Hemu Hanas Mongolian Autonomous Township	Hemu	47	35		18	1,421
	Kanas	45	40		15	2,489
	Sub-total					1,812
Tiereketi Township	Akehabanan	50	30	7	13	1,890
	Akehababei	48	30	5	17	1,732
	Tiereketi	50	25	10	15	1,985
	Qibaerxilike	60		28	12	1,648
	Akebulake	63		29	8	1,645
	Sub-total					1,790
Total						1,817

33. Production expenses of local people outweigh their incomes. For those working in the stockbreeding industry, 90% of total production expense was for disease prevention in stock. For those in agricultural production, the inputs and expenses account for about 30% of all production expenses. This indicates a very slim or non existent profit line in local stockbreeding and agriculture.

34. According to the statistical analysis of household expenditure data from the household survey, total mean family expenses per month are CNY1,071 or about 268 per capita per month, equating to 91% of income, leaving little cash for savings. School tuition and medical treatment account for a large proportion of expenses.

Table 2-7 Summary of Family Expenses per Month

Item	Total Expense	Expense Per Household (CNY per month)	Expense Per Capita (CNY per month)	Rate
Foodstuff	45,430	244.2	65.6	22.8%
Clothes	24,470	131.6	35.3	12.3%
Property Management Fee	2,115	11.4	3.1	1.1%
Water (including waste water treatment fee)	1,447	7.8	2.1	0.7%
Electricity	6,675	35.9	9.6	3.4%
Fuel	3,041	16.3	4.4	1.5%
Communication and Internet	12,960	69.7	18.7	6.5%
Individual Vehicle (loan, petrol and repair)	4,160	22.4	6.0	2.1%
Transport	10,560	56.8	15.2	5.3%
Education	27,740	149.1	40.0	13.9%
Expense for Support the Old or the Support of other Relatives	7,010	37.7	10.1	3.5%
Medical Treatment	20,653	111.0	29.8	10.4%
Rent or the Expense of Buying Houses through Loan	3,520	18.9	5.1	1.8%
Entertainment	6,535	35.1	9.4	3.3%
Cigarette, Liquor and Tea	16,892	90.8	24.4	8.5%
Other Special Expense	5,840	31.4	8.4	2.9%
Tax	68	0.4	0.1	0.0%
Difficult to Answer	100	0.5	0.1	0.1%
Total	199,216	1,071.1	287.5	100%

2.5.5. Summary of Local Residents' Living Situation

35. The most common vehicle owned by local families is a horse drawn carriage (100%) and there are 30% of families which own motorcycles. Houses of local ethnic minorities are mainly with wooden houses, but there are no brick-concrete structures or earthwork structure houses. Wooden houses can keep warm and are constructed easily. The average housing area per capita is 12 m².

36. All surveyed families have heating installations, which are mainly furnaces, and the fuel is mainly firewood, not coal. Most families drink water from rivers and streams. At present, there is no facility for tap water or waste water drainage, but a water supply and waste water drainage project has been put into the recent plan of Kanas Scenic Region Management Commission (KSRCM). In 2007, water supply and waste water drainage facilities are planned to commence construction in Hemu Village, Kanas Village, Akehabanan Village and Akehababei Village.

37. Tiereketi, Qibaerxilike and Akebulake villages have an established 10kv of electric power transmission system. Hemu Village has a 16 kW of electric network powered by solar energy and 75 kW of electricity powered by a local off-grid mini-hydroelectric plant.

38. Infrastructure for communications is well established. There are 7 villages with installed fixed phones. Five villages have mobile phone connectivity. All the surveyed 7 villages can watch TV via satellite signal, but as the electricity supply is not sufficient their TVs are not much use at present.

39. There is no rural popular bank or other savings or credit agency in the two townships.

2.5.6. Gender Analysis

40. According to local traditional customs, the female is subordinate to the male in the areas of politics, economy and family. Income earned by males accounts for a large proportion of the family's total income. In recent years, with the tourism development of Kanas, the initiatives of women have increasingly strengthened. At present, they engage in the work of environment cleaning, making and selling milk products and handicrafts, and running family hotels. The proportion of the female's income is also increasingly rising, which women feel is impacting positively on their social and domestic status.

41. In terms of impacts, negative impacts of the project are expected to be gender neutral. Positive impacts and outcomes however are expected to be felt disproportionately by women, whose domestic work in fetching and disposing of water, domestic and community cleaning and care of the sick and elderly is expected to be much reduced by improved environmental sanitation infrastructure. Specific actions to support development of women's small business in connection with the tourist industry are expected to boost women's economic participation and incomes. An ADB grant to support women's small business initiatives has also been initiated and is described in Section 3. Men are expected to gain most from sub-projects to develop the stockbreeding and agricultural industries in the area, making their principle means of livelihood more profitable. Benefits from project work opportunities are expected to go mainly to men, and for this reason targets have been set for women's participation in both construction and maintenance jobs, and associated training. A 30% target has been set for project employment opportunities for women and the poor during the project construction phase and 50% for project related training.

2.5.7. Summary of Vulnerable Groups

42. According to the investigation, there are 342 households in the Kanas categorized as vulnerable, which respectively account for 31.11% of total households. Among the vulnerable are 204 poor households, 69 disabled households, 41 female-managed households and 28 households of lonely old people, which respectively account for 18.5%, 6.26%, 3.72%, and 2.54% of total households of the two townships.

2.6. Key Cultural Characteristics of Ethnic Minority Groups

43. Kazaks and Mongolian Tuwa each have their own ethnic characteristics in language, living habit, religious belief, wedding and funeral customs. Kazaks believe in Islam, while the Mongolian Tuwas believe in Lamaism and Shamanism. These two ethnic minorities have lived together harmoniously for a long period of time in isolation. The majority of Tuwa know the Kazak language. It is not common for the two groups to inter-marry but it is not prohibited. Kanas district

is the main residential area of national Mongolian Tuwa in China. Kazaks are widely distributed in XUAR and other provinces, but it is rare for Kazaks to inhabit such settled villages.

