

Ethnic Minority Development Plan

Ethnic Minority Development Plan
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PRC: Xinjiang Regional Road Improvement Project (Korla-Kuqa Section)

Prepared by Communication Construction Administration Bureau of Xinjiang Uigur
Autonomous Region for the Asian Development Bank (ADB).

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

Xinjiang Regional Road Improvement Project
Ku'erle - Kuche Expressway and Kuche County Local Road

Ethnic Minority Development Plan

**Communication Construction Administration Bureau of
Xinjiang Uygur Autonomous Region**

March 2007

Abbreviations

ADB	:	Asian Development Bank
AP	:	Affected Person (referring to persons affected by resettlement)
EIA	:	Environment Impact Assessment
EMP	:	Environment Management Program
FSR	:	Feasibility Study Report
M&E	:	Monitoring and Evaluation
PA	:	Project Area
PMO	:	Project Management Office
RP	:	Resettlement Plan
XCCAB	:	Xinjiang Communication Construction Administration Bureau
XCD	:	Xinjiang Communication Department
XLRD	:	Xinjiang Land and Resources Department

CN :Chinese currency (yuan) – US\$1.00 = CNY7.70

Endorsement Letter of the Ethnic Minority Development Plan

1. Ministry of Communication and Ministry of Finance have approved Ku'erle - Kuche Expressway Project which is financed by ADB. The project is planned to commence in 2007 and finish in 2010. According to the requirements of ADB, an EMDP for the project should be compiled in accordance with the Social Safeguards Guidelines of the ADB. Communication Construction Bureau of Xinjiang Uygur Autonomous Region, with the assistance of PPTA consultants finished this plan. This EMDP is a key planning document of the project, which is approved and monitored by the ADB.

2. Communication Department of Xinjiang Uygur Autonomous Region authorizes Communication Construction Bureau of Xinjiang Uygur Autonomous Region to be responsible for the implementation of the project and compilation of the EMDP. Communication Construction Bureau of Xinjiang Uygur Autonomous Region asked for the views on the draft of this EMDP from relevant bureaus, departments, governments of towns or townships, and communities and absorbed those views into the EMDP. Communication Construction Bureau of Xinjiang Uygur Autonomous Region confirms the content of this EMDP and will implement the principles, procedures and measures of the EMDP and guarantee the funds required for the implementation of all measures.

(Signature): _____

Director of Communication Construction Administration Bureau of Xinjiang Uygur Autonomous Region _____

Date: _____

Summary of Ethnic Minority Development Plan

A. Introduction

1. This Ethnic Minority Development Plan (EMDP) is prepared to better safeguard all the affected people, regardless their ethnic identities, within the Project area (PA). Adequate provisions to enhance the economic conditions of vulnerable groups have been integrated in Project design. Provisions for special mitigation measures have been included in the resettlement plan. The three counties/city in the PA have a total population of 933,300, and they will directly benefit from the Project. The minority population is 577,900, accounting for 61.92% of the total population. The Uygur people make up 60.85% of the total population, 98.27% of the total minority population. There are also some Hui and Mongol people but they are located in the urban centres are not economically or culturally vulnerable. Therefore, this EMDP targets the rural Uygur population, especially those below the poverty line.

B. Socioeconomic Characteristics of Uygur People

2. **Income and Poverty.** There are 28,823 poor persons in the three project affected counties/city, accounting for 3.09% of the total population. The average rural per capita annual income for the rural resident is CNY3,595 in 2004. By survey on three counties and city along the line, the project involves 2 poverty townships at the autonomous region level, and 75 poverty villages in one poverty township at the autonomous prefecture level. Most poor persons are scattered in numerous villages, but especially those on the edge of the Taklimakan Desert. The poor population is almost all Uygur.

3. **Education.** The school enrolment rate for the three counties/city is beyond 98%, which has basically solved the adult illiteracy except for elderly people. The adult educational level of men and women is the same. The Uygur have good access to education but the quality of education is still lower than Han; the main reason is the lower quality of rural schools.

