Social and Indigenous Peoples Plan

October 2017

People’s Republic of China: Xinjiang Hetian Comprehensive Urban Development and Environment Improvement Project

Prepared by Hetian City Project Management Office for the Asian Development Bank.
CURRENCY EQUIVALENTS

(as of 16 October 2017)

Currency unit – yuan (CNY)
CNY1.00 = $0.1531
$1.00 = CNY6.5316

ABBREVIATIONS

ADB – Asian Development Bank
EM – ethnic minority
FGD – focus group discussion
GAP – gender action plan
GDP – gross domestic product
HCG – Hetian City Government
PA – project area
PRC – People’s Republic of China
HPMO – Hetian project management office
SEMDP – social and ethnic minority development plan
XUARG – Xinjiang Uygur Autonomous Region Government

NOTE

In this report, “$” refers to United States dollars.

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Endorsement Letter for the SEMDP

Hetian City Government (HCG) has applied for a loan from the Asian Development Bank (ADB) for this project through the Ministry of Finance of the People’s Republic of China (the “PRC”). The project, therefore, must be implemented in compliance with ADB’s social safeguard policies. The Hetian City Government has prepared this Social and Ethnic Minority Development Plan (SEMDP). The SEMDP fully complies with requirements of the relevant laws, regulations and policies of People’s Republic of China, Xinjiang Uygur Autonomous Region and Hetian Government as well as complies with ADB’s Safeguard Policy Statement (2009), specifically the policy requirements on indigenous peoples. The project will start in 2018 and complete in 2023 during which the SEMDP will be fully implemented and monitored in order to enhance project benefits and mitigate negative impacts on minority people.

The HCG hereby acknowledges the contents of this SEMDP, and warrants that the budgetary funds under this SEMDP will be included in the general budget of this project and made available on time. The HCG will ensure to implement objectives, indicative actions and monitor indicators achievement in the life of project.

The HCG hereby authorizes Hetian Project Management Office (HPMO) to be overall responsible for the SEMDP implementation and monitoring, in coordination with related government agencies, like Civil Affairs Bureau, Ethnic and Religion Affairs Bureau, Women Federation, Human Resources and Social Security Bureau, etc.

Hetian City Government

(Signature)

(Date)
Executive Summary

1. Identification of Minority Population in PAs

ES1. The population in Hetian City is predominately Uygur minority. In 2015 the population was 348,300 people, comprising 311,100 Uygur people (89.3% of total population) and 35,900 Han people (10.3% of total population). Within the project areas in Hetian City, there are 139,700 minority people, which is 79.2% of the total city population. In this area the Uygur Minority accounts for about 95% of the population.

2. Project Beneficiaries

ES2. The project will directly benefit 176,420 residents of which 83,800 (47.5%) are women, 139,690 (79.2%) are minority beneficiaries, and then 32,800 (18.6%) are poor people. Of the direct minority beneficiaries, Uygur minority make up the largest percentage (about 95%). All the 348,300 residents within 85,452 households in Hetian City will benefit from the urban infrastructure and municipal services to be provided through the project, of which the 311,100 inhabitants are ethnic minorities, accounting for 89.3% of total Hetian population.

3. Poverty Situation

ES3. Hetian, located in the southernmost part of Xinjiang Uygur Autonomous Region (XUAR) and between Kunlun Mountains and Taklimakan Desert, is known nationally as a poverty-stricken area. 41,752 urban people in Hetian were poor by 2016, which was 22.62 % of the total urban population. The urban poverty ratio was much higher than the average of XUAR (7.6%) and Hetian Prefecture (16.3%). Lower education level, lack of income sources, unemployment, disability and illness are main causes of poverty for local residents.

4. Project Positive Impacts

ES4. The project will improve municipal services for local residents including better access to water supply and wastewater treatment, more convenient public transport service, and safer travel on the road. The living environment would be improved through improved access to water and wastewater pipes. The project will provide job opportunities for local residents. Uygur residents in Tuancheng upgrading program will have direct access to good houses, improved water supply, wastewater collection, ambulance, and firefighting services through Tuancheng redevelopment, which will further promote local economic growth and Uygur historical culture preservation. The project will also help to improve the local people’s livelihood through skills training in Mandarin language and small-scale businesses. It will support studies and consultations with local minority people on cultural heritage sites of the old city in Hetian for the future projects.
5. Project Negative Impacts and Risks

ES5. The project’s primary negative impact on local people would be residential house demolition in Tuancheng redevelopment. 201 households with 773 persons will be partially affected including 41 home-based small shops. Affected residents are entire Uygur people.

ES6. Construction related activities might cause adverse impacts for local residents in terms of construction disturbances, poor site management, lack of safety barriers on construction sites, and possible increase in the communicable diseases, particular HIV/AIDS due to poor public health management on construction sites. In addition, construction workers might lack sensitivity to local minority’s culture, resulting to unacceptable activities and behaviors to local minority cultural and tradition.

ES7. Identified potential risks include: (i) affordability constraint for some poor Uygur households’ participation in Tuancheng redevelopment, (ii) increasing living burden for poor people in case the project requires water tariff increase, and (iii) language barrier for Uygur people’s adequate participation. Mitigation measures have been developed to address identified negative impacts and potential risks to local residents, minority population, and other vulnerable groups like women and poor people.

6. Consultation Methods

ES8. Local residents and EMs have been considerably consulted regarding the positive and negative impacts of the project on them through during the poverty and social analysis (PSA) and RP preparation. Their views and preferences on the project have been gathered through household surveys, focus group discussions, key informants interviews, and stakeholder workshops. 400 household surveys were conducted by questionnaires and 90% respondents were minority people, 15 focus groups discussions and community meetings were organized with men, women, and the poor, 16 key informants were interviewed with community officials and 9 stakeholder workshops were held with related government institutions.

7. EMs’ Perceptions on Project

ES9. Based on extensive public consultations with EM communities, the project design is well received by Uygur ethnic communities. The minority residents are willing to participate in project activities such as public education campaigns and communication strategy at community level, and in the Tuancheng redevelopment component, etc. Especially women and poor people are interested in job provision from the project. Women expressed their preferences of skill development such as Atlas product skill development of designing and marketing, communication
skill development in Mandarin, and capacity building for local residents for startup and running home-based small shops related to cultural tourism development.

ES10. The poor people are concerned with possible water tariff increase. Some poor Uygur households in Tuancheng project area might not have enough financial resources to participate in the house reconstruction, although they are willing to do it. They are hoping that the government could provide them special support such as welfare houses for temporary accommodation during house reconstruction.

ES11. The people affected by road widening in Tuancheng upgrading program are expecting to obtain timely full compensation timely, due to house demolition. They are also concerned with the income loss and the hardships in looking for temporary settlement in other places.


ES12. The action plan has been prepared to ensure negative impacts and social risks of the project on all project beneficiaries, including ethnic minorities to be mitigated as well as to enhance project benefits for all project beneficiaries. Mitigation measures address key issues identified across the involuntary resettlement, construction related activities, and potential social risks. The following enhancement measures will be implemented as part of the action plan: (i) capacity building for implementing and monitoring SEMDP through recruiting social development and gender specialist to support the Hetian PMO and appointing social/gender focal person in the PMO as well consultancy service for local livelihood development for local residents through mandarin language training and business skills training. The SEMDP envisages public consultation and information sharing across all project activities to guarantee participation of minority residents, women and poor people in project activities.

9. Institutional Arrangements

ES13. The Xinjiang Uygur Autonomous Region Government (XUARG) is the project executing agency and Hetian City Government (HCG) is the project implementing agency. The Hetian City Government has endorsed the SEMDP. The Hetian PMO (HPMO) is primarily responsible for implementing the SEMDP and will coordinate with other key local governmental agencies like Hetian Ethnic and Religion Affairs Bureau, Human Resources and Social Security Bureau, Women’s Federation, etc. The implementation of the SEMDP action plan has been incorporated into the overall project management.

10. Budgeting

ES14. The funding sources for SEMDP implementation has been detailed in the action plan table which will include four sources: project civil works budget, resettlement budget, project
management budget, and government public finance implemented by different government institutions. Specifically, project management budget will allocate to the cost of recruiting one national social development and gender specialist (11 person-months) and one national resettlement specialist (9 person-months) amounting to $120,000. In addition, a consulting service for $190,000 will develop measures for local people’s livelihood improvements.

11. Monitoring and Evaluation

ES15. The SEMDP requires both internal and external monitoring and evaluation. The internal monitoring will be conducted semiannually. HPMO and the project implementation units (PIUs) with the assistance of the social development and gender specialist, will implement actions, monitor the indicator specified in the SEMDP, record the progress of the SEMDP implementation, and prepare and submit semiannual SEMDP implementation and monitoring reports to ADB. External monitoring will be conducted annually combined with external monitoring and evaluation of the RP.
1. Introduction

1.1 Project Background

Hetian is a historical city located on the south route of the ancient Skill Road between the Kunlun Mountains and Taklimakan Desert. The city is 1,500 km from Urumqi, the capital city of XUAR. Hetian has experienced fast economic growth coupled with rapid urbanization. The urban people accounted for 53% of total Hetian population in 2015. However, development of Hetian is constrained by inadequate urban infrastructure and municipal service provision system. The city is struggling with pressure from the growing urban population and increasingly intensified economic activities. The project will help Hetian address these development constraints mainly in terms of improving water sector services and management, upgrading urban road networks, improving public transport services, and promoting urban regeneration.

1.2 Project Description

The proposed project aims to improve the living conditions of Hetian. It is a multisectoral project that will address urgent environmental and infrastructure needs to support the sustainable development of Hetian. The project will deliver five outputs: (i) water sector services improved and use of reclaimed water introduced, (ii) urban road system improved, (iii) public transport service improved, (iv) Tuancheng urban upgrading program strengthened and implemented; and (v) planning and project management capacity strengthened.

1.3 Objectives of SEMDP

The SEMDP preparation is fully based on the poverty and social analysis (PSA) of the project, including social assessment for minority population. Based on identification and screening of minorities in PAs, majority of project beneficiaries are EMs, and will not bring different impact on them. Thus, a summary SEMDP has been prepared with an integration of the indigenous peoples plan elements in the social develop action plan. The SEMDP aims to (i) propose mitigation measures to minimize or avoid negative impacts and risks to local residents including EMs, women, and poor population; (ii) provide enhancement measures to maximize project opportunities and benefits for local residents particularly for EMs, poor population, and other vulnerable groups; and (iii) provide indicators and targets to ensure all actions/activities can be implemented and monitored.
2. General Poverty and Social Assessment

2.1 Poverty Situation

4. XUAR is less developed in comparison with the national average due to geographic constraints. In 2015, per capita gross domestic product (GDP) of XUAR was CNY40,034 which was only about 81% of the national average, while the average disposable income in XUAR was CNY16,859, less than 77% of the national average. Within XUAR the three prefectures of Hetian, Kashgar, and Kizilsu in the south and southwest of the Taklimakan Desert are known nationally as poverty-stricken areas, home to more than 80% of the poor living below the official poverty line in XUAR. 41,752 urban people in Hetian were poor by 2016, which was 22.62% of the total urban population. The urban poverty ratio was much higher than the average of XUAR (7.6%) and Hetian Prefecture (16.3%).

5. The social survey conducted in the project areas has identified the following characteristics of poor households:

(i) Large family size with more than 3 children, leading to a higher cost of living expenditure. About 55% of monthly spending of poor households goes to basic consumable items of food and clothing.