2.6.1. Project Impacts

44. The project construction concentrates on infrastructure improvement including reconstructing the roads of 3 villages, building new parking lots in 4 villages, constructing a water supply and waste water drainage facility for 1 village, constructing toilets, implementing a solid waste collection system and treatment facilities for 5 villages and nearby tourism sites, and recovering the vegetation of KSRMC which had been damaged by previous road construction. These developments will effectively improve the living conditions of local residents and enhance the local environment, promote and accelerate the development of the local stockbreeding industry, tourism, education, public health, poverty assistance, and raise the living standards of ethnic minorities of the project area. While bringing the benefits of improving local infrastructure, the project construction will have some temporary negative impacts stemming from land acquisition and environmental pollution induced by the construction, and the impacts on the culture and lifestyle of local ethnic minorities as a result of the development of tourism. However, such negative impacts can be mitigated by adopting relevant measures and methods.

45. These impacts have been identified in consultation with relevant departments of the county and township governments, KSRMC, and the communities in the affected villages.

2.6.2. Positive Project Impacts

46. ***Convenience and Transport Options:*** The village road construction subproject will enhance the transport options of local residents and reduce the maintenance required on vehicles, which will reduce their living costs and raise domestic incomes and living levels. For example, less mud and dust will be carried around the village, riding bicycles will become more feasible, and transport times to schools and other destinations within the villages will be reduced.

47. ***Reduced destruction of grassland:*** Parking lots construction will regulate parking and decrease the problem of road parking and plants destruction induced by unregulated parking. Similarly, sealing village roads will decrease the incidence of vehicles leaving the original alignment to avoid holes and puddles, causing damage to the adjacent vegetation.

48. ***Provide employment opportunities during project construction:*** The project construction will directly or indirectly provide local ethnic minorities with employment opportunities. Job skills and language training will facilitate local employment and the project assurances call for prioritization of ethnic minorities and vulnerable groups. Opportunities related to catering, accommodation, transport and local materials will also be created.

49. ***Share the benefits of other business promoted by the development of tourism:*** The project area is a famous tourism site and the improvement of village infrastructure will promote development and create employment. The gender and development (GAD) funds focusing will also facilitate entry into the sector for ethnic minority women.

50. ***Promote the development of the stockbreeding industry:*** The improvement of village roads, water supply and waste water drainage facilities and environmental cleaning facilities will encourage technicians of stockbreeding to go to the villages of Kanas and promote the exchange of information and techniques on stockbreeding with the outside. This should decrease

preventable stock losses, improve stock health and weight, raise the prices of livestock and promote the development of the local stockbreeding industry.

51. ***Raise the social status of local women:*** The improvement of village roads, water supply and waste water drainage facilities and environment cleaning facilities can obviously improve living conditions and mobility. It will reduce the work burden of women and the time spent doing housework, impact health outcomes and create conditions for women to pursue employment. The project construction will increase the opportunities for women to communicate with the outside world and access outside information and realize the significance of promoting their rights.

52. ***Promote the development of education:*** Project village roads construction can make it more convenient for students and teachers to travel between school and home. Project consultations indicate that, the overwhelming majority of teachers in the project area are from other places. Through infrastructure improvement, the area can be made more inviting to potential excellent teachers, who no doubt consider Kanas as a hardship posting at present.

53. ***Promote the development of medical treatment:*** The present conditions for medical treatment are at a low level, lacking adequate medical treatment facilities, medicines medical staff. According to consultations, local residents are most unsatisfied with the poor conditions for medical treatment. With improved infrastructure, the villages will become more attractive to doctors and nurses. The sanitation improvements will decrease preventable illnesses and transport time for emergency cases will be decreased. The improvement of local medical treatment possibility untreated illnesses escalating to serious cases, and the local residents' expenditure on medical treatment.

54. ***Decrease the incidence of disease:*** The roads construction subproject, water supply and waste water drainage subproject and environment cleaning and solid waste treatment subproject will reduce the incidence of illnesses induced by dust, dirty water, human and other solid waste and the rubbish of tourists, which will establish a base on which to further raise the level of health and illness prevention for the ethnic minority region.

55. ***Improve the living and natural environments:*** Project construction can obviously improve the living environment and natural environment of project villages. The positive impacts on the living environment brought by the project construction will eliminate: (i) flooding and muddiness of roads on rainy or snowy days and dust pollution caused by vehicles in summer, (ii) environmental pollution caused by improper drainage of waste water and improper treatment of solid waste in project villages and of tourist waste, (iii) environmental pollution caused by unregulated drainage of waste water, and (iv) and will rehabilitate the vegetation destroyed by previous and project induced road construction and decrease erosion causing water and soil loss.

56. ***Revive and develop the culture of ethnic minorities:*** Through the assistance of the project, tourism will develop showcasing the special ethnic culture and reinforce self identify. According to the project consultation, communities have strong expectations of tourism development. Local villages will use land acquisition compensation to kick-start cultural tourism initiatives at the village level.

57. ***Assist vulnerable groups to escape from poverty:*** The project construction will promote the development of local stockbreeding and tourism, which can provide local vulnerable groups with enhanced employment opportunities and income. The increased interaction and

communication with the outside will provide information to vulnerable groups regarding living and production patterns and increase the ways for them to escape from poverty.

2.6.3. Negative Project Impacts

Impacts of land acquisition

58. The project needs to acquire 121.3 mu of grassland, which belongs to the village collectives. Impacts of land acquisition are minimal and all details of land acquisition planning, compensation and consultation are included in the Kanas Short RP.

Road Safety

59. After village road construction is complete, and with the development and growth of tourism, the number and speed of vehicles will be increased, which will bring safety risks to the residents living along the newly-built or rebuilt roads and their livestock.

Public Sanitation and Environmental Pollution

60. During the period of project construction, many workers and construction units will live temporarily in the project area, and after project completion, tourist numbers will increase. The amount of human solid waste, rubbish and waste water will also increase, which will put increased pressure on existing limited facilities and cause public sanitation problems, such as the spread of communicable diseases, and have negative impacts on the health of ethnic minorities and the environment. In the project construction zone, the project will create noise, dust, by-waste and solid waste, etc. which will bring inconveniences to local residents.

Impacts on the villages of ethnic minorities

61. The project construction zone is located in a mountainous area where ethnic minorities are living collectively, with the special cultural characteristics of the Kazak and Mongolian Tuwa people. The project facilities may change the visible cultural characteristics of the villages to some degree. If constructed improperly, such changes will be obvious.

Increased expenditure of some residents

62. The water supply subproject will increase water expenditure of the peasants of Tiereketi Village, and also possibly increase the expenditure on fuel and non-staple food, which will increase the financial burden of the peasants on low incomes, especially poor people.