4. **Health and Medical Treatment.** Today, the rural farmers and herders join the cooperative medical treatment and town residents join the basic medical insurance. The local government pays attention to the health problems of women and children seriously, has established the maternal and child care service centers, and each township(town) sets up clinic and sets relatively perfect medical service system. These actions have lead to a great improvement in the aspect of childbirth health, including the Uygur people.

5. **Gender Aspects.** Generally, the male is the head of a household, which shows the tradition of man ruling the family affairs. Generally, men and women are both engaged in the agricultural labour. Only a few of women go outside the village to work. Over last few years, along with the quick development of social economy, the woman's position of this city goes up year by year and plays a more important role in participating in political affairs, economic activities, construction, etc.

C. Project Impacts.

6. Generally speaking, the Project will bring a lot of benefits to the local minority people. Better transportation condition will (i) improve the access to hospitals and schools; (ii) promote agriculture and tourism industry; (iii) generate more employment opportunities; and (iv) improve the local people's cash income. Small businesses will have better opportunities to prosper and the local people can benefit from the regional economic development. Land acquisition of Ku'erle-Kuche Expressway Project of No.314 National Highway and rural road has impacts on the three counties (cities) of Ku'erle City, Luntai and Kuche counties, 16 townships (towns and State farms), 37 administrative villages and 2 State farms at the county level. The total lands to be requisitioned are 17,169.55 mu, including 101 mu farmland, accounting for 0.59%. The total population affected by the project will be 174 households with 814 persons (with 674 Uygur, accounting 82.8% of the total), of which 117 households with

531 persons are involved in housing relocation. There will be some temporarily unfavorable impacts on residents along the highway, including 700 individual business households and 40~50 gasoline stations along No.314 National Highway. These temporary impacts mainly include the inconvenience for the residents' use of the roads during construction, noise and dust arisen in construction, risk of transmissible diseases, damage to vegetation in construction area, the potential pollution of surface water source, and the temporary disruption to local infrastructure facilities. However, as long as the effective measures and methods are taken, the above-mentioned impacts may be essentially eliminated or relieved.

7. **Uygur Beneficiaries.** The construction of the expressway and local road will promote the regional economy. This EMDP aims at eliminating or mitigating the adverse impact of the project construction on the minority people within the project area and guaranteeing that the minority people benefit from the project construction. The construction of this project will be helpful to improve road and traffic transportation service conditions. The highway construction can stimulate industrial and economic development and raise the land value along the highway. The construction of the project will directly and indirectly create a great deal of employment opportunities. The direct benefit for the minority includes: the improvement of economic condition brought by the project; the enhancement measures taken by the EMDP; and preferential policy of local government and development plans. These measures and policies will benefit the minority families and improve their social and economic development.

8. The survey showed that the Uygur households positively supported the road construction, because they know that this was a major method for their improvement of economic condition, and they believed they would have equal opportunity to benefit from the project. The improvement of traffic condition will promote the development of regional tourism and industry, accelerate the circulation of merchandise and agricultural products, raise farmgate purchase price of agricultural products, reduce the cost of production and consumer items, reduce transport costs for migrant laborers and improve social services.

E. Expectations and Concerns

9. By means of holding meetings and visiting as well as household questionnaires, it shows that as a whole, the minority organizations and residents in project-affected areas are supportive and welcome the project construction. Meanwhile they put forward the following expectations to the project construction: minimizing land acquisition; determining reasonable compensation standard for land acquisition; relocation according to the national and local policies and laws and regulations; the contractor should use the local construction materials and transportation equipment, and absorb the local laborers especially the minority laborers to participate in construction as far as possible; and safeguarding the residents and domestic animals.

F. Proposed Measures

10. In order to eliminate or mitigate the negative influence on the minority and ensure the Uygur people benefit from the project, the principle and goal of this EMDP is to ensure: (i) measures to avoid or mitigate adverse impacts, (ii) measures to enhance positive impacts, (iii) measures to benefit affected Uygur population in a preferential or in an equitable manner, and (iv) measures that protect the Uygur communities and culture.