(ii) The income-consumption poverty is a main phenomenon for surveyed poor households based on the numbers or proportions. Most poor households depend on governmental subsistence allowances as their primary sources of income. 27.3% of total income are from subsistence allowances within poor households. In contrast, the income from government allowances accounts for only 7.89% for total households. Salaries from employment, small business activities, and casual labor income consist of major income sources for poor households. Income from salary accounts for 20.5% of the total income, which is lower than for the total household average (37.8%). Similarly, 20% of income from running small businesses for poor households that is also lower than the total household average (26.83%). More poor households tend to be casual laborers where 22.5% of income are from casual labor, which is higher than the total household average (17.18%).

(iii) Lower education level places the poor in disadvantage position in labor markets due to lack of professional skills where work opportunities vary according to skills. The poor population tends to occupy casual jobs with unstable or lower wages. The wage for skilled workers averages CNY70–CNY100/day, against an average CNY80/day for unskilled workers at the local labor market. The survey indicated that more than 70% of family members have only the level of primary school education. 19.43% of adult people do not have school education within poor households against 14.5% for total households. Only 6.86% have high school
education within poor households against 10% for the total households. There are no people having college or university education within the poor households.

(iv) Many poor families are mainly comprised of unemployment members. The survey indicated that about 50% poor households have jobless members, contributing to the lower household income level.

(v) Disability and illness are two major causes of poverty, which have resulted to consequences of high level of health care costs and loses of working capacity. Disability and illness constrain poor people to have access to more employment opportunities to increase income and to develop their better lives. The survey indicated that 8% of poor families have disable members and about 10% of poor families have diseased members.

(vi) Some poor households (about 2%) have elderly who are without pension. These households are fully dependent on government minimum livelihood guarantee scheme complemented with children support.

2.2 Ethnic Minorities in Pas

6. Demography. Hetian is home of ethnic groups of Uygur, Hui, Kazakh, Dongxiang, Tujia, Tibetan, etc. Uygur minority is the majority of population in Hetian. In 2015, the official statistics accounted 311,100 Uygur people (89.3% of total population) and 35,900 Han people (10.3% of total population) in Hetian City, and then the remaining ethnic groups included Kazakh, Hui, Dongxiang, Tujia, and Tibetan with total population of 1,300 (0.37% of total population).

7. The project area is predominated with minority population, accounting for 79.2% of total population in PAs, of which Uygur minority consists of the biggest ethnic group (about 95% of total minority population). Other minority residents include Hui and Mongolian in the project area amounting to less than 200 persons, who are dispersed inhabitants in urban communities mixed with Uygur families or Han families.

8. Cultural characteristics. Traditionally, Uygur people rely on agriculture and animal husbandry for their livelihood. More and more Uygur people become new urban residents coupled with Hetian City’s expansion. Uygur minority’s physical and cultural traits still distinguish them from the Han Chinese although the rapid urbanization is changing certain aspects of Uygur society and traditions. Therefore, it is important to respect and protect these cultural distinctions when implementing the project. Uygur people have their special housing style. Typical houses for Uygur are single flat or one-story houses with a separate yard in the front or back.

9. Uygur language is the common language used by local minority residents in Hetian. Young people in secondary and higher education can speak both Mandarin and Uygur language but the other majority cannot communicate with others in Mandarin. Particularly for Uygur women,
they are considerably confined within households with less chance to communicate with others in Mandarin.

10. **Education.** The social survey data accounts that 5.31% of minority people do not have schooling education. Most of them are 56 years old and above, of which 2.17% are men and 3.14% are women. Majority has primary and junior middle school education where more than 40% have obtained primary school education, of which 19.08% are men and 21.26% are women. 25% have obtained secondary school education, of which 12.08% are men and 13.29% are women. 21.74% have obtained high school education and secondary vocational school education, of which 11.11% are men and 10.63% are women. 7.25% have tertiary education, of which 3.86% are men and 3.38% are women.

11. **Occupation.** The social survey indicates that majority of minority residents are engaged in the tertiary industry. Many are engaged in businesses (mostly small stalls or shops), services (such as tourism, three-wheelers, beauty shops, hairdressers, cooks, etc.) and handicraft (small-scale processing, tailors, etc.). There are differences of occupations between women and men in project areas. Women and men share similar percentage of state-owned enterprise employee occupation (1.18% female and 0.87% male). However, female employees in various occupations tend to be relatively lower than for men. 4.76% of men are work in private enterprises but few women are involved there. The male percentage of government employee is 9.09% against 3.55% for women. More men (23.38%) are involved in self-owned small businesses than for women (10.65%). Similarly, the occupation of casual labor is largely occupied by men (24.68%) while only 4.14% of women are working being the causal labor. 14.29% of men are still cultivating land against 5.33% of women. Women are overwhelmingly drawn into domestic activities where 62.72% of female respondents are fully responsible for housework, compared to only 2.16% for men.

2.3 **Project Beneficiaries and Benefits**

12. All the 348,300 residents within 85,452 households in Hetian City will benefit from the urban infrastructure and municipal services to be provided through the project, of which the 311,100 inhabitants are ethnic minorities, accounting for 89.3% of total Hetian population. The urban residents in the central urban area and rural residents from four villages of Jiya Township would be project direct beneficiaries with total population of 176,420. Out of project direct beneficiaries, 83,800 beneficiaries or 47.5% are women, 139,690 or 79.2% are minority beneficiaries and then 32,800 or 8.6% are poor people. Of direct minority beneficiaries, Uygur made up of the largest percentage of beneficiary population (about 95%).

13. The project would bring benefits for local population as follows:

(i) **Improving road condition and road safety.** Project roads are all major urban
trunk/secondary roads, serving as the main passage ways for crossing the central areas of Hetian City. Current project road conditions are very poor. Many sections of road surface are badly destroyed with dense potholes and many deformations. Motorized and non-motorized vehicles and pedestrians share a single lane on some road sections. Insufficient traffic facilities are posing unsafe travel on the road in terms of lack of traffic signals at intersections, unclear safety signs, unclear road markings, unclear crossing marks for pedestrians. Road rehabilitations contain major activities of repairing road pavements, increase traffic facilities, build green belts and separate motorized and non-motorized lanes. These rehabilitation activities would bring good road conditions for travelling as well as increase travel safety on the road for differently local road users.

(ii) **Increasing good accessibilities of water supply and wastewater treatment.** Drinking water is presently supplied to more than 90% of inhabitants in PAs. But some residential areas in PAs are still not supplied. Even within supplied areas, residents are faced with intermittent water supply, lower water pressure, etc. because water pipelines are aged and too small in diameter to meet residents’ daily needs. About 75% of the households have access to the sewage network in PAs. However, the trunk lines of drainage are unevenly distributed so that only two Sub-districts are fully covered by the sewage network and various areas are underserved. The treatment percentage of wastewater and the quality and quantity of water supply would be significantly improved through project implementation.

(iii) **Bringing more comfortable bus environment and more convenient mobility in the city.** Urban public transport system in Hetian is faced with relatively low departure frequency due to insufficient bus fleets, lack of fixed schedule, no bus available connecting to new developing areas, etc. Passengers’ wait for buses for a long time (average 20 minutes) and insufficient bus stops is the major cause why residents do not choose to ride the bus. The project-financed improvement of public transport service would benefit more poor people and women who are common bus users. Moreover, improved public transport services will attract more and more people to be regular bus users that would contribute to Hetian’s green city development.

(iv) **Generating job opportunities for local people.** The project will create 265 skilled and 1,330 unskilled jobs during project construction and 272 skilled and 611 unskilled jobs during the operation including new jobs for water meter readers, greening workers, pipeline maintenance workers and bus drivers.
2.4 Project Negative Impacts and Risks

14. The PSA identified that the primarily negative impact of the project on local people is residential house demolition caused by road/lane widening in the component of Tuancheng redevelopment. All affected residents are Uygur people. This negative impact on minority population will be discussed in project impacts on EMs in the section 3.

15. Other adverse impacts from construction related activities are as follows: (i) construction disturbances such as noise and dust; (ii) poor site management resulting in severe disturbance such as lack of clean-up on completion and side drains block due to construction wastes pouring into, lack of safety barriers, resulting in unsafe walking on the road; and (iii) the communicable diseases, particular HIV/AIDS might be increasing in case the public health management on construction sites is poor.

16. Identified social risk for local residents is that the living expenses for urban poor people will be increase in case the project requires water tariff increase to cover the incremental costs for improved services, which will be extra burden for poor households. The social survey shows that the cost of water consumption accounts for 1.5% of total household monthly expenditures and 1.4% of poor households. The gradual and small number increase of water tariff could be affordable for the majority of household. The poor people might not afford the cost of water tariff if the price will be increasing up to beyond CNY3/ton once. Mitigation measures have been specified in the action plan including 30% poor representatives to be involved in the public hearings.

17. The SEMDP outlined actions and indicators to ensure mitigation of adverse impacts and risks and increase and support positive impacts of the project Hetian PMO will ensure implementation and monitoring of the SEMDP regularly during the project implementation phase.
2. Project Impact Analysis on EMs

3.1 Positive Impacts

18. Generally, minority residents in the project area will benefit from the project interventions of municipal service improvement with other residents discussed in section 2.3. Tuancheng upgrading program would specially benefit minority population who are entire Uygur residents. They would benefit from improved conditions of the houses with earthquake-resistant structures, improved water supply and wastewater facilities, ambulance and firefighting services through Tuancheng redevelopment, which will further promote local economic growth and Uygur historical culture preservation. The Tuancheng redevelopment has the specific features of preserving Uygur building style and culture tradition, environment friendly neighborhood appearances, etc. that will increase attraction of the area to tourists and local residents, boost small businesses activities, increase land value, generate demand of tourism-related services such as accommodation and recreational services, and thus expand employment opportunities for local residents. All residents would benefit from the growing economic vitality of these areas.

19. Tuancheng urban upgrading is Hetian’s government program which is being implemented in three phases. The first two phases have been funded and implemented by the government. The third phase will be funded from the ADB loan. The reasons for this urban upgrading are: (i) poor living environment and poor infrastructure in Tuancheng (old city area); (ii) narrow streets and roadsides with high risk of serious fire safety hazards; (iii) frequent earthquakes in the area, the houses are mainly made by brick, the city is very old and the existing infrastructure is lagging behind and cannot meet the current seismic requirements; (iv) the production, living conditions and overall environment are extremely poor, and the public health is at risk; (v) in the old city area, passenger flow is large, travel is inconvenient, and the fire engine cannot be entered. Therefore, the project will provide housing upgrading to support residents, especially for earthquake damage prevention. Participation in this program is voluntary. HCG has agreed to make a special arrangement to support poor families to participate in the program by providing a standard financial subsidy for the officially registered poor families for house upgrading works up to 60 m², regardless of the actual size of their houses that are usually smaller than 60 m². Each participant household will receive a subsidy of CNY580/m² same as during phase one and phase two. If households are not willing to participate in the upgrading, they will maintain the current situation. In the phase three, a total of 401 households (including those affected by LAR impacts) with about 54,910m² in the project area are eligible for the housing subsidy. According to the poverty and social survey about 98% of the households expressed their willingness to participate in the program. The households who are not willing to participate (2%) in the program as a main reason indicated recent renovation of their houses and good quality of their structures.
20. Before project implementation, Tuancheng PMO will conduct surveys and consultations on residents' willingness to participate within Tuancheng area, and finalize the list of households who wants to participate in the program. If the residents are willing to participate in the upgrading, the PMO will provide the residents with the support of housing construction planning and implementation plan, and will adopt the principle of “one design for one family”. In the design phase, extensive consultations and negotiations will be conducted to adopt residents’ opinions, and provide the planning and construction design plan that meets local people’s requirements. The PMO will make sure that the options selected by the residents are affordable within the limit of subsidies and households’ budget. The construction of all the houses will be based on the traditional Uygur Aywangs style to maintain the cultural styles and traditions. If the residents participate in the upgrading, after completion of the house upgrading, Tuancheng PMO will give 50% of the subsidy (CNY580/m²), in accordance with the original house area; after completion, Tuancheng PMO will pay the remaining 50% of CNY580 yuan/m² of subsidy.