2.6.4. Views and Expectations of Ethnic Minorities on the Project

63. Through the focus discussions and interviews, it can be concluded that the residents (including ethnic minorities) of the project area very much welcome the project, support its construction and are fully convinced of the significance of the project in terms of improving local residents' living environment, reducing living costs, raising family incomes and living standard, protecting the natural environment of Kanas, accelerating information dissemination and communication, promoting the development of the stockbreeding industry and tourism, improving the environmental sanitation of townships, offering employment opportunities, increasing business activities, promoting local economic development and reviving, maintaining and passing on the culture of local ethnic minorities. However, it is also known from the survey

that local residents require specific measures to be taken to ensure their employment in the growing tourism industry, protect the local environment, enhance road safety for residents and livestock, solve the problem of water expenditure increasing, assist poor people, confront the growing problem of public sanitation and maintain the special culture of ethnic minorities. Specific expectations reflected in the EMDP are:

- Developing stockbreeding is not a good long term development prospect, as the available pasture time is too short in Kanas and the area of forage grass is insufficient for any expansion. Communities strongly hope their income can be increased by engaging in tourism. If they are not permitted to engage in tourism, their incomes will not increase and the grassland and natural environment will suffer. Under these conditions they would not welcome tourism development.
- Individuals from the Kazak and Mongolian Tuwa hope to showcase their ethnic cultures. The cultural station of Akehabanan Village and Akehababei Village has been rented out as accommodation in the past, but now the two villages hope to take the facility back.
- Due to the constraints on stockbreeding expansion, it is critical to work smarter, so herders seek to genetically improve their herds (including horses, cows and sheep) and improve the types of livestock. Poor people who have no stock hope to receive assistance to breed stock including a financial subsidy to purchase well-bred stock. As for agricultural production, increased irrigation facilities are much in demand as there is no water to irrigate the land and agricultural production is very low.
- Local residents want to get more technical training, especially training to become tourism guides, tourism hosts, stockbreeding and Chinese language learning.
- The level of local education is low and excellent teachers are much needed. Residents hope for their children to learn Chinese which will enable their children to expand their employment opportunities in the future.
- Residents hope the work of poverty assistance, civil administration, disaster mitigation, medical treatment and education can be bridged as soon as possible after the two townships of Kanas are taken over in an administrative sense by KSRMC.
- The project construction units should employ the local labor force for project construction as much as possible. Especially, these units should employ local undergraduates with no jobs through supporting them to engage in tourism.
- The villages lack professional doctors and nurses and hold little attraction to such professionals to lure them to work in Kanas. They hope to increase the level of service with more and better professionals and facilities.
- Tourist numbers will increase as the project village administration is taken over by KSRMC, but revenue is not passed on to the villages. They hope KSRMC can assign some tourism revenue to support village development or assist poor people.
- The newly-built roads should be designed in concert with the needs of local residents' production and living systems. The roadbed should not be too high to make it convenient for peasants going outside and using horses with carriages, *mapalizi*, motorcycles and bicycles, etc. In addition, the road construction should occupy no or as least as possible grassland and consider the use of the road by herdsmen and their animals.
- The standard of compensation for the land acquisition and resettlement subsidy and the RP should be determined reasonably through full consultation and in terms of the relevant national and local policies and with full consideration of the actual local conditions of the project affected area.
- Protect ethnic minority communities of the project affected area undertaking their daily production and living by avoiding project disturbances and negative impacts induced by project construction. In particular, take relevant measures to protect the natural environment. In addition, the safety of local people should be guaranteed.

- Local residents hope the relevant departments will pay attention to protecting their local environment and preserving the grass, trees and wild life of their villages.

3. Ethnic Minority Development Action Plan

3.1. Objective of the EMDP

64. The objectives of the EMDP are to (i) ensure that development interventions are compatible in substance and structure with the affected ethnic minorities' social, cultural and economic institutions, and consistent with the needs and aspirations of those peoples; (ii) to design and implement the project in order to ensure that ethnic minorities are at least as well off as they would have been without it; and (iii) make certain that ethnic minorities benefit from all project interventions. Based on the conclusions of the RP, the socioeconomic survey of the project affected area and the interview and questionnaire survey with relevant units, governmental departments, peasants, herdsman and leaders of townships and villages, and after evaluating the positive and negative impacts on ethnic minorities induced by project construction and fully consulting with all related parties, these EMDP measures have been prepared. The EMDP includes alleviation measures and reinforcement measures focusing on poverty assistance, women's participation and benefit enhancement, public health and safety maintenance, tourism and stockbreeding development, environmental protection, education and sanitation

3.1.1. Enhancement Measures to Strengthen Benefits of the Project for Ethnic Minorities

65. ***Employ the Local Labour Force to Construct the Project:*** During project construction, KSRMC will fully consult with the project construction unit, offer relevant skill training to off-farm workers of ethnic minorities, and recommend trained locals for project employment. KSRMC expects the project construction unit to give priority to the employment of ethnic minorities and women for non-technical work and this is covered in the assurances and will be in bidding documents. In this way KSRMC seeks to increase family incomes of ethnic minorities within the period of project construction and guarantee these ethnic minorities benefit from the project.

66. The anticipated labour force required for project construction equates to 822,753 man-days. If 20% (conservative estimate) of the required labour force is employed from the project area (that is, 246,826 man-days) at the standard of wage of CNY 30 per day, total wages entering the village economies will be CNY 7,404,800. Therefore, the project construction will benefit many a local residents directly.

67. KSRMC and township governments will organize women to participate in the technical training required by the project construction. The construction contractors should list the requirements for types of work and amount of workers to the local women's federation and consult on matters concerned with hiring women in order to maximize the number of women gaining employment in project construction.

68. Many outside workers will be required to go to the project area during the project construction period. Their living needs can be provided by services from people of the project area. Local peasants can sell milk and meat products as well as provide accommodation and transport services.

69. **Promote the development of the local stockbreeding industry:** Stockbreeding is a major industry existing in project villages and the main industry engaged in by residents living in the Kanas Scenic Region. It is also a culturally significant activity for local people living in the Kanas area. With increasing opportunities in tourism however, the stockbreeding industry could feasibly suffer a decline. As such, it is essential for the project to promote the development of the stockbreeding industry. Concrete measures are shown as the following:

- Help can be given to increase well-bred livestock (such as horses, cows and goats) and improve the variety of livestock; especially those peasants who have no livestock can be offered preferential assistance measures.
- Part of the land acquisition compensation fees and resettlement subsidy payable to the project village collectives will be used to improve the variety of livestock and enhance the quality of their livestock.