H . Monitoring and Evaluation

6. **Monitoring and Supervision.** The Project office, the Leading Group, local government at different levels and related organizations will supervise and monitor regularly the implementation and results of the EMDP. New problems discovered and suggestions shall be recorded in the supervision report, and submitted to the Project office, Leading Groups for follow-up actions.

7. The external monitoring unit (the Monitor) will be responsible for independent monitoring and evaluation (M&E) and providing comments and recommendations to the Project office and the Leading groups. The Monitor should investigate by sampling from local Uygur villages, households and businesses every year. Monitoring reports will be prepared based on these investigations and submitted to XCD and ADB annually.

8. **Evaluation.** According to the requirement of ADB, independent evaluation shall be made for the progress and effects of the EMDP to ensure the specified actions are implemented according to the established goal, and whether measures are achieving the objectives. Before the project implementation, the project office will engage the external Monitor, and the Project supervision and monitoring unit will make a plan for systematic evaluation.

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1. General Description

1.1. Project Background

1. The Chinese Government states that efforts in the first twenty years of the 21st century should be concentrated in building a well-off society in an all-round way. Based on the optimization of industry structures and upgrading of efficiency, it should strive to quadruple the gross national product (GNP) in the year of 2020 as compared with that in the year of 2000 and obviously enhance the national comprehensive strength and international competitiveness. The Government lays stress on actively boosting the large-scale development of the western region and accelerating the regional economic development in a coordinated manner. In implementation of the Western Development strategy, a solid foundation should be laid and solid work should be done, focusing on infrastructures and eco-environmental construction, so as to achieve break-through progress with in the coming ten years.

2. In order to realize the target of sustainable economic development in a fast and coordinated manner and the all-round social advancement in Xinjiang Uygur Autonomous Region ("Xinjiang"), the Chinese Government made an important plan for the development and stability of Xinjiang in May 2005. Xinjiang accounts for one-sixth of the nation's total territory, is an area where the people of many ethnic minorities are living, is an important doorway for opening China to the outside world and is a significant reserve zone of natural resources in China. As the rich resources are the important pivot for China's economic development, the Government calls on the relevant government departments to give the priority to Xinjiang in the Western Development, and further enhance the support to Xinjiang. The Government applies various special policy supports to Xinjiang in State investment, financial subsidies, resource exploitation, land use, communication development, foreign trade, taxation, use of cadres and talents, propaganda and culture, science and technology, education, etc., which are suitable to the actual conditions and implementable in Xinjiang. Construction of infrastructures should be speeded up, focusing on the construction of key traffic and transportation facilities including railroads, highways and airports, and construction of energy projects such as "Transmitting Electricity from West to East" project, Sino-Kazastan Oil Pipeline Project, and key hydropower and fossil-fired projects, power grids, etc.

3. Xinjiang has plentiful natural gas and petroleum resources and the sediment basins exploitable for natural gas and petroleum reach 900,000 km². The Second National Assessment on Natural Gas and Petroleum indicates that the oil reserve in Xinjiang is 20.86 billion tons, accounting for 30% of the national total, and the natural gas reserve is 10.3 trillion cubic meters, accounting for 34% of the national total. Expediting the exploitation of oil and natural gas, expansion and strengthening the oil and oil chemical industries are the solution for gearing up the development of new industries. The Tarim Basin, located on the south side of Tianshan Mountains, has a total oil and natural gas reserve of 19.2 billion tons, including 10.8 billion tons of oil and 840 million cubic meters of natural gas, (respectively accounting for one seventh and one fourth of the national total), which will be the main oil and natural gas base superseding the old ones. Ku'erle and Kuche, located at the north edge of the Tarim Basin, are two new and important cities with great potential in development and the key traffic hubs on the highway arteries in southern Xinjiang. The highway connecting these two cities (No. 314 National Highway) is also an important passageway for development of the oil and natural resources in Xinjiang.