3.2 Negative Impacts

21. Most of the infrastructure and facilities under the project will be built within the existing right of ways. The Tuancheng urban upgrading program is the only output that will acquire state-owned land and involve house demolition due to the need to widen those extremely narrow lanes to upgrade urban infrastructure and improve service provision in the project area. 201 households with 773 residents, entire Uygur minority, will be partially affected by house demolition (including 41 home-based small shops). Of the 201 affected households, 28 households will not be able to rebuild in-site because their remaining land will not be sufficient, therefore, they were offered to relocate to Changlong resettlement community which is still within the Tuancheng Phase 3 project area as well as Huanhu new district resettlement community. The resettlement plan has been prepared under the project to comply with the ADB Safeguards Policy Statement (2009) on involuntary resettlement where the measures to restore livelihood of APs are specified including: (i) compensation will ensure that incomes of APs will not be adversely affected by the project; (ii) APs could choose to demolish their houses completely so that they will get cash compensations based on market price, and they could purchase a new house in a resettlement community in Hetian; (iii) for those partial demolition, they will get cash compensation for demolished part and subsidy (CNY580/m²) for remaining house so that they can rebuild it; (iv) APs can choose property exchange according to local published compensation and resettlement program; and (v) the PMO will assist to ensure that the APs have access to skill training and job opportunities by identifying planned and ongoing local government programs and also project-related opportunities.

22. Negative impacts caused by construction related activities will be applied to EMs as similar as to all local residents discussed in the section 2.4.
3.3 Potential Risks

23. Apart from general social risks for all residents, specifically identified potential risks for EMs are: (i) lack of ethnic cultural sensitivity: the contractors and workers engaged under the project may not be sensitive enough to the ethnic culture and local norms, resulting in some project activities to be undertaken in a manner not accepted by the culture of ethnic minorities; (ii) language barrier: the PSA shows more than 75% of minority residents use Uygur language in daily communication. Only 10% of minority residents communicate mainly in Mandarin in the public. About 10% of people can communicate both in Mandarin and Uygur Language, causing some difficulties in participation in project related activities. Especially for women, who tend to be housewives and have less chance to speak Mandarin at home. The survey indicates that only 9.87% of women can speak both Mandarin and Uygur languages that is quite lower than for men (16.24%). Such social risks have been addressed in the action plan including Mandarin language training for project beneficiaries as well as training for contractors to understand Uygur culture and social norms.

3.4 EMs Perceptions on Project

24. Based on considerable public consultation with EM communities, the project design is well received by Uygur ethnic communities. The minority residents are willing to participate in project activities particularly road safety awareness campaign and public education activities at community level. 98% of residents in Tuancheng are willing to do house reconstruction. They are happy about the opportunity of have new houses in a better living environment with up-to-standard utility services in the future. They consider the program a very good chance for them to improve not only physical housing conditions but also to have access to upgraded public facilities and municipal services. The majority of residents in the Tuancheng program are satisfied with the upgrading principle of unified planning with the basis of self-control house renovation.

25. Minority women and poor people are especially interested in skilled and unskilled job opportunities brought by the project activities. Women also expressed their preferences of skill development such as Atlas products designing and marketing, catering service, Chinese language skill development and the capacity building of local residents for startup and running home-based small shops related to cultural tourism development.

26. The minority poor people have similar concerns on possible water tariff increase with other poor residents for accessing improved water supply and wastewater treatment system. The PSA showed that they can accept gradual and small increase in water fee, CNY0.5 to CNY1.

27. Some of the poor Uygur households in Tuancheng project area raised their concerns that due to limited financing resources they might not be able to participate in house reconstruction.
although they are highly interested. The government support for the poor households to participate in the program is important and provision of welfare houses to poor households for temporary accommodation during house reconstruction might be useful.

28. The people affected by road widening in Tuancheng upgrading program are expecting to obtain full and timely compensation due to house demolition. They are also concerned with the income loss and the hardship in looking for temporary settlement in other places.
3. Public Consultation and Participation

4.1 Community Participation Activities during SEMDP Preparation

29. The SEMDP working team investigated all 4 project subdistricts and one township of Jiya where there are Uygur minority inhabitation communities from May to June 2017 to study the poverty situation, socioeconomic status of project beneficiaries, municipal services availability and accessibility for minority communities, and to understand opinions and expectations of EMs and other local residents for the project and record their willingness to participate in project activities through multiple methods such as conducting household questionnaires, organizing focus group discussions (FGDs), and interviewing key informants. Consultations were conducted in Uygur language so that the local people, particularly the elderly and women, could understand the information and express their preferences and concerns.

30. A total of 400 households have been surveyed of which 90% are Uygur respondents. A total of 15 FGDs and community meetings were held in four subdistricts and Jiya Township participated by 64 males and 69 females with different age, household economic level, and occupations. Out of 15 FGDs, there were 6 female FGDs, 3 poor FGDs, and 2 FGDs specially for Uygur residents located in the component of Tuancheng urban upgrading. A total of 16 key informants were interviewed including officials from four subdistricts and neighborhoods as well as leaders from Jiya Township and villages, and among them 6 were women. A total of 9 stakeholder workshops were held with related government institutions like Women Federation, Ethnic Affairs, and Religion Bureau, Human Resource and Social Security Bureau, Civil Affairs Bureau, Leading Group Office of Tuancheng Urban Upgrading, etc.

31. Extensive consultations were held regarding Tuancheng upgrading component with project beneficiaries during the project preparation through different channels (PSA, RPs preparation, etc.). The residents think that the urban upgrading will enhance the project benefits in the following ways: (i) the community will be more attractive for residents and tourists; (ii) the land value will be increase; and (iii) there will be more opportunities for small tourism related business development. Local residents, particular women are very much interested in the opportunities of small-scale tourism and cultural products development brought by the upgrading. They expect that the project can provide them with training on cultural tourism skills and business development, Atlas product designing and marketing, and skill for startup of small businesses as well. Public consultation were also conducted with those residents participating in Tuancheng upgrading phase one and phase two implemented by local government to learn the government measures and capacities to support poor families in house reconstruction. In general, people were satisfied with this housing program as it allowed them to improve their housing conditions and livelihood. The EMs expectations, concerns and needs have been addressed in the action plan.
32. SEMDP was disclosed to the project areas in local languages starting third week of November 2017. The SEMDP was translated in Uygur and Chinese languages.

4.2 Grievance Redress Mechanism

33. Given that the SEMDP will be implemented on the basis of adequate participation of minority residents, no substantial dispute will arise. However, a grievance redress mechanism (GRM) has been established for minority residents to resolve any unforeseeable problems occurring in the implementation phase in an effective and transparent manner. Minority residents can reflect their dissatisfaction with project implementation arrangements, or suffering from unfair treatments caused by the project implementation through the GRM. The GRM will be applied to RP with focus on affected people by road widening in Tuancheng as well as to all EMs in PAs across all project components. The basic procedures for grievance and appeal flow chart with the list of responsible persons at the PMO and all project implementing units have been specified in the section 6.3 and 6.4 in the RP. Besides the basic procedures of grievance to be followed, particular attention should be paid to:

(i) The grievance redress mechanism should be suitable to EMs education level and acceptable to minority tradition in PA.

(ii) Project information should be disclosed in mandarin and local minority languages.

(iii) Information disclosure should be closed to public places accessible for minority residents, such as gathering places and workplace of community committees.

(iv) Each project community committee should appoint a member to be the contact person accepting appeals.

(v) EMs needs, preferences and concerns on participation in Tuancheng upgrading program should be consulted and recorded by the PMO in coordination with Leading Group Office of Tuancheng Urban Upgrading.

34. The aggrieved ethnic minority can also put forward grievance to the external monitoring and evaluation agency as the external agency reports it to project management office. Or the aggrieved ethnic minorities can put forward grievance to the project team of ADB for negotiated resolution. If good faith efforts are still unsuccessful and if there are grievances that stem from non-compliance with ADB’s safeguard policy on indigenous people, the aggrieved ethnic minority may submit a complaint to ADB’s Office of Special Project Facility or Office of Compliance Review in accordance with ADB’s Accountability Mechanism (2012).¹

¹ For further information, see http://www.adb.org/Accountability-Mechanism/default.asp.
4. Social and Ethnic Minority Development Plan

35. Given that the majority of project beneficiaries are Uygur people, there are no differential impacts on EMs and other residents of Hetian city. The SEMDP has been developed with the key elements of ethnic minority development plan integrated into social development action plan and all beneficiaries including EMs, poor people and women have been targeted through indicative actions. The SEMDP has been prepared based on general poverty and social analysis and specific assessment of minority residents’ perceptions about the project components through meaningful consultations with affected EMs and minority beneficiaries with respect to the potential adverse and positive effects of the project. Needs and concerns of the ethnic minorities, poor people and other vulnerable groups have been fully addressed in the action plan.

5.1 Mitigation Measures in the SEMDP Action Plan

36. The action plan comprised two aspects of measures and actions: mitigation measures and actions in order to avoid and mitigate any negative impacts or potential risks of project on local residents and EMs including (i) mitigating house demolition impacts for ethnic minority households in the components of Tuancheng upgrading program; (ii) mitigating construction activities related issues such as construction disturbances, prevention of HIV/AIDS, sexually transmitted diseases and other communicable diseases, respecting ethnic minority cultural and tradition and safeguarding the labor rights of ethnic workers, female workers and workers from poor families; (iii) ensuring EMs and poor people participating in project with targeting 70% minority resident participation, 50% women and 10% poor people participation in public education campaign and behavior change communication strategy, at least 70% minority residents including 10% poor minority participation in Tuancheng redevelopment and (iv) 30% representatives from poor families in public hearings for water tariff increase.