70. **Encourage women to participate in the project:** During the period of project implementation, it is necessary to set up the cooperation mechanisms among the cadres presiding over women's affairs in the project management office (PMO), women's federation and at village level and invite women to present at focused discussions at different stages to voice their requirements, thoughts and expectations for the project. The employment opportunities, especially non-technical and non-heavy manual work, will be offered to women on a priority basis, especially those from poor households and widows. The women's federation will mobilize women to participate in project technical training so as to help them to gain relevant project skills as well as techniques for project services (catering, administration etc), handicraft manufacture and livestock breeding to increase their incomes.

71. Under a GAD Fund grant, the project will contract and fund a consultant to implement the Kanas Women's Enterprise Development Project, which ensures that women, who traditionally have had little interaction with the market economy and are important potential economic contributors to their families, are given the opportunity and necessary training to be able to participate in the new tourism enterprises. It focuses on building capacity at the local level for management and marketing of local tourism and integrating women's traditional knowledge on handicrafts and local foods. In addition, it supports demonstration projects in health and hygiene to help maximize the positive impacts of the improved water and sanitation infrastructure.

72. **Promote the development of tourism:** Tourism is a key in the area for the socioeconomic development and community development of the project villages, and local people see participating in the tourism economy as a primary income supplement to the pastoral economy. Tourism is burgeoning in the Kanas area and the project will implement the following measures to make sure local residents share in the income being generated.

- Make feasible and effective plans to develop village-based tourism with ethnic minority characteristics. This will include helping ethnic minorities to engage in tourism development, providing them with technical direction to develop tourism initiatives, and providing the access roads which will bring tourists to each part of the scenic region.
- Showcase the special cultures of the ethnic minorities. This includes Kazak and Tuwa people to develop their respective ethnic tourism initiatives to show the traditions, customs and historical cultures of their people, and assisting ethnic minorities to develop family tourism, engage in the ethnic food business, sell ethnic embroidery, showcase ethnic songs and dances or offer other services, etc.
- For the Mongolian Tuwa to showcase their extremely unique history and culture, a cultural station is to be constructed to hold shows highlighting the ethnic culture, original

songs and dances, and attire to tourists. In addition, the project will help the Tuwa to collect and display information on their ethnic culture (including aspects of history, production patterns, legends, art, customs, clothes and diet, etc.), starting with the information contained in this Plan. This way information boards can be assembled in many languages and eventually media can be produced for tourist purchase such as videos and films to showcase one of the rarest ethnic minority cultures of China. One of those measures is to restore the cultural station of Akehabanan Village and Akehababei Village.

- Most of the land compensation fees and resettlement subsidy payable to the various village collectives will be used to develop this type of cultural tourism with distinctive ethnic characteristics.

73. ***Technical Training:***

- Livestock breeding and plant cultivation: As a part of the income recovery strategy of the RP, the township government will invite technicians or skilled practitioners to offer their knowledge of stockbreeding, illness prevention and plant cultivation to ethnic minorities of the project area in their own language.
- Tourism: Residents of the Kanas Scenic Region have a strong desire to engage in tourism, but they have no relevant experience regarding how to accommodate and organize tourists. Therefore, it is necessary to make a training plan to train villages and individuals in the aspects of public health, renting horses, tour guiding, catering, accommodation and ethnic culture showcasing so as to guarantee the Kanas residents can engage in the tourism industry and provide tourists with good services.
- Project Skills Training: Training provide the appropriate skills to take advantage of the employment opportunities of project construction; second, after the project construction has finished. The poverty assistance department will continue to offer technical training to ethnic minorities of project area and provide them with other employment opportunities.
- Training for arts and handicraft: Private artisans and relevant government departments will be invited to come to Kanas and provide locals with training in art and handicraft manufacture.
- Training in Chinese language: People with bi-lingual abilities are much in demand especially by government departments and the tertiary sector. The project will increase the demand for bi-lingual language skills and make it easier for ethnic minorities to seek work outside their neighborhood area.

74. ***Strengthen public participation:*** During project implementation, project management departments will continue to widely disseminate project information in line with the RP to ensure locals remained engaged with the project. During EMDP implementation, the PMO will encourage local residents' participation and provide venues for soliciting their views and suggestions through periodic focused discussions and individual interviews.

3.1.2. **Measures to Mitigate Negative Impacts of the Project for Ethnic Minorities**

Impacts of land acquisition

75. The project needs to acquire 121.3 mu of grassland, which belongs to the village collectives. Impacts of land acquisition are minimal and all details of land acquisition planning, compensation and consultation are included in the Kanas Short RP. This plan includes using compensation funds for community training and subsidies to vulnerable populations.

Road Safety: Erect bilingual caution signs to guarantee the safety of local residents (and their livestock)

76. Erect bilingual “Caution” signs and a “Reduce Speed” section at the road entrance and exit sites, crossing sites, turning sites and on the roads near schools. It is also essential to publicize how to use the livestock roads. It is suggested the caution signs erected in the project area be tri-lingual (Chinese, Kazak and symbolic picture, since the Tuwa have no written language) since most residents are Kazak and Mongolian Tuwa people. Signs will also be erected to discourage people from beeping their horns when livestock is near the road, which would cause the livestock to startle and scatter, and may cause injury to the stock. Tourist tickets to the area will include a note regarding being courteous to the local herdsman and animals in the area.

Environmental Waste and Public Health: Alleviate or eliminate the impacts induced by project construction on surrounding environment and public health

77. The project will directly affect the 5 villages of Hemu Hanas Mongolian Autonomous Township and Tierketi Township in the Kanas Scenic Region. In order to alleviate or eliminate public sanitation and environmental negative impacts, the following measures will be adopted.

78. (1) When construction units carry out their work in ethnic minority residential areas, they will implement strict measures to ensure construction machines are correctly operated, with attention to noise pollution, and farmland, grassland and trees should not be damaged in any way. Construction units should construct temporary roads to be convenient to local residents, set up bilingual construction caution signs to enhance resident’s safety and rehabilitate damaged public facilities in a timely manner. Construction units and their staff and workers will receive training on environmental protection. Project construction will make use of local resources and reduce earthworks near roadbeds as much as possible. If earthworks are unavoidable, construction units will adopt proper methods and utilize crushing plants and undertake such work in the non-rainy season. The solid waste produced by project construction will be discharged in fixed allocated sites to minimize environmental pollution, including use of portable toilets. A robust occupational safety and health programme will be implemented among construction units, staff and sub-contractors to ensure public health and sanitation.