4. G314 Highway is the only highway path connecting Urumchi and the southern Xinjiang, and the key route to Central Asia and to Europe. Along with the continuous economic development in the Central Asian countries and Eastern European countries as well as the sustainable economic development and opening and reform in China, Xinjiang will be a new

economic growth engine in China in the 21st century. Along with the commercial exchange between the Asia and Europe, the people will require good transport infrastructure and services. The planned Ku'erle – Kuche Expressway will be favorable for forming the inter-continental highway. The Ku'erle – Kuche Expressway (296.50 km in length) is an important component of the G314 Highway and one of the two key economic arteries in Xinjiang.

5. The existing Ku'erle – Kuche Highway is classified as Grade 2. Although the highway has been rebuilt many times, it can hardly function as a national highway as the traffic volume on the highway has been rapidly increased and the local social economy has been improving as well. In order to meet the requirement of constructing a well-off society with people enjoying fairly comfortable life, carry out the Western Development Strategy, satisfy the requirement of increasing traffic volume, solve the issues concerning agriculture, countryside and farmers in a better way, develop the regional economy, promote exploitation of mineral and tourism resources, the implementation of the project is necessary and urgent.

6. The Project also includes upgrading a local road in Kuche County. The existing countryside road of Wuqia Town- Dunkuotan Township (total length of 30km) is a main passage for residents and villagers in Dunkuotan, Wuqia, Keqilike, Seed Multiplication Farm and southern Talimu, but the road condition is very poor. By the reconstruction of this road, it will raise the transportation capacity of the road greatly, improve the trip condition of local residents, shorten the traffic time, and be more convenient for the connection of villages, towns and counties. It plays a very important role in promoting the local economic development, improving the production and living conditions of local residents, and eliminating poverty.

1.2. Project Description

7. Construction of the Ku'erle – Kuche Expressway for No.314 National Highway and the countryside road is a necessity in realizing the target of building a well-off society in an all-round way, promoting the local economic development, constructing the nationwide highway network, propelling the economic development in the Southern Xinjiang, exploiting the tourist resources along the highway, and fostering new economic growth engine. It will promote the economic development not only of China but also of the Mid Asian countries and other surrounding countries, and good for technical cooperation between the countries.

8. The Project is located in Bayinguoleng Mongolian Autonomous Prefecture and Aksu Prefecture, running from Ku'erle City to Kuche County in Aksu Prefecture via Luntai County. The starting point of the Expressway will connect the end point of the completed Hesuo – Ku'erle Expressway and the ending point is on the west side of Kuche County. The Expressway route will make use of part of the existing roads, and generally runs in an East-West direction. The planned expressway is 296.50 km in length.

9. Refer to Appendix VII for the location map of the Ku'erle – Kuche Expressway and the expressway route sketch. The projects involved in this EMDP include (i) Ku'erle-Kuche Expressway Project and (ii) Reconstruction Project of Wuqia-Dunkuotan Rural Road in Kuche County.

1.3. General Description of Ethnic Minority Development Plan

10. The Ethnic Minority Development Plan aims at (i) eliminating or mitigating the adverse impacts of the Project on the minority people, (ii) guaranteeing that the minority people benefit from the Project (i.e., social inclusion), and (iii) protecting minority communities and culture. This EMDP is based on (i) the investigation results of project land requisition impacts investigation and related resettlement plans, (ii) the results of socio-economic investigation in the project affected area, (iii) meetings and group discussions, and (iv) personal interviews and questionnaires with the minority officials, residents (including male and female), households in poverty, individual business households and religious organizations. The

assessment included both the positive and negative impacts, possibly brought about by the Project construction or operation, on the local society and economy, particularly the Uygur communities. The EMDP for this Project is prepared after extensive consultation with various concerned stakeholders. The EMDP stresses the measures designed to eliminate or mitigate adverse impacts, enhance supportive benefits, and protect the local culture. The EMDP actions will include aspects of poverty relief, encouragement of women's participating in the project and decision-making, maintaining public health and public safety, traffic and tourism development, environmental protection, local agricultural and forestry development, and improved education.