5.2 Enhancement Measures in the SEMDP Action Plan

37. Enhancement measures and actions in order to ensure all beneficiaries including ethnic population receive culturally appropriate benefits identified by the social impact assessment including (i) recruiting local workers during project construction and operation periods, and giving the proper work positions to the local ethnic minorities especially non-skilled jobs for poor families and women, targeting at least 50% of jobs for the local ethnic minority people, 20% for women and 10% for poor people during construction and operation; (ii) recruiting one social development and safeguard specialist with 20 person-month inputs for support in SEMDP and GAP implementation and monitoring; and (iii) provide skill development training for minority residents targeting 500 minority people (50% women and 10% poor people) for Mandarin language skill training and 200 Tuancheng minority people (50% women and 10% poor people) for business skill training related to livelihood development (see Table 1 below). Mandarin language skill
training will be integrated into ongoing government training program and livelihood development related skill training will be integrated into training program planned in Tuancheng Urban Cultural Tourism Planning, which has been developed by Hetian Tourism Bureau and would be co-implemented by Tourism Bureau and Leading Group Office of Tuancheng Urban Upgrading. The project will provide a consultancy support for the local residents’ livelihood development. The consultant will conduct extensive consultation with local people to find out their needs and skills' gap in order to be able to develop and deliver a livelihood improvement program through capacity building of local residents and exploring markets’ linkages. This is also linked with the Tuancheng Cultural Tourism Development Planning, which is an existing Government-led program.
Table 1: Social and Ethnic Minority Development Plan

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Target /Actions</th>
<th>Indicators</th>
<th>Responsible Agencies</th>
<th>Time</th>
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<tbody>
<tr>
<td><strong>1. MITIGATION MEASURES</strong></td>
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<tr>
<td>1.1 Mitigating house demolition impacts for ethnic minority families and population</td>
<td>Make temporary transition arrangement to total 201 affected Uygur households.</td>
<td>Number of households receiving house demolition compensation with the amount and time.</td>
<td>HPMO, Leading Group Office of Tuancheng Urban Upgrading, and resettlement specialist</td>
<td>2018–2020</td>
<td>Project resettlement budget (CNY 17.22 million).</td>
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<tr>
<td></td>
<td>Make full compensation to total 201 affected Uygur households timely.</td>
<td>Number of households receiving temporary accommodation compensation or welfare houses with the amount and time.</td>
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<td></td>
<td>Baseline: 0%</td>
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<tr>
<td></td>
<td>Provide skill trainings to 580 affected people among which 190 are women such as small business, handicraft, food processing, beauty, hairdressing and other services.</td>
<td>Number of livelihood restoration measures for affected Uygur families/population prepared.</td>
<td>HPMO, Leading Group Office of Tuancheng Urban Upgrading, resettlement specialist human resources and social security bureau, women’s federation, and ethnic affairs and religion bureau</td>
<td>2018–2020</td>
<td>Government regularly budgeted programs (CNY0.25 million).</td>
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<tr>
<td></td>
<td>Provide livelihood restoration measures for 201 affected Uygur households.</td>
<td>The types and number of skill training provided to affected Uygur families/population.</td>
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<tr>
<td></td>
<td>Baseline: 0%</td>
<td>The number of participants in skill training by gender.</td>
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<tr>
<td>1.2 Mitigating construction activities related issues</td>
<td>The environment protection and site safety measures must be included in the bid and tender documents and contracts.</td>
<td>The number of cases and specific records of violation of PRC Labor Law and regulations of construction safety on the construction site.</td>
<td>HPMO, project contractors and construction supervisors, environment protection bureau, work safety supervision bureau, and social development and gender specialist</td>
<td>2018–2023</td>
<td>Project civil works budget</td>
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<td>Safety signs and corresponding protective measures like safety barriers must be presented on the construction site, and all the signs should be prepared in both Han and Uygur languages.</td>
<td>The number of accident records and other complaints due to lack of traffic signs and safety barriers, including lack of bilingual signs on the construction site.</td>
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<td></td>
<td>Construction safety training must be provided to 100% workers.</td>
<td>The number of safety signs and contents using bilingual languages on construction site.</td>
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<td></td>
<td>Baseline: 0%</td>
<td>The number of participants receiving the safety training by gender.</td>
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<tr>
<td>Objectives</td>
<td>Target /Actions</td>
<td>Indicators</td>
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| 1.2.2 Mitigation or avoidance of construction disturbances to residents.   | ● Dust reduction measures must be taken on the construction site.  
● Construction work can’t be carried out during night time.  
● Site management must be in place to ensure clean-up on completion and to avoid side drain block due to construction wastes.  
Baseline: 0%                                                                 | ● The amount of dust reduction measures taken on the construction site.  
● The number of complain cases or records from residents.  
● The actions taken to address the issues raised by residents.                                                                                                                                      | HPMO, project contractors and construction supervisors, environment protection bureau, work safety supervision bureau, and social development and gender specialist | 2018–2023     |                                                                                    |
| 1.2.3 Strengthen public health management in particular prevention of HIV/AIDS, sexually transmitted diseases and other communicable diseases during the construction works. | ● Conduct publicity activities/trainings on HIV/AIDS/STI, and other communicable diseases prevention to contractors/workers and local residents. All public awareness campaigns should be in two languages. 100% contractors and workers would be trained.  
● Distribute training materials on HIV/AIDS/STI to the contractors/workers and local residents such as posters and brochures in both languages and in culturally-sensitive manner.  
● Set up measures of communicable diseases prevention for construction workers (i.e., condoms provision, regularly physical examination).  
Baseline: 0%                                                                 | ● The number and type of training on public health, HIV/AIDS/STI prevention awareness conducted.  
● The proportion of ethnic participants by gender (local residents).  
● The proportion of contractor and workers trained by gender and by poor minorities.  
● Forms of HIV/AIDS/STI prevention materials distributed to the contractors/workers and the public.  
● The number of measures of communicable diseases prevention for construction workers.  
● The number of persons accessed by such measures by gender and by poor minorities. | HPMO, project contractors and construction supervisors, disease control and prevention center, and social development and gender specialist | 2018–2023     | Project civil work budget combined with government regularly budgeted programs |
| 1.2.4 Respect the ethnic minority cultural and tradition on construction sites. | ● The construction work should be stopped during the time of Friday Pray within 500 meters from mosques.  
● The training on full compliance with the ethnic culture and local norms should be provided to all workers.  
● Ethnic and Religious Affairs Bureau will distribute leaflets or posts to all contractors and | ● Number of complaints regarding project activities to be undertaken in a manner not accepted by the culture of ethnic minorities.  
● Number of training on compliance with the ethnic culture and local norms held.                                                                                                                                  | HPMO, contractors, and ethnic and religion affairs bureau.                                                                                                            | 2018–2023     | Project civil works budget                                              |
<table>
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<tr>
<th>Objectives</th>
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| workers regarding Uygu culture, norms and religion.  
- Workers should dress themselves appropriately like wearing trousers not shorts.  
Baseline: 0% | ● Number of workers trained by gender.  
● Number of leaflets or posts distributed to contractors and workers. | | | | |
| Provide labor safeguard training to the project contractor and related employers.  
- Make sure that 100% of employees to sign the labor contracts with employers.  
- 100% of ethnic workers, female workers and workers from poor families have equal pay for equal work.  
- 100% of labor contracts should attached an explanation of key points of contracts in Uygur language.  
- The contractors should hire Uygur staff to promote communication with workers.  
Baseline: 0% | ● Types and number of trainings on labor standards, sex-disaggregated.  
● Number of labor contracts for ethnic minority workers, disaggregated by sex and poverty.  
● Satisfaction degrees on equal pay for equal work of the ethnic minority workers by gender.  
● The proportion and number of the explanation in Uygur language for the labor contracts.  
● Number of Uygur staff equipped by contractors. | HPMO, project contractors and construction supervisors, social development and gender specialist, human resources and social security bureau, and women’s federation | 2018–2023 | Project civil works budget |
| 1.3 Ensuring ethnic minority and poor people participation in project | | | | | |
| 1.3.1 Establish proper grievance redress mechanism for the participation of minority residents, particularly ethnic minorities’ concerns and appeals on participation in Tuancheng redevelopment. | ● One person should be appointed as the appeal acceptor in each subdistrict and Jiya Township.  
- Contact information of appeal acceptors like email, telephone number and mailing address should be disclosed to project residents in both Han and Uygur language.  
- The disclosure of grievance redress mechanism should be reached by ethnic minorities in open areas in both Mandarin and Uygur language.  
- All activities and related training should be conducted in both Han and Uygur language.  
Baseline: 0% | ● Number of appeal acceptors.  
● Number of ethnic people knowing the procedure of grievance redress mechanism complaint people by gender.  
- Time, place, language used, way and frequency of disclosure of grievance redress mechanism.  
- Feedback record (sex-disaggregated) of ethnic minority opinions of projects by gender. | HPMO, design institute; subdistrict offices, and Jiya Township | 2018–2023 | Project management budget |
| 1.3.2 Ensure local minorities, particular women and poor people, participate in public education campaign and behavior change communication strategy. | ● 70% minority participation in community campaign and behavior change program.  
- 50% women and 10% poor people participation.  
- All activities and related training should be conducted in both Han and Uygur language.  
- Local ethnic minorities should be consulted with time and place of public education activities. | ● Number of participants disaggregated by sex and poverty.  
- Time, place, language used, way of community campaign. | HPMO, subdistrict offices, Jiya township, and social development and gender specialist | 2018–2023 | Project management budget |
| Objectives                                                                 | Target /Actions                                                                                                                                                                                                 | Indicators                                                                                                                                                                                                 | Responsible Agencies                                                                                                                                                                                                 | Time                  | Budget                                                                 |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------- Evey                                                                                                                                       | - The way/time/location/contents of job information issued.                                                                                                                                             | HPMO, project contractors and construction supervisors, subdistrict offices and Jiya township, and human resources and social security bureau | 2018–2023             | Project management budget                                                                                                 |
| 1.3.3 Ensure the local minority residents and poor people can receive employment information during the project construction and operation period easily and timely. | - Job information should be disclosed bilingually in the community and Hetian Labor Market Center.                                                                                                         | - The number of local minority residents knowing the job information.                                                                                                                                     |                                                                                                                    |                      |                                                                       |
|                                                                            | - The job information should be announced at least 1 month in advance, with indication that different nations and gender should have equal employment opportunities and equal pay for equal work. | - The number of local poor people knowing the job information.                                                                                                                                           |                                                                                                                    |                      |                                                                       |
|                                                                            | - Time, place, and the way of disclosure of job information should be suitable for poor people. Baseline: 0%                                                                                                  | - Poor people “satisfied” with the time, place and the way of disclosure of job information.                                                                                                           |                                                                                                                    |                      |                                                                       |
|                                                                            |                                                                                                                                                                                                             | - The way/time/location/contents of job information issued.                                                                                                                                           | HPMO, project contractors and construction supervisors, subdistrict offices and Jiya township, and human resources and social security bureau | 2018–2023             | Project management budget                                                                                                 |
| 1.3.4 Ensure ethnic minorities’ participation in Tuancheng redevelopment as much as possible through establishing a periodical evaluation mechanism to assess minority residents’ willingness to do house reconstruction, to assess their financing resources to participate in the program, and to further formulate measures to support those who are willing but lack of financing resources, particularly poor households. | - The PMO will establish an evaluation mechanism and conduct related necessary assessment in line with the pae of the program implementation.                                             | - Period of evaluation.                                                                                                                                                                                  | HPMO, Leading Group Office of Tuancheng Upgrading Program, and social development and gender specialist, civil affairs bureau, and women’s federation | 2018–2023             | Project Tuancheng budget combined with other financing resources from different government institutions |
|                                                                            | - Time, place, and the methods of assessment activities should be convenient for ethnic poor people and women participation.                                                                             | - Staff to be evaluated.                                                                                                                                                                                  |                                                                                                                    |                      |                                                                       |
|                                                                            | - At least 70% resident’s participation in Tuancheng program including 10% of poor households.                                                                                                                | - Feedback records of residents for Tuancheng upgrading program disaggregated by sex and poverty.                                                                                                         |                                                                                                                    |                      |                                                                       |
|                                                                            | - The project will encourage households of different income categories to set up groups among themselves, i.e., neighborhood associations to participate in voluntary urban upgrading program, thus maximizing their benefits through cooperation in such groups. | - Amount of special supports for those who are willing but lack of financing resources, particularly for poor households.                                                                               |                                                                                                                    |                      |                                                                       |
|                                                                            | - Participatory approaches such as qualitative interviews, site observation, and community meetings will be used.                                                                                           | - Number of Uygur households participating in by poor and non-poor households.                                                                                                                            |                                                                                                                    |                      |                                                                       |
|                                                                            | - The social development and safeguard specialist from loan project management will assist to establish the mechanism. Baseline: 0%                                                                                                                     |                                                                                                                    |                                                                                                                    |                      |                                                                       |

1.4 Ensure poor people voicing their concerns in public hearings in case raising water tariff
<table>
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<tr>
<th>Objectives</th>
<th>Target /Actions</th>
<th>Indicators</th>
<th>Responsible Agencies</th>
<th>Time</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4.1 Ensure poor people participate in public hearings.</td>
<td>● Poor people’s voices should be heard during the public hearings for raising water tariff. The representatives from poor families should not be less than 30%. Baseline: 0%</td>
<td>● Total number of representatives participating in public hearing. ● Number of representatives from poor families participating in public hearings.</td>
<td>HPMO, women’s federation, Hetian Water Supply and Sewage Company, social development and gender specialist, and civil affairs bureau</td>
<td>3 months before raising water tariff</td>
<td>No budget needed</td>
</tr>
</tbody>
</table>

### 2. ENHANCEMENT MEASURES

#### 2.1 Providing employment opportunities for local residents, especially for poor families, women and minority people

- 2.1.1 Recruit local workers during project construction and operation periods, and give the proper work positions to the local ethnic minorities especially non-skilled jobs for poor families and women.
  - During the project construction, at least 50% of jobs will be given to the local ethnic minority people, 20% for women, and 10% for poor people.
  - During the project operation period, at least 50% of jobs will be given to the local ethnic minority people, 20% for women, and 10% for poor people.
  - Ensure that these targets and trainings are in bidding documents and contracts with contractors.
  - Number and types of working positions generated during project construction and operation period.
  - Number of job provisions for ethnic minorities from construction disaggregated by sex and poverty.
  - Number of job provisions for ethnic minorities during the project operation disaggregated by sex and poverty.