79. (2) The construction unit will distribute information and awareness-raising materials about the tradition and culture of ethnic minorities for construction workers to enable them to respect the local traditions, customs and common religious activities. The unit will invite the local commission for ethnic and religious affairs administration to further strengthen the awareness raising material to ensure workers avoid those activities that are against local traditions and customs. During project construction, the construction unit will employ vocational interpreters to make the consultation and communication between the units and local communities very clear. This will also facilitate local ethnic minorities to participate in the project with ease.

80. (3) Information and awareness on HIV/AIDS and other communicable diseases will be conducted by contractors. In addition, the GAD Fund Kanas Women’s Enterprise Development grant will support demonstration projects and awareness building in health and hygiene.

Impacts on Villages: Make sure there is a reasonable Design Plan to maintain the features of ethnic minority villages

81. Although the newly-built roads are constructed on the alignment of existing roads, they will still change the structure of the road surface and the location and style of the newly-built parking lots will also impact upon the features of the ethnic minority villages. The project will make sure the roads are in keeping with the overall village environment and the parking lots are removed from the village proper so as not to spoil the character and vistas.

Vulnerable groups assistance

82. In order to prevent poor people from being immersed in more poverty and families with average income levels from becoming poor, the following measures are planned to be adopted.

- Village residents will receive public utilities such as water and wastewater treatment free of charge, the cost being recovered from tourist receipts.
- Organize members of poor families to participate in the training sessions on tourism and stockbreeding;
- Give priority to offer employment opportunities to vulnerable persons;
- Arrange work for the female labor force which involves less hard labor, such as tree planting and environmental work;
- Provide vulnerable groups affected by project construction with proper economic assistance and;
- After taking over control of the two townships of the tourism sites, the KSRMC will establish a special department to manage the two townships' stockbreeding production, poverty assistance, disaster recovery, civil administration, women's development, medical treatment and sanitation, and education and science, etc. and bring the two townships into the development plan of Altay Prefecture.

3.1.3. Ethnic Minority Development Programs at County Level

83. Affected counties (Buerjin County, Habahe County) are multi-ethnic with a Kazak majority. Both counties have their own development plans and other relevant plans to support the development of ethnic minorities, which the project initiatives will support. The plans include:

- Tenth Five Year Plan for National Economy and Social Development in Altay District;
- Tenth Five Year Plan for National Economy and Social Development in Buerjin County;
- Tenth Five Year Plan for National Economy and Social Development in Habahe County;
- Eleventh Five Year Plan for Priority Poverty Alleviation in Buerjin County;
- Eleventh Five Year Plan for Priority Poverty Alleviation in Habahe County;
- Eleventh Five Year Plan for Ethnic Minorities Development in Buerjin County;
- Eleventh Five Year Plan for Ethnic Minorities Development in Habahe County;
- Eleventh Five Year Plan to Develop Border Areas and Improve the Lives of the People There;
- Program for the Development of Women in Buerjin County;
- Program for the Development of Women in Habahe County.

84. Apart from the above plans, management departments of all industries in the affected counties work according to the eleventh five year plan for agriculture, water conservancy, animal husbandry, communication, urban construction, environmental protection, forestry, education, medical and health care, women's development, radio and television, tourism, farm machinery,

recreation, tertiary industry and so on. These eleventh five year plans, which have targets for ethnic minority development, have been implemented progressively since 2006.

3.1.4. Ethnic Minority Development Programs at Kanas Scenic Area Level

85. The approved plan in the Kanas scenic areas is a master plan for development. Ethnic minority development projects under implementation in Kanas are shown in Table 3-1.

Table 3-1 Ethnic Minority Development Projects under Implementation in Kanas

No.	Project	Investment (CNY10,000)	Construction Period	Remarks
1	Rural road and parking place engineering of Kanas village	1,060	2007-2008	Constructed by the management and construction committee of Kanas scenic district
2	Water supply and drainage engineering of Kanas village	700	2007-2008	Constructed by the management and construction committee of Kanas scenic district
3	Water supply and drainage engineering of Hemu village	800	2007-2008	Construct by management and construction committee of Kanas scenic district
4	Water supply and drainage engineering of Akehaba south village and Akehaba north village (Baihake)	700	2007-2008	Construct by management and construction committee of Kanas scenic district
5	Fiscal Poverty Alleviation project in Hemu Kanas Mongolian township	1.2	2007.11	Original Habahe county plan
6	Characteristic aquaculture project in Hemu Kanas Mongolian township	33	2007-2009	Original Habahe county plan
7	Pasture construction project in Akehaba north village (fenced grassland of 3,000 mu, channel of 6.5 km)	64.5	2008	Original Habahe county plan
8	Infrastructure construction project of small tourist towns in Tiereketi township	1,496	2006-2010	Original Habahe county plan
9	Poverty Alleviation project (purchase of well-bred cattle) in Hemu village of Hemu Kanas Mongolian township	50	2007	Ongoing project
10	House rebuilding of Akehaba south village and Akehaba north village (Baihake)	882	2005-2010	Original Habahe county plan
11	Production bases of fine quality beer barley in Tiereketi village (5000 mu)	250	2006-2010	Original Habahe county plan
12	Folklore protection project of Tuwa people in Akehaba south village and Akehaba north village (Baihake)	1,000	2006-2010	Original Habahe county plan
13	Local radio and TV station of Akehaba south village and Akehaba north village	56	2006-2007	Original Habahe county plan

km = kilometer, mu = 667 m².

3.2. Strategy for Ethnic Minority Participation and Consultation

86. During project preparation, full public participation among ethnic minority residents, community, leaders of religion and government departments has been implemented. As a part of the project participation and communication plan, full public participation and consultation have been finished for this phase, including two full rounds of public consultation in each project village in May and June 2007. Full details of community consultations are given in the project preparatory technical assistance Stakeholder Consultation Record. The methods for consultation to date have mainly included focused discussions with ethnic minorities, special case studies, typical case studies and survey data collection. Most interviews and investigations were held in the project affected area. Poor people and the persons affected badly were paid special attention. Table 3-2 shows a summary of all consultations.