- Baseline is 0%

- Number of job provisions for ethnic minorities from construction disaggregated by sex and poverty.
- Number of job provisions for ethnic minorities during the project operation disaggregated by sex and poverty.

- HPMO and project implementing agencies.
- Project civil works budget (\( \$6000 \times 20 \text{ person-months} = \$120,000 \)).

#### 2.2 Strengthening project management capacity for SEMDP and GAP implementation and monitoring

- 2.2.1 Ensure that the project implementation consultant team has social development and safeguard expert.
  - Recruit one national social development and gender specialist to support SEMDP and GAP implementation with 20 person-months inputs and one national resettlement specialist to support resettlement plan implementation with 16 person-months inputs.
  - Baseline is 0%

- One 20 person-months input for social development and gender expert engaged.
- One 16 person-months input for resettlement expert engaged.

- 2018–2023
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<th>Objectives</th>
<th>Target /Actions</th>
<th>Indicators</th>
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<th>Time</th>
<th>Budget</th>
</tr>
</thead>
</table>
| 2.2.2 Ensure a project focal person responsible for SEMDP implementation, monitoring, and reporting. | ● Appoint a project staff responsible for SEMDP and GAP implementation, monitoring, and reporting.  
● Arrange bilingual staff in the PMO to be responsible for document translation and interpretation during conducting public consultations. Baseline is 0% | ● One social/safeguard focal person appointed in the PMO.  
● One bilingual staff appointed. | HPMO and project implementing agencies. | 2018–2023 | Project management budget. |
| 2.2.3 Ensure an external agency to be involved. | ● Recruit a qualified external monitoring agency to monitor and evaluate the SEMDP implementation semiannually combined with resettlement plan external monitoring. Baseline is 0% | ● One external monitoring agency engaged timely.  
● 5 monitoring reports including one final monitoring and evaluation report would be submitted to ADB. | HPMO and project implementing agencies. | 2018–2023 | No budget needed. |
| 2.3 Improving skill development training for local EM residents |  |  |  |  |  |
| 2.3.1 Improve local minority people’s Chinese communication skill. | ● Provide 500 ethnic minority people with Mandarin language skills training (100 per year) in project areas, including 50% women and 10% poor people. Baseline is 40% women for Mandarin language training. | ● Number of training.  
● Number of participants (disaggregated by gender) in training.  
● Number of poor participants in training. | HPMO, ethnic and religious affairs bureau, tourism bureau, women’s federation, and human resource and social security bureau. | 2018–2023 | Public finance from HCG ongoing training program (CNY0.3 million) |
| 2.3.2 Improve business skills for Tuancheng local residents such as Uygur handicraft, Atlas product designing and marketing, catering, and other small-scale businesses related to cultural tourism. | ● Provide 200 local minority residents in Tuancheng component with business skill training (40 per year) including 50% women and 10% poor people. Baseline is 0. | ● Number and types of training.  
● Number of participants (disaggregated by gender) in training.  
● Number of poor participants in training. | HPMO, ethnic and religious affairs bureau, tourism bureau, women’s federation, and human resource and social security bureau. | 2018–2023 | HCG public finance from training program under Tuancheng Cultural Tourism Development Planning (CNY0.3 million) project capacity building budget |
<p>| 2.3.3 Capacity building for | ● Recruit a consultant to conduct consultations | ● Type and number of consultations | HPMO, ethnic and | 2018– | Project |
|  |  |  | religious affairs bureau, tourism bureau, women’s federation, and human resource and social security bureau. |  |  |  |</p>
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<th>Objectives</th>
<th>Target /Actions</th>
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<th>Responsible Agencies</th>
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<tr>
<td>local livelihood development</td>
<td>with local minority population on livelihood improvement through development of their business and marketing capacities.</td>
<td>with local people.</td>
<td>religious affairs bureau, tourism bureau, women’s federation, and human resource and social security bureau.</td>
<td>2023</td>
<td>capacity building budget ($190,000)</td>
</tr>
</tbody>
</table>

GAP = gender action plan, HCG = Hetian City Government, HMPO = Hetian project management office, PMO = project management office, PRC = People's Republic of China, SEMDP = social and ethnic minority development plan.
6. Institutional Arrangement and Budgeting

6.1 Institutional Arrangements

38. The Xinjiang Uygur Autonomous Region Government (XUARG) is the project executing agency and Hetian City Government (HCG) is the project implementing agency. The Hetian PMO is primarily responsible for implementing the SEMDP in coordination with other key local governmental agencies like Hetian Ethnic and Religion Affairs Bureau, Human Resources and Social Security Bureau, Women’s Federation, Leading Group Office of Tuancheng Urban Upgrading, etc.

39. The Hetian PMO will ensure: (i) to appoint one focal point staff from the PMO to be responsible for SEMDP implementation and monitoring; (ii) to allocate sufficient financing and other resources to implement the SEMDP; (iii) to recruit one national social development and gender specialist with 11 person-months inputs and one national resettlement specialist with 9 person-months inputs to guide and support the SEMDP, GAP and RP implementation as well as PMO’s capacity building for understanding ADB’s safeguard policy on ethnic minorities and effectively implementing the SEMDP, GAP and RP. The PMO local staff responsible for the SEMDP implementation and monitoring as well as the social development and gender specialist will closely collaborate with HMO environmental officer and loan implementation environmental consultant to implement environment related mitigation measures included in the SEMDP action plan.

6.2 Budget

40. The funds of SEMDP implementation will be from four sources: project civil work budget, resettlement budget, project management budget and government public financing from different government institutions. The funding sources for SEMDP actions implementation has been detailed in the SEMDP. Specifically, project management budget will allocate to the cost of recruiting one social development and gender specialist and one resettlement expert to assist in SEMDP, RP and GAP implementation and monitoring amounting to $120,000. In addition, a consulting services for $190,000 will develop measures for local people’s livelihood improvements.
7. Monitoring and Evaluation

41. Both internal and external monitoring and evaluation of the SEMDP will be implemented. The internal monitoring and evaluation will be conducted semiannually. The Hetian PMO and PIUs with the assistance of the social development and gender specialist will monitor the progress of the SEMDP implementation and prepare and submit semiannual SEMDP monitoring reports to ADB.

42. The internal monitoring will monitor the activities included in the SEMDP Action Plan. According to the plan, it will check whether the activities are undertaken, and whether they are adequate and effective, and if not, what is the reason and how to resolve it, what are the potential risks, and what measures needs to be taken.

43. An independent monitor will be contracted by the PMO to carry out a combined external monitoring of RP and SEMDP, and prepare monitoring annual reports for submission to the PMO and ADB until the completion of the Project. The SEMDP mentoring indicators will be incorporated into the combined external monitoring ToR. During the monitoring, a special attention will be paid to Tuancheng Urban Upgrading component and local livelihood development.

44. The objectives of the external monitoring and evaluation of the SEMDP will include:
   (i) ensuring that the SEMDP is being properly implemented and the overall objectives of the SEMDP are being met;
   (ii) collecting data and information to identify progress;
   (iii) qualitative data to describe impacts of SEMDP measures, especially for Tuancheng Urban Upgrading component and local livelihood development;
   (iv) ensuring that appropriate participatory approaches have been adopted and that appropriate involvement of minority men and women in planning and implementation has undertaken,
   (v) identifying issues or complaints and ensuring that the grievance mechanism is effective, and
   (vi) updating the monitoring indicators

45. In addition to the aforementioned objectives, the external monitoring and evaluation agency may also receive complaints from the aggrieved EM, then the external agency reports it to project management office or the aggrieved ethnic minorities can put forward grievance to project team of ADB for negotiated resolution. If good faith efforts are still unsuccessful and if there are grievances that stem from non-compliance with ADB’s safeguard policy on indigenous people, the aggrieved ethnic minority may submit a complaint to ADB’s Office of Special Project Facility or Office of Compliance Review in accordance with ADB’s Accountability Mechanism (2012).
46. For mitigation measures in the SEMDP Action Plan, special attention should be paid to monitoring efforts on the actions of compensation payment and livelihood and income restoration measures, livelihood development measures, including skills training and small-scale business development for the minority population, participation in Tuancheng Urban Upgrading program, HIV/AIDS/STI, drug and human trafficking, construction disturbance and safety, labor, construction and operation employment, inclusive participation in project implementation and to evaluate the effectiveness of actions undertaken. Particular emphasis should be placed on the collection of data on:

(i) timely delivery of compensation and effectiveness of the livelihood and income restoration measures implementation for the APs;

(ii) number or percentage of the incidence of HIV/AIDS/STI, and other communicable diseases disaggregated by ethnic origin;

(iii) effectiveness of health education provided for construction workers and the local residents in the surrounding areas of construction sites, in terms of attendance at health education sessions, disaggregated according the ethnic origins of both men and women;

(iv) number of drug and human trafficking incidence;

(v) compliance status with labor protection regulations and worker safety laws and regulations of PRC;

(vi) jobs obtained from employment generated for the project construction and operation;

(vii) number of cases of drug and human trafficking with the increased economic development, urbanization and tourism;

(viii) number and percentage of minority people benefiting from livelihood development measures and Tuancheng Urban Upgrading;

(ix) effectiveness of public consultations and GRM; and

(x) barriers for inclusive participation in public education and awareness programs.

47. The external monitoring and evaluation agency will submit semiannual monitoring and evaluation reports from 2018–2021. Post evaluation report will be carried out in 2022. All reports will be submitted simultaneously to XPMO, HPMO, and ADB.
### Annex 1: Public Consultation Records

#### 1. Focus Group Discussion

**Time:** May 28, 2017

**Location:** Kuolibaixi community

**Participants:** community staff, residents and social survey team

Under the coordination of the community staff members and district office, we had carried on workshop among community residents (about 18 people), including 11 males and 7 females, all of whom were ethnic minorities (Uyghur). The purpose of this discussion is to introduce the project content to residents affected by the project and understand their views and opinions of the project. In the discussion, we found that the concerns of the community of minority residents are mainly concentrated on TuanCheng upgrading. Kuolibaixi community has affected a lot from ADB financed Hetian upgrading project.

**Through discussion, the existing problems in Tuancheng are:**

1. most of the houses are mainly civil, brick and wood structures, which are relatively old, and the basic facilities such as gas and heating are lagging behind.
2. poor living environment, serious problems of dirty and disorder, especially in summer, diseases will have serious effects on the residents.
3. the road channel in the old city is narrow, the traffic is busy, and the clutter is more serious. There are fire safety hazards. At the same time, there is a large flow of vehicles and people in the area, especially on Friday and Sunday, which can't be operated normally. This kind of random stalls of vehicles and dislocations can have a serious effect on residents' travel.
4. residents in the community have a large number of low-income residents who have no capacity to upgrade the old houses.

**Problems of the Tuancheng:**

1. The disbursements of the affected residents shall be paid in full and in time and equally. The activities shall not affect their livelihood;
2. How to solve the problem of house upgrading among poor families;
3. To respect the national culture and customs of ethnic minorities during the implementation of the project;
4. Strict construction safety management measures shall be required.

**Comments and Suggestions on the project:**

1. Provide compensation for affected residents, livelihood and income restoration measures, to ensure full compensation will be given to APs in accordance with the law, livelihood and income restoration measures need to be conducted on ethnic minority women and the poor first.
2. Provide employment skills training to the ethnic minority households such as catering, handicrafts and other related business training and non-agricultural skills training (such as embroidery, all kinds of traditional service industry skills, etc.), it is important to use the local (Uygur)language while training, fully considering the actual situation of residents.
(3) Hope to set up road safety signs and corresponding protection measures in the project construction site, using bilingual (Uyghur language) to display.

(4) Respect ethnic culture and customs, and provide construction workers with national cultural customs education that workers should behave themselves and attention should be paid to health. Additionally, construction should keep away from mosques especially on Friday. It is convenient to provide contractors with booklets to a better understanding of the local ethnic customs and culture.

(5) Actively carry out healthy training of AIDS, venereal diseases such as infectious disease control and prevention knowledge publicity, and establish public health knowledge and health prevention and control measures among construction personnel.

(6) The employment positions produced during project implementation and operation period should be provided to local Ems and especially the poor families and female for priority. And non-technical employment positions should be given to poor and female for priority. In such, PMO should make fully consulting consultations with project contractors, organize some trainings and recommend the proper working positions for local residents, besides, in the same condition, giving the priority to Ems and female, to increase the family income of local residents, and what’s more, they can benefit well from the ADB project.

The main concerns of the AP’s in Tuancheng:

(i) The house demolition prospect: the APs’ first concern is the compensation standards, then is the resettlement sites, and finally is life issues during the transition period. Concerns on house rebuilding, hoping to rebuild in situ after getting the compensation fee.

(ii) As for the houses without earthquake prevention, and lack of water supply and drainage system as well as nature gas, all those affected people suppose that will be a good opportunity for them to improve living conditions through the Tuancheng upgrading project.

(iii) Hoping the HD agreement provided should be bilingual language, which will be more convenient for them to read and understand.

(iv) Most of female think that environment will get improvement greatly, and the flow of people will be increased, meanwhile, the income and employment opportunities will be increased after Tuancheng upgrading.

(v) Most residents hope that the compensation can be used to participate in the upgrading project, and the transitional issues in the process of construction will be solved properly

(vi) How to help the low-income families who may need support during house upgrading.

(vii) When conducting livelihood/employment skills training, local language should be used.

(viii) They hope to get low interest loan
### 2. Focus Group Discussion

**Time:** May 30, 2017  
**Location:** Mongqikuka community  
**Participants:** community staff members, residents and social survey team

Under the coordination of the community staff members and district office, we had carried on workshop among community residents (about 25 people), including 11 males and 14 females, all of whom were ethnic minorities (uygur). TuanCheng upgrading project in Mengqikuka community belonged to the scope of phase I and II (not included in the ADB project), and the construction had started. The workshop aimed at introducing the Hetian city ADB projects, at the same time, the understanding of phase I and II TuanCheng upgrading project in the process of construction, the existing problems and the affected residents’ opinions and Suggestions.

**existing problems in TuanCheng upgrading project:**  
Tuancheng upgrading belonged to old town, the existing problems manifested in: (1) the poor road conditions, narrow roads, roadside stall business (randomly set up stalls, stop, etc.), traffic was heavy, crowded, all of which made resident difficult to go out; (2) the living conditions of the residents were poor, and the housing structure was mainly civil and brick, which was old, and the infrastructure was backward. The area was marked by dirty, messy and poor. (3) low-maintenance and poor people in the community had no capacity to upgrade the houses, and there were security risks in the houses which were long neglected and in disrepair, especially in the city of Hetian, which was more earthquake-prone, threatened the personal safety of residents.

**Discussion on related issues during project construction:**  
Attending ethnic minority residents actively participated in this discussion, and they had published views, including the issuance of compensation, the transition period, problem solving, reluctant to upgrade causes and other problems:  
(1) most of the participants were in favor of and willing to participate in the upgrading project, and said that some of the houses were already being upgraded, involved in housing demolition, there will be specialist surveying, mapping and assessment, and they would get compensation in accordance with the market price. The compensation is handing out one-time. part of the upgrading will be
compensated in accordance with the standards of 580 yuan per square meter subsidies which will be divided into two segments, one will be paid at the beginning of project and another for end of project.

(2) House upgrading will be in form of group upgrading, 10 households for the upgrading of a group. The division of group is according to the location which are all on the right. In the process of transformation, capable people will help build a house. Vulnerable families will renting first floor of houses, or part family have difficulty can sell land to have ability; In addition, some residents are seeking to borrow money from their relatives and friends to rebuild. As long as the family members have the ability, they will be willing to borrow money, which is different from the bank loan. Participant residents, most people are willing to loan from the bank, said if the business license, will be easier to obtain loan, it is important to note that is very difficult in view of the residents, so communities recommend resident to loan from banks.

(3) Tuancheng phase I is under upgrading, this part of the residents in this period would be living in the countryside, the government provides temporary short-term house, agreed to allocate, probably around 50 m², living time ranges from half a year to two years. Some residents have the ability to quickly build up their houses, and some in long funds difficult transition time will be a corresponding point.

(4) According to survey, with regard to the residents who are unwilling to upgrade, whose houses are newly built or upgraded (of which the majority with two or three years) with reinforced foundation. House design structure is satisfactory, with national characteristics. They have spent lots of money to build, so there is no money to rebuild, and no modification is necessary, the houses are already very beautiful. In addition, the reason for those people who are not willing to upgrading is short on money. If project can solve the problem of money, they are willing to participate in upgrading.

Q: Any comments or Suggestions on the project?

The participants said if project could provide the unskilled jobs during the project construction, they are willing to accept and involved, to be able to work while building a house, hoping to attract local Labor in project construction and operation, increasing the affected minority residents family economic income; we look forward to the completion of infrastructure construction, hoping to improve the environment of living in dirty and messy conditions. During project construction phase, the project area made narrow roads, poor road conditions, construction vehicles should give way to people, in addition to prevent excessive noise, dust and other impact on residents, especially the sands, reduce dust flying; respect the cultural customs of ethnic minorities, not affect the normal religious activities of ethnic minorities (Friday worship), and prohibit construction of 500 meters near mosques; also need to pay attention to road safety awareness education, there are a lot of kids will run to the construction area, there are personal safety hidden trouble, construction area of fencing, warning signs, such as ethnic minorities within the jurisdiction of Chinese level is poor, they also need to be used bilingually (both in Chinese and Uygur language).
3. Focus Group Discussion

**Time:** May 30, 2017

**Location:** Xizihuayuan community

**Participants:** residents, director of community and investment team

The team conducted a small workshop in Xizihuayuan community. There were 27 participants, including 13 males and 14 females, all of them were ethnic minority groups. The purpose of this workshop is to introduce the project contents to the residents affected by the project and to listen to the views and views of the project.

**Content and questions:**

**Road construction:** The minority residents generally indicated that the road conditions in Hetian were poor and need to be improved. There is a lot of road pavement damage, road infrastructure and traffic management is not perfect, some places did not set the fence, jaywalking happened everywhere, especially children often did. Besides, there were many motor vehicles in high speed, which made parents worry about their children's safety. They thought safety consciousness of road should be improved, and it was necessary to build bridge or tunnel crossing the street. The vehicles should keep away from people to ensure our safety. On the other hand, part of the road is too narrow, the traffic is heavy in rush hour, so we hoped project construction can improve the road traffic situation.

**Water supply pipeline upgrading:** Most ethnic minority residents said that the water quality in the community is not good, yellow and rusty, mainly because water pipes were aging and water was polluted. Besides, the sewage treatment system was not perfect, the pipe diameter was small, and the sewer would be blocked.

**Reclaimed water recycling project:** Residents said Hetian city was located in the edge of the desert, short of water resources. If the construction of wastewater recycling could start, the problem could be mitigated in a certain extent. Saving water was both essential for us and our generations.

**Public transport improvement project:** Residents expressed more dissatisfaction about the present situation of public transportation at present, and there were many places need to be improved, mainly reflected in: (1) the station setting cannot meet the standards, waiting facility was backward, some
station even did not have waiting area, some platform can only stand on the driveway, which were very dangerous. (2) the bus system was not perfect, and there was lack of transfer hub. (3) Lines with large passengers were crowded during rush hour, which needs to increase the number of vehicles and reduce the departure interval. (4) the overall service level of the bus was not high, such as the aging of the vehicle, especially the poor condition of the road surface and the poor ride comfort. (5) in the mode of residents' travel, electric cars and motorcycles accounted for a considerable proportion, which was regarded as low speed of public transport and insufficient public transport.

**Tuancheng Upgrading Component:** Tuancheng is an old town area densely populated with Uygur ethnic minority. Due to unplanned expansion in the past, this area is crowded with houses under poor condition sprawling among the increasingly narrowing lanes, which does not allow the residents to have direct access to basic municipal services, including water supply, wastewater collection, garbage collection, ambulance service and the disaster rescue actions. Hetian is an earthquake prone city, but most houses in this area are weak in structure, exposing the residents to earthquake hazards. After the upgrading, the living conditions in Tuancheng will be improved through providing standard municipal services, including reticulated water supply, sewerage and refuse collection and security features such as fire/ambulance services and street lighting. Apart from housing condition and living environment improvement, some incremental benefits brought by the upgrading are well perceived by local Uygur residents including: (1) The community will be more attractive for residents and tourists; (2) the land value will be increasing; (3) more opportunities for small tourism related business development.

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4. Focus Group Discussion

**Time:** June 2, 2017

**Location:** Keerpamaili village, Jiya Township

**Participant:** villagers and Investigation team
Investigation team carried on a workshop among villagers in Keerpamaili village, Jiya Township, and the workshop was divided into two groups, a group of men (8 persons), and a group of women (7persons) who are all ethnic minorities (Uyghur). The workshop discussed issues about holding township’s water supply, understand the villagers’ opinions and suggestions for the project, inquire into the social and economic status of local villagers. The workshop is equipped with specialized translators.

The result of the discuss implied that:
(1) according to the study on villagers, they have about 1.28 mu per capita cultivated land, the main food is crops (wheat). Villagers will plant walnut first, and then grows wheat on it. By using walnut interplanting of wheat production pattern, their income will be about 6000-7000 yuan.
(2) About 70% families engaged in Adlai silk production. Participation way is divided into: (a) The small cottage industry worked on Adlai silk operated by family members, neighbors, relatives and so on. (b) working in a larger factory or co-op, the wage shall be paid by piece in large factory and collectives.
(3) Adlai silk produced by the family will have a special person to collect (the cooperative or the shop, etc.) once a month, about 3,000 yuan or so.
(4) the problem is that the level of textile technology is limited, especially the specialized technology and machine equipment of small workshops are deficient, and the varieties of silk are not perfect, which cannot meet the higher requirements.