Table 3-2 Summary of Public Participation and Consultation

Date	Place	No. of Participants	No. of Females	Method	Main content
2007-5-7	Hemu Village	41	5	Community Interview	Explain project, views and expectations of locals, impact analysis, discuss plans for EMDP, get feedback etc
2007-5-8	Akehabanan Village and Akehababei Village	20	6	Community Interview	
2007-5-8	Tiereketi Village	20	5	Community Interview	
2007-6-13	Hemu Village	8	1	Community Interview	
2007-6-14	Akehabanan Village and Akehababei Village	3	3	Typical Case Study	
2006-6-14	Tiereketi Village	8	2	Community Interview	

EMDP = ethnic minority development plan.

3.2.1. Public Participation and Disclosure

87. In line with the project preparation phase participation, the Kanas PMO of Altay Region, KSRMC and the town government will undertake ongoing public participation. Table 3-3 shows the details of the public participation arrangements. Public notices and meetings will deal with all aspects of the project, such as notification of employment and training opportunities, land acquisition details, EMDP actions and general information and feedback sessions.

Table 3-3 Public Participation Plan

Purpose	Measure	Date	Agency	Participants	Topic for Discussion
Publish EMDP and project information booklet		The end of Aug. 2007	Kanas PMO	Affected villages	Discuss EMDP action plan, appeal channels
Publish the primary draft of RP		The end of Sep. 2007	Kanas PMO	Affected villages	EMDP aspects can be discussed in conjunction with RP consultations
The bulletin of land acquisition	Village news board and villagers' conference	Mar. 2008	Kanas PMO and the leaders of Land Administrative Bureau, Towns and villages	Affected villages	Publish the area of land acquisition, compensation standard & plans for spending compensation funds

Purpose	Measure	Date	Agency	Participants	Topic for Discussion
Practicalities check	Field survey	Apr. 2008	Kanas PMO and the leaders of Land Administrative Bureau, Towns and villages	Affected villages	Checking shortcomings and filling gaps, assess final impacts of RP and EMDP
Affirm the income recovery plan and implementation	Villagers' conference (time after time)	Before the implementation	Kanas PMO and the leaders of Land Administrative Bureau, Towns and villages	Affected villages	Discuss the final income recovery scheme and the compensation use scheme
Training information sessions	Villagers' conference (each village) + notices	As required a month prior to each planned training session	Kanas PMO and the leaders of Land Administrative Bureau, Towns and villages	Affected villages	Discuss planned training content, objectives, time frame, application procedure and any quotas for vulnerable groups
Project training	Theory and field based training courses	Training plan to be developed	Kanas PMO, Women's Federation, other govt. agencies incl. agriculture dept etc	Affected villages	Range of identified training from Chinese language to construction skills and stock improvement, etc
Women's Enterprise Project	Women's conferences and training sessions, some field trips to demonstration sites	Contract timing yet to be determined, probably late 2008	Kanas PMO, Women's Federation and ADB-recruited local consultant	Kanas women	Range of activities from enterprise development to business skills, health promotion, social mobilization and micro-credit

EMDP = ethnic minority development plan, PMO = project management office, RP = resettlement plan.

3.2.2. Grievance Procedure

88. In the process of compiling and implementing the RP, public participation has been encouraged. As a result, there are no anticipated disputes. However, some unpredictable matters may occur. To solve these matters and ensure smooth construction and project implementation, a clear and efficient complaint and appeal channel is to be established which will be the same for grievances arising from both RP and EMDP implementation. The basic appeal procedure is outlined following:

- Stage 1: Affected person (AP) takes a complaint to the village committee, who will consult with the Town Government, which will record the complaint and resolve the issue with the village committee and AP within 2 weeks.
- Stage 2: If the complainant is not satisfied with the decision of stage 1, he/she can bring the complaint to the attention of the Kanas PMO after the receipt of a decision from stage 1. Kanas PMO will make a decision on the complaint within two weeks.
- Stage 3: If the complainant is not satisfied with the decision of stage 2, he/she can appeal to jurisdictional administrative departments step by step after the receipt of the decision of

stage 2, according to the Administrative Procedure Law of the People's Republic of China.

- Stage 4: If the AP is still dissatisfied with the decision, he/she can appeal to the People's Court in accordance with the Civil Procedure Act after receiving the decision of the institution for administrative arbitration.

89. Every institution will accept the AP's complaint or appeal without cost to the complainant. Any relevant reasonable fee will be paid from the project contingency budget. The grievance procedure will be published by public conference and in the information handbook, plus in the local media.

3.3. Institutional Arrangements

90. KSRMC will have overall responsibility for management and implementation of the EMDP, including internal monitoring, described following. KSRMC will coordinate with town and village governments for assistance with information dissemination, participation, and implementation of some EMDP actions. KSRMC will be the key liaison point between APs and other government bureaus responsible for technical training and assistance to vulnerable groups. KSRMC will also be the key organization responsible for the management of project contractors. The ADB will hire a local consultant over a 12 month period to manage implementation of the Kanas Women's Enterprise Development Project. Details of project implementation and the organizations involved under the management of KSRMC are given in Table 3-1.

3.4. Budget and Financing

91. The required funds for implementation of the EMDP, estimated at CNY 4.79 million, come from the project investment funds (including design and planning funds, resettlement consultation funds, construction and installation funds, planned expenditure of KSRMC, resettlement compensation funds and environmental protection funds) and operational budgets of local governments of all levels and relevant competent departments. KSRMC, empowered by the Ministry of Finance and XUARG, will manage the request for and disbursement of funds. In addition, the ADB has provided USD150,000 (CNY 21,429) from the GAD fund towards the Kanas Women's Enterprise Development Project. A summary is given in Table 3-4.

Table 3-4 EMDP Measures, Sources of Funds and Implementation Agencies

No.	Summary of Measures	Budget (CNY 10,000)	Fund Source	Agencies Involved	Timing	Monitoring Indicators	Performance Targets
MITIGATION MEASURES TO ADDRESS NEGATIVE IMPACTS & SOCIAL RISKS							
A1	Optimize design to minimize land acquisition, resettlement action plan		PPTA & Resettlement 7 Consultation Contracts	KSRMO, project consultant and design unit and RP contractor	2007.4-7	<ul style="list-style-type: none"> Impacts of land acquisition within the period of project implementation. Number of grievances and compliance for land acquisition. 	<ul style="list-style-type: none"> No formal grievances lodged regarding land acquisition Planned and actual land acquisition are the same
A2	Erect bilingual "Caution" signs to guarantee the safety of local residents and their livestock		Project investment for the project construction and installation	KSRMO, project contractors and the governments of project township	2008	<ul style="list-style-type: none"> Number of signs Traffic accident frequency in a year in the project construction area. The number of traffic security trainings given to teachers and students. 	<ul style="list-style-type: none"> No local people hurt in traffic or construction site accidents in the period 2008-2012 No local livestock killed as a result of traffic or construction related impact in the period 2008-2012
A3	Mitigate impacts induced by project construction on local environment/ public health		Contracts of project contractors	KSRMO, project contractors and the governments of project township	2008-2012	<ul style="list-style-type: none"> Number & type of complaints from locals about project construction. Incidence/type of disease Awareness of project construction workers on local ethnic minority cultural practices. 	<ul style="list-style-type: none"> Topical erosion or grasslands reduced by 50% Roadside erosion reduced by 50% Less than 10% increase in reported incidence of communicable disease amongst local population Local project satisfaction level > 75% during construction period
A4	Design respects distinctive ethnic features of each village		Project Feasibility Study and Design Contract	KSRMO, project consultation & plan unit & the govts of project townships	2007.6	<ul style="list-style-type: none"> The level of satisfaction of local residents with project design 	<ul style="list-style-type: none"> Local project satisfaction level > 85% following construction period
A5	Vulnerable group assistance		Resettlement Planned Investment: Poverty assistance fund of Altay Prefecture	Civil Admin. Bureau, Ethnic Affairs Admin. Commission & Prefecture/ county Women's Feds, KSRMO, township govts. & village committees	2008-2012	<ul style="list-style-type: none"> Number of poor people in the project area. Average income levels per peasant or herdsman. 	<ul style="list-style-type: none"> Drop in number of poor from 20% to <15% 20% increase in per capita income

No.	Summary of Measures	Budget (CNY 10,000)	Fund Source	Agencies Involved	Timing	Monitoring Indicators	Performance Targets
PROJECT BENEFIT ENHANCEMENT MEASURES							
E1	Employ the local labour force to construct the project	100	Contracts of project contractors	KSRMO and project contractors	2008-2012	➤ Number & average wages of workers by sex and skill category.	➤ Drop from 7% unemployment to 5%. ➤ 20% diversification in local occupations
E2	Promote the development of the local stockbreeding industry	20	Development fund of the tenth five-year plan	Stockbreeding Administration Bureau, KSRMO, township govts.	2008-2012	➤ Number and type of livestock per household. ➤ Average livestock prices.	➤ 10% decrease in stock loss through disease from 2009 ➤ 10% increase in stock health as measured by meat and milk production from 2009
E3	Encourage women to participate in the project	5	Resettlement Planned Investment Women's Development budget of the County tenth five-year plan ADB Gender and Development Fund	Altay Prefecture & county Women's Federations, KSRMO, project townships govts & village committees, Consultant for Kanas Women's Enterprise Development Project	2008-2012	➤ Number of women trained. ➤ Number/average wage of women employed in project construction. ➤ Number of women employed and their average wage during project implementation. ➤ Impacts and outcomes of the Kanas Women's Enterprise Development Project	➤ 20% drop in number of women classifying themselves as housewives or unemployed ➤ 20% increase in women's contribution to household income ➤ 50% female participation in project-related skill and language training ➤ 20% of project construction employees are women
E4	Promote the development of tourism	100	Development plan of KSRMO	KSRMO & Tourism Administration Bureau of Altay Prefecture	2008-2012	➤ Number of tourists & revenue generated ➤ Percentage of local people employed in tourism (by gender).	➤ 20% increase in tourists visiting project villages
E5	Technical Training	11.5	Resettlement Planned Investment	KSRMO and the governments of project townships	2008	➤ Number of local people trained (by gender). ➤ Types of training & local evaluation of usefulness. ➤ Total fund used in technical training.	➤ 50% female participation in project-related skill and language training ➤ 80% participant satisfaction with training (content and usefulness)
E6	Strengthen public participation	0.5	Resettlement Planned Investment	KSRMO and the governments of project township	2008-2012	➤ Dates and places of public participation. ➤ Complaints & outcomes.	➤ >80% local satisfaction with project process and outcomes, 6 monthly M&E.

ADB = Asian Development Bank, EMDP = ethnic minority development plan, KSRMO = Kanas Scenic Region Management Office, PPTA = project preparatory technical assistance.

3.5. EMDP Supervision, Monitoring and Evaluation (M&E)

92. In order to ensure the effective implementation of this EMDP and the realization of expected objectives, it is essential to monitor and evaluate EMDP implementation. Supervision, monitoring and evaluation will be undertaken as a key project management duty of KSRMC utilizing staff and operational budgets, and undertaken in conjunction with RP monitoring. The following section describes the intended methodology, tasks, procedure, agencies and timeframe.

3.5.1. M&E Method

- M&E will adopt methods combining a field study, sample survey, technical analysis and evaluation by professionals;
- A field study is to be carried comparing local impacts with the wider area, including a general survey of the implementation of the procedures, expenditure, effects, institutional capacity and management of the EMDP;
- Implement a sample survey of the families in the project beneficiary area and project affected area. Through random sampling based on classification, typical samples of ethnic minorities should be surveyed utilizing a fixed-point tracking survey. The rate of sampling of affected persons should not be less than 20%, and the proportion of ethnic minorities should be greater than 50%;
- The survey should be conducted in order to collect relevant data to fill out impact tables comparable to the data presented in this EMDP and the social survey/resettlement survey.;
- A database of consultations and results should be compiled in addition to files, photos, records, videos and other relevant material in the process of EMDP M&E.
- Regular contractor supervision and monitoring reports will provide data for many of the indicators.

3.5.2. Tasks and Content of EMDP M&E

93. During the period of EMDP M&E implementation, and in conjunction with monitoring of the RP, an external M&E agency will undertake the M&E twice a year. Through field observations, a fixed-point tracking survey for typical samples of ethnic minorities and random interviews with residents of project affected area, the agency should undertake the following:

- Assess the implementation and recommended processes of mitigation and reinforcement measures specified in this EMDP in the project affected area and project beneficiary area;
- Budget expenditure on all EMDP measures;
- Institutional capacities in relevant implementation measures;
- The impacts of EMDP implementation by each measure;

94. Investigation and statistics to measure progress against all indicators and performance targets of EMDP M&E, including the compensation standard for land acquisition and house demolition, the proportion of ethnic minorities' complaining about project construction, the rate of typical diseases in the project area and changes in income per capita per year, etc.