The result on water supply shows that:
(1) The villagers in the workshop said that their water from water plant was safe, and the situation that water will be cut of rarely happened.
(2) the villagers also said that some villagers in Jiya township are now using self-pressure Wells for water with poor water conditions.
(3) the existing problems mainly include two aspects: first, the water supply in Jiya Township water supply plant is insufficient to meet the long-term requirements. Second, water quality problem, water often contains fine sand, which needs to be improved.
(4) in wastewater treatment, the villagers often flow it to the outdoor and garden or in the yard to farmland. Some of wastewater flowing into the ditch will cause pollution of the environment.
(5) the villagers believe that the ecological conditions in Hetian area are poor, the sand is large and the water resources are in short supply. A perfect drainage system is needed to save water and reduce waste of water resources.

Attitudes towards project:
We deeply support the project, as long as it is beneficial to the common people.
We hope that the construction of the project will provide employment for local villagers.
We are willing to accept all kinds of training, learning skills to increase income.

Draw a conclusion that:
Local residents particular women are more interested in the opportunities of small-scale tourism and cultural products development brought by the upgrading. They expect the project can provide them with training on cultural tourism skill development training like Atlas product designing and marketing as well as financing support in startup of small businesses like government-guaranteed micro-loan.
5. Institutional Interview

**Time:** June 16, 2017

**Location:** the Women’s Federation in Hetian

**Interviewee:** Zhengyuehua (director)

**Q:** What are the current projects of the women’s federation?

There are women’s handicrafts development project, spark project and Cc97 project, investment more than 30 million, helping the cooperatives to represented by women as a legal person, not to cooperatives machine, including Jiya township (Guyaliren) project funds reached 850,000 yuan, 30% requirements for infrastructure construction, which needs to be purchased by themselves. The Women’s Federation will audit in monthly / quarterly. All the funds will be issued in one time by the government of the XUAR. Guyaliren will continue to apply for project funds this year, but the funds will be lower than before. Hetian city women project are mainly in handcrafts, textile, carpet and Adlai silk which have no request to education and the output dynamics is large, but the proportion of women to go out has increased a lot.

**Q:** Have you carried on e-business training?

E-business training activities provided by Economic and business council are developing, and among all the 12 companies only one did not attend. The Women’s Federation also participates in e-business training. However, we need to learn Chinese to the open market, and the market should not be fixed in Hetian. There is a company participating in Asia-Europe Expo, so e-business training need to be achieved step by step.

**Q:** What efforts have been made to improve the educational quality of women?

It is a long-term and complicated work; women’s educational quality is low, though it is ok in the urban area of shallow layers. The current measures: With wide range and plenty of financial resources and manpower to expand, we need to rely on education, and we are about to start the education mode 2 this year, As for ethnic language school, students acquire knowledge in Chinese except in ethnic language (Uygur) teaching, and bilingual kindergarten school rate is 100%. However, Hetian city is still short of talents at all levels, there is a few top teachers in junior high school despite its language
usage. Though we have gained a lot from aided reconstructions, we should also depend on ourselves to develop for a bright prospects.

**Q:** *Do you think the preference for male is serious in Hetian?*

There are some changes on this idea, reflecting on the increasing rate of female college students. To realize that what they get from people will be used on people, The Women’s Federation helps female college students in Autumn, but we need time to change the situation radically. Moreover, it also reflects on the women, who are gradually participating in community activities and their demands will be fully taken into consideration. The community also arrange a certain number of women in the work involved in the meeting.

**Q:** *What other problems do you think the ethnic minority women have in terms of employment?*

The employment of Hetian minority female is mainly in enterprises, textile and food, investment industrial park will also provide job opportunities for around women, but there are some problems such as lack of time and discipline concept. In terms of enterprises, they have the requirements of (piece), which reduce their work enthusiasm. Concept cannot be changed immediately. Both men and women are lack of overall planning of life, money will be spent as long as they get, and once they have a serious illness, they only look for help. as publicity has carried on, they get somehow changed, but still need more improve.

6. Institutional Interview

**Time:** June 3, 2017

**Location:** Gyaliren Adlai silk industry base

**Interviewee:** Buzuoremu

**Q:** *Could you please briefly introduce the background of company?*

A: Hetian city Guyaliren Adlai silk co., LTD was registered in 2006, the factory is purchased in 2004. As early as 1985 Jiya countryside set up a factory specializing in the production of Adlai silk under the lead of the government contracted management of the factory with good market prospects. Since 2000, our nation donated fabric electric machine to poor families in Hetian area, which promoted a large number of Adlai silk processing plants growing up gradually. Until 2004, when he bought the factory, the company was established two years later, now Adlai silk production has more than 50
enterprises, cooperative in Jiya township, 10 of which formed a considerable scale, our company is one of the largest.

**Q: How about the sales status of company?**

**A:** In our company, 90% of Adlai silk productions have been exported to outside of Xinjiang and foreign markets, particularly popular in Uzbekistan. Last year, the company annual output can reach 5 million yuan, and business situation is good last year (2016). Xinjiang “thirteen” winter have brought many opportunities to our company, other large companies and experienced Adlai silk inheritance. Our company was authorized to produce, sale with 13 emblems, and mascot of winter products. In ". During the “thirteen” winter, my company has set up sales outlets in the specified 6 hotels, and this is the first time to exhibit and sale in such tall platform on the company’s products. Then there are many mainland's clothing companies who want to have the cooperation with our company, mainly on the aspect of the clothing design elements and materials adopted Adlai silk. While in the 13th winter, our company provides the winter 1000 with 13 emblems and mascots Adlai silk tie, 1200 Adlai silk scarf were all sold out, with sales of more than 200000 yuan. At present, besides the store sales there will be Alibaba online store and Taobao store sales also.

**Q: How about the statues of existing staff and their wages?**

**A:** There are more than 90 employees in the company, including 40 female and 21 male employees (61 in total) in the factory, all of which are local minorities. School (Hetian city vocational high school class) sent students to practice in the factory at the beginning of this year, the salary of staff engaging in drawing silk is 2200 yuan/month, salary is different from the job type, the highest can reach 5000 yuan or so.

**Q: Will government provide help to you?**

**A:** The factory is operated by the cooperative and belongs to the women's embark base, especially among the staff, there are many women and the poor, and there is the women's federation subsidy for them. In addition, the government has also provided support to the development of Adlai silk and advertised once in CCTV1, 2, 3 and Hetian city TV, radio, Xinxiang TV station.

**Q: How about the perspective and plan of company?**

**A:** There are some limitations on existing facilities of our company. Carpet production materials are in Shache County, with many stores and tailors working together. However, sales situation is not very good in Hetian because of less tourists, the most important thing for company is to meet the market demand, continuously innovate, expand production variety and improve product quality. To furthering and stably develop our company in an open market, we will expand the scale of production and send manual artist to learn new technology. At present our company has more than 100 kinds of designs, but these are not enough, we will design more designs and color. Additionally, Hetian city industrial park of Beijing Adlai silk industry park (2016) located in Jiya township started last year. The industrial park in Beijing owns 30 mu of plants, the company will move in as long as it is completed. If company gets a large factory and the supporting facilities keep up with the completion of park, it will be a good place for sightseeing. The development of tourism industry can also provide impetus for our company’s development, and there will be many opportunities and challenges in the future development of the company.
### 7. Institutional Interview

**Time:** June 5, 2017  
**Location:** Yongna silk plant, Jiya Township  
**Interviewee:** Abudurehemu

| Q: Could you please introduce the background and state of operation about cooperative?  
| A:  
| It was formed in August 2014, with a total of 63 employees, including 38 females and 25 males, all of whom are local villagers. Adlai silk development in Hetian region has a history of more than two thousand years, and it is weaved by tying knots on the warp according to the requirements of the design and the process of dyeing. In recent years, governments vigorously have developed the Hetian tourism characteristic industry, especially with unique technics, gorgeous and colorful patterns of Adlai silk. As the township of Adlai silk, Jiya township has set up a large number of Adlai silk processing plants, where there are about 2000 households engaging in small cottage industry, and most of them are in small scales.  

Q: How about the sales status of cooperative?  
A: Adlai silk is mainly sold in Xinxiang, but also sold to Beijing, Shanghai, suzhou and other places. In Hetian city, there are two stores including production bases selling products, the major purchasing group is tourists. The production machines are all purchased by themselves, with annual sales of about 8 million yuan. However, the business is getting worse and worse. E-commerce under the guidance of the business bureau, they have opened Taobao shop in January this year.  

Q: Could you please introduce the prospection of Adlai silk industry?  
A: In 2016 the 13th national force medal ribbon adopted unique Hetian Adlai silk. Under the efforts of we Yonghui company and 50 Adlai silk inheritance people working overtime, day and night together to present gifts for "thirteen" winter. At the same time, the organizing committee also give the present to Jiya township that the organizing committee of the "thirteen" winter authorized township for 4 years to use "thirteen" winter emblem and mascot logo for production and sales of "thirteen" winter souvenirs. It can not only bring huge economic benefits to local Adlai silk cooperatives, enterprises, but also can promote the development of Uyghur traditional culture, display a new look of xinjiang, let Adlaisilk go
out and make the traditional culture to go out. In the later stage, our company hopes to open and raise silkworm base, waiting for government approval and investment.

Q: How about the income of staff and how do they get it?
The wages of the workers in the factory vary from 1000 to 5000 yuan according to the division of labor. Company has employed 23 staff members from 2014 and now it has more than 60 employees with 90% of which are the local farmers' children, who used to do work on their own income is only a few hundred dollars per month, now employees in the company each month income can reach 3000 yuan.

The company is now setting up a new plant to expand production.

Q: What kind of trainings have enterprises carried on?
A: Enterprises have cooperated with Hetian city vocational high school will deliver students each year to factory on learning training. In 2005 the government gave one-time subsidies of 420000 yuan to company, the company sends staff members to jiangsu suzhou for training and study every year, and purchases machine, wire, etc from Suzhou.

Q: Can you talk about company’s future developing goals?
Adlai silk of Hetian region has a history of more than two thousand years. Only after it was brought out of Xinjiang, do Adlai silk production households receive a better development. We will continue to seek better development for Adlai silk, and we will continue to work hard to expand the Adlai silk business with unique craft, the gorgeous and colorful designs, made of high quality Adlai silk in the world.

8. Institutional Interview

Time: June 10, 2017

Location: Bageqi community, Gujiangbage district

Interviewee: director of Bageqi community
Q: Could you please introduce the basic situation of Bageqi community?
Bageqi community is included in Hetian Old City. The community covers the area from No.2 Bus terminus on the east to North Gujiang Road on the west, and from Beijing Road on the South to Huojiaxiang on the North; the total area of the community is 0.6 km² and it was formally put into use in May 2008. It was a typical urban-rural integrated community with urban residents and surrounding rural households living together. The community has the total population of 4361 and 1612 households; permanent population is 3678 and 1092 households; 133 rent rooms includes 683 persons and 520 households; the total population of low-income families is 1595 and 567 households (Uyghur is 1428 persons and 497 households, Han is 167 persons and 70 households), moreover, the actual standard minimum living guarantee is 294 yuan/month; the community consists of Uyghur, Han and Hui people of which Uyghur comprises 72.6%, Han comprises 28.4% and Hui comprises 0.01%; the community has 269 shops and 3 Masjid including 1 Ju Jama Masjid and 1 key Masjid of city, and both two Masjids are Rewake Masjids.

Q: How many kinds of subsidies will be provided for residents? And how about the standard?
The total population of Bageqi community is 1595 and 567 households, including over 170 Han people and 70 households and ethnic minorities consists the rest. The subsidy for low-income families is 300 yuan/month, for left behind children is 250 yuan/month, the subsidy will be paid monthly and there is additional subsidy for the elderly by Civil Affairs Bureau. The classification of subsidy includes: 200 yuan/month for the old above 100 and 120 yuan/month for the old above 90; With regard to Labour Bureau, the subsidy for the old above 80 is 50 yuan/month and for the old above 60 is 40 yuan/month.

Q: Please list the reasons of the poverty in community
I consider three aspects about poverty in Bageqi community: (i) Many laid-off workers in enterprises and the lack of job opportunities; (ii) Many vulnerable people in community who are lack of working capacity; (iii) Ethnic minorities are difficult to be employed for poor Chinese proficiency.

Q: How many kinds of employment services are provided to residents? And what about training?
Community will organize Chinese trainings for ethnic minorities by means of publicizing and household service and carry on bilingual education for a period of winter training in rotation. Community will also recommend residents to obtain employment in tailor shops, car washes, restaurants, etc. Some ethnic minorities are also encouraged to go on business on the mainland (selling jade, dry fruit and clothing of native characteristic). Ethnic minority women will be provided with embroidery training and recommended to state-owned enterprise in north of Xinjiang. Hetian government arranges steeling training and hand embroidery in Tongda property management skills training school and 120 residents has participated in steeling training and 100 residents in hand embroidery.

What are the concerns of the people in Tuancheng Area, and how were the concerns in term of women?
After housing upgrading, and living environment improvement, some incremental benefits brought by the upgrading are well perceived by local Uygur residents including: (1) The community will be more attractive for residents and tourists; (2) the land value will be increasing; (3) more opportunities for small tourism related business development.
Local residents, particularly women, are more interested in the opportunities of small-scale tourism and cultural products development brought by the upgrading. They expect the project can provide them with training on cultural tourism skill development training like Atlas product designing and marketing as well as financing support in startup of small businesses like government-guaranteed micro-loan.
Annex 2: Legal Framework for the SEMDP

1. PRC’s Policy on Ethnic Minorities

1. After 1949, the government of the People’s Republic of China adopted a policy of racial equality, and all ethnic groups were equal in law and constitution. But since most ethnic minorities lag behind in terms of social and economic conditions, the government then issued some policies to help them keep up with the han people. Before implementing the policy, the government made a clear and distinguished distinction between the identities of ethnic minorities. Therefore, the policy of the People’s Republic of China was defined by the common language, territory, economic foundation and traditional culture.

2. Before 1949, some ethnic minorities (such as manchuria and zhuang ethnic group) were gradually integrated into the language and culture of the han nationality, but they were still regarded as minorities. Until 1949, many ethnic minorities began to join the official list of ethnic minorities. As long as a minority is officially recognized, they can send a representative to all levels of government. National policies and regulations contain measures to meet the needs of ethnic minorities, including government autonomy at all levels, special emphasis on education and programs for minority development funds.

3. Several established autonomous prefectures and autonomous counties are concentrated in the northwest and southwest areas of three provinces (Guizhou, Yunnan and Qinghai) and five ethnic minority autonomous regions (Inner Mongolia, Xinjiang, Ningxia and Tibet). The 1954 constitution detailed the mechanism of regional autonomy for minority areas. All levels of government agencies have representatives from various ethnic autonomous regions.

4. According to the laws and regulations of the national autonomous region, the main leaders of the minority autonomous regions should be selected from the local minority. The people’s congresses of the autonomous regions have the right to formulate laws and regulations according to local ethnic policies, economic and cultural characteristics. The interests of the national autonomous region on resource development and enterprise development should be guaranteed. The administrative organs in these areas are mainly responsible for the local education, science, culture, health, sports and other undertakings, to distinguish and protect the national cultural heritage and to make the ethnic culture prosperous.

5. In addition to the policy of ethnic autonomy, China has promulgated specific provisions on specific social and economic affairs to respect and protect the rights and interests of ethnic minorities. The legitimate rights and interests of ethnic minorities are guaranteed, but no ethnic oppression is allowed. Ethnic minorities have the right to use and develop their own language to maintain and reform local customs and habits. All Chinese, including ethnic minorities, are free to choose their own religion.

6. Special relief funds, loans, subsidies and tax credits, including lower food taxes, are also available in ethnic minority areas to assist their economic development. Ethnic minorities also benefit from the system, giving them an advantage in the admission of han Chinese universities. In the three provinces of the People’s Republic of China and the concentration of ethnic minorities in the five major autonomous regions of the People’s Republic of China, including xinjiang, the government has given huge subsidies. In 2012, the state council released a few ethnic affairs (plans) for the 12th five-year plan. During the 12th five-year plan period, the state will focus on the issue of ethnic affairs and adopt special policy measures to strengthen the efforts of ethnic
minorities. The main goal of the plan is to narrow the gap between regional GDP per capita and the country's per capita GDP. Improve the living standards of the people; reducing the income gap between urban and rural residents; improving public service capacity, education, cultural services, health care and social security; protecting minority culture; we will improve the theoretical and national legal system of the state policy system and improve the service system for ethnic affairs. Ethnic minorities can enjoy the extra policies, which makes them more likely to go to college than Han people.

7. As the beginning of China's thirteenth five-year plan, the central government formulated the "13th Five-year Plan", which explicitly asked to accelerate the development of ethnic minorities and national regions in the more prominent strategic position, increasing financial investment and financial support, improving infrastructure and the ability of basic public services. We need to support the development of ethnic areas and special economic sectors, strengthen cross-provincial support and support work. We will support the development of ethnic minorities, support the production and development of ethnic special needs, and protect and inherit the traditional culture of ethnic minorities. We will deepen the creation of national unity and progress demonstration zones and promote exchanges and exchanges among ethnic groups. To carry out a well-off life in the ethnic areas and to promote the precise and precise poverty alleviation of the entire population of ethnic minorities, we will carry out conservation and development projects for minority ethnic groups, focus on the construction of a number of ethnic minority villages and ethnic towns, and support the protection and development of traditional handicrafts of ethnic minorities. At present, the national civil commission is conducting extensive public consultation on the preparation of the 13th five-year plan for the promotion of ethnic minority areas and ethnic minorities.

1.2 Government Policy Concerning Ethnic Minorities in Xinjiang

8. In accordance with Constitution of the People's Republic of China and Law of the People's Republic of China on Regional National Autonomy, as an autonomous region in China, the organs of self-government of Xinjiang are the people's congresses and people's governments of autonomous regions. In addition to exercise the functions and powers of local organs of State as specified in the Constitution, they exercise the power of autonomy within the limits of their authority as prescribed by the Constitution as follows: (1) the people's congresses of national autonomous areas shall have the power to enact regulations on the exercise of autonomy and separate regulations; (2) the organs of self-government of national autonomous areas shall take various measures to train large numbers of cadres at different levels and various kinds of specialized personnel; (3) under the guidance of State plans, the organs of self-government of national autonomous areas shall, in the light of local characteristics and needs, work out the guidelines, policies and plans for economic development and independently arrange for and administer local economic development; (4) in accordance with legal stipulation, the organs of self-government of national autonomous areas shall manage and protect the natural resources of these areas and should be given priority to the rational exploitation and utilization of the natural resources that the local authorities are entitled to develop; (5) the organs of self-government of national autonomous areas may pursue foreign economic and trade activities and may, with the approval of the State Council, open foreign trade ports and develop border trade; (6) the organs of self-government of national autonomous areas shall have the power of autonomy in administering the finances of their areas; (7) the organs of self-government of national autonomous areas shall independently develop education, science and technology, culture and art, public health, sports, etc; (8) and among the chairman and vice-chairmen of the standing
committee of the people's congress of a national autonomous area shall be one or more citizens of the nationality exercising regional autonomy in the area, and the chairman of an autonomous region, the prefect of an autonomous prefecture or the head of an autonomous county shall be a citizen of the nationality exercising regional autonomy in the area concerned.

9.  Aligned with the PRC's principle of equality and unity among different ethnic groups, Xinjiang has published series of local laws, regulations and policies, to ensure that all groups, including ethnic groups, have equal opportunities to participate in state and regional affairs administration, freedom of religion, receive education, learning and using each ethnic group's language, inheritance of the traditional rights of ethnic minorities. At the same time, in order to remove the national estrangement from history, we absolutely oppose any form of ethnic oppression and discrimination, and prohibit the destruction of national unity and the act of creating ethnic divisions.

10. In terms of specific daily social and economic affairs, Xinjiang's ethnic minority policies show special regional characteristics. For example, a total of 5 languages are used in radio and television broadcasting for broadcast programs, and 6 languages in books, audio-visual and electronic publications. From 2010, Xinjiang Government enacted a regulation stating that new public officials of the government of all levels must have some skills of using ethnic groups’ language, and will receive more training to improve their bilingual language skills. In terms of the customs of ethnic minorities, Xinjiang also published "The Regulations of Halal Food Administration in Xinjiang Uygur Autonomous Region"; and further enacted special regulations to protect the ethnic groups’ traditional weddings and marriage customs. Freedom of religious belief of all people is also stated in local laws and regulations.

11. In addition, the Xinjiang autonomous region has formulated a series of development planning and action strategies in promoting the social and economic development of ethnic minorities. Such as the Urumqi-Changji regional integrated social and economic development strategy, it also includes the support policies for the minority people's poor, the whole village promotion and the targeted poverty alleviation strategy, and the development of minority ethnic products. In terms of social security policy, ethnic minorities and han people enjoy the same policies and services.

12. This project is located in Hetian city, and the policies of ethnic minorities comply fully with the policy framework and specific requirements of the Xinjiang autonomous region. In addition, during the implementation of the specific policies, it will make some adjustments according to the current situation of social and economic development in the region to better suit the needs of the region.

1.3 ADB's Policy Requirements on Indigenous Peoples

13. The indigenous peoples (IPs) in ADB Safeguard Policy Statement (SPS) (2009) is defined as groups with defined social or cultural identities distinct from that of the dominant or mainstream society. It is a generic concept that includes cultural minorities, ethnic minorities, indigenous cultural communities, tribal people, natives, and aboriginals. Two significant characteristics of IPs are (i) distinct from population groups present in a given area before modern states or territories created, and (ii) maintenance of cultural and social identities separate from mainstream or dominant societies or cultures.
14. Additional characteristics include (i) self-identification and identification by others as being part of a distinct indigenous cultural group, and the display of desire to preserve their cultural identity; (ii) a linguistic identity different from that of the mainstream or dominant society; (iii) social, economic, and political traditions and institutions distinct from the mainstream society; (iv) an economic system oriented more toward a traditional system that of production toward the mainstream production system; and/or (iv) a unique tie with and attachment to traditional habitat and ancestral territory and its natural resources.

15. The ADB’s SPS (2009) recognizes the potential vulnerability of IPs in development processes, and ensures that IPs have opportunities to participate and benefit equally from development. The project activities must ensure that development initiatives affecting IPs are effective, sustainable, and culturally appropriate. Initiatives should be compatible in substance and structure with the affected peoples’ culture and social and economic institutions, and commensurate with the needs, aspirations and demands of affected people. Initiatives should be conceived, planned, and implemented, to the maximum extent possible, including consultation with affected communities to ensure respect for IPs’ dignity, human rights and cultural uniqueness. Projects must avoid negatively affecting IP, and provide culturally adequate and appropriate mitigation when a negative impact is unavoidable. Project strategies and approaches to development that affect IPs must include mechanisms for accurate, objective analysis of their circumstances. Development processes must incorporate transparency and accountability, and encourage the participation of ethnic minorities in project design and implementation.