3.5.3. M&E Implementation Procedure

95. The implementation procedure for EMDP M&E as undertaken by an external M&E agency is shown in Picture 3-1.

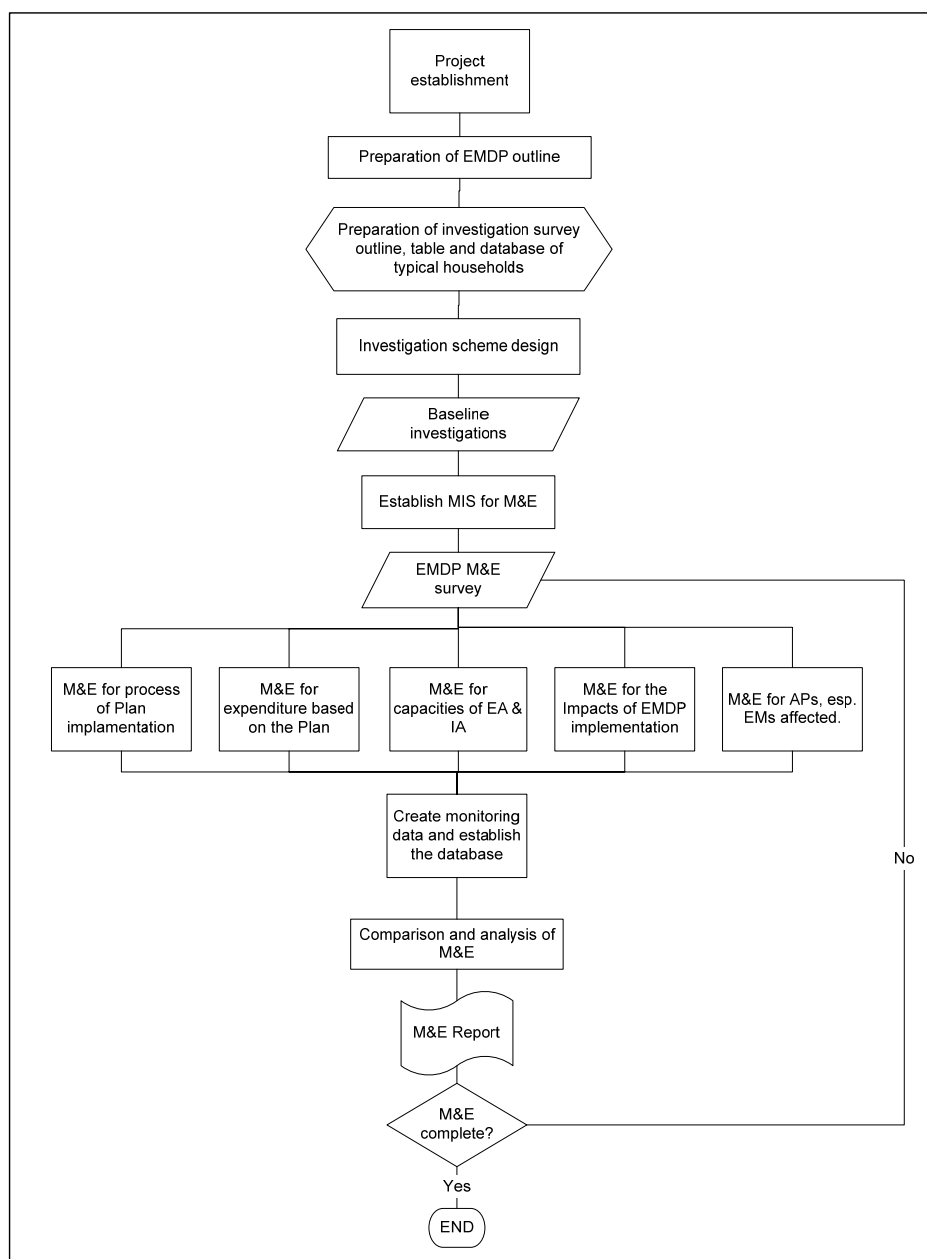


Chart 3-1 Technical Procedure of EMDP M&E Implemented by External M&E Agency

3.5.4. EMDP M&E Agencies

96. EMDP M&E Agencies will implement an internal EMDP M&E mechanism and external EMDP M&E mechanism, which can be the same contractor/agency as for RP M&E. Internal monitoring will be undertaken by the project unit, while the external monitoring is contracted to an independent agency with relevant experience endorsed by the ADB.

3.5.5. EMDP M&E Schedule and Reporting

97. Internal and external reports for EMDP M&E will be submitted once each year. The first baseline investigation should be carried out at month 3 of project implementation, after which an EMDP M&E report should be submitted every twelve months.

98. An internal EMDP M&E report compiled by the project unit will be submitted to the ADB semi-annually and an external EMDP M&E report compiled by a contracted external M&E agency (invited by the project unit) will also be submitted to the ADB.

99. A timetable for EMDP M&E reporting is shown as follows:

- First EMDP M&E Report (baseline investigation): May of 2008 to June of 2008;
- Second EMDP M&E Report: May of 2009 to June of 2009;
- Third EMDP M&E Report: May of 2010 to June of 2010.

3.6. Implementation Schedule

Table 3-5 EMDP Implementation Schedule

No.	Action	Schedule	Progress
1	The stage of preparing RP		
1.1	Establish Kanas Project Office	March, 2007	Finished
1.2	Compile outline EMDP	March, 2007	Finished
1.3	Detailed socioeconomic survey	March to May, 2007	Finished
1.4	Finalize EMDP	April to October 2007	Going on
2	Information publication and public participation		
2.1	Consult with relevant department and APs	From March, 2007	Ongoing
2.2	Publish the EMDP, RP and project information handbook to APs	August, 2007	Almost finished
2.3	If necessary, publish revised RP and information handbook	September, 2007	pending
2.4	Publish summary safeguards documents incl. EMDP on ADB website	October, 2007	pending
3	Implementation stage		
3.1	Sign the land acquisition and resettlement contract and pay the funds	March to May, 2008	pending
3.2	Works commence	July, 2008	pending
3.3	EMDP & RP measures for income recovery	May, 2008~May, 2009	pending
3.4	Training, enhancement and negative impact mitigation measures	May, 2008~October, 2010	pending
4	Monitoring and evaluation		
4.1	Base line survey	May, 2008	planned
4.2	Internal monitoring	May, 2008~June, 2012	planned
4.3	External monitoring and evaluation	June, 2008~June, 2012	planned