1.4. Policy Framework

1.4.1. Major Policy Framework

11. This EMDP is pursuant to relevant laws or regulations related to ethnic minorities of PRC, the policies for ethnic minorities and involuntary resettlement of the ADB and relevant regulations of the Xinjiang Uygur Autonomous Region, which are shown in Table 1-3.

Table 1-1 Major Policy Framework

Type	Major Laws and Regulations	Main Contents and Points	Remark
Relevant Laws and Regulations of PRC and Relevant Regulations of Xinjiang Uygur Autonomous Region	<ul style="list-style-type: none"> ➤ <i>Constitution of PRC</i> ➤ <i>Ethnic Minority Autonomous Religion Law of PPC</i> ➤ <i>Village Committee Composition Law of PRC</i> ➤ <i>Regulation of PRC for the Administration of Ethnic Minority Autonomous Township</i> ➤ <i>the Tenth Five-year Scheme for Ethnic Minority Enterprise Development</i> ➤ <i>Regulation of Xinjiang Uygur Autonomous Region for Language Work</i> ➤ <i>Regulation of</i> 	<ol style="list-style-type: none"> 1. Except for the common rights that are shared equally by all local governments, the local autonomous governments share these additional rights: autonomously making laws, local political affairs self-administration, local economy self-administration, local finance administration, local science, education and culture self-administration, local public safeguard force self-composition, and use and development of ethnic minority language, etc.; 2. People of PRC have the right to practice their chosen religion, which is protected by national government and local autonomous government; 3. Development of administration systems and regulations to promote the development of the economy and culture of ethnic townships, assure ethnic minority legal rights and strengthen the union among all ethnic groups; 4. Except those specifically deprived of political rights, all people over 18 years old share the rights to vote or be voted for, regardless of their ethnic group, nationality, sex, occupation, family, religion, education, property, or residence period; 5. The national government should assist to accelerate the development of the economy and 	

Type	Major Laws and Regulations	Main Contents and Points	Remark
ADB	<p data-bbox="412 327 646 590"><i>Xinjiang Uygur Autonomous Region for the People's Congress of Autonomous Township, Ethnic Township and Town</i></p> <p data-bbox="412 1178 646 1360"> ➤ <i>Ethnic Policy of ADB</i> ➤ <i>Involuntary Resettlement Policy of ADB</i> </p>	<p data-bbox="672 327 1214 632">culture of ethnic minorities from the aspects of finance, materials and techniques, etc.;</p> <p data-bbox="672 407 1214 632">6. All ethnic groups have the right to use their indigenous language; they are guaranteed the freedom of using and developing their indigenous language, and to advocate and encourage all ethnic groups to learn their language.</p> <p data-bbox="716 653 1214 800">The major objective of the ADB ethnic minority policy is to guarantee that ethnic minorities benefit from the project. The main content of this policy is:</p> <p data-bbox="672 827 1214 1472">1. ADB notices that the socioeconomic conditions and living standard of ethnic minorities are always lower than others. Under the conditions of compliance with the sovereignty of the borrowers, ADB believes it has the responsibility to ensure that ethnic minorities have the right to share equal opportunities and; that their activities and assistance for developing countries should not bring negative impacts on the culture, living conditions or incomes of ethnic minorities. The projects financed by ADB will possibly bring potentially negative impacts on the ethnic minorities of the project area. Therefore, ADB require the borrower to have an EMDP to ensure the project is in coherence with its ethnic minority policy during the period of project implementation.</p> <p data-bbox="672 1486 1214 1902">2. The EMDP should describe the socioeconomic characteristics of ethnic minorities that are affected by the project, and determine the positive and negative impacts induced by the project. The EMDP should consider minimizing the negative impacts through project design plan modification and/or; adopt relevant measures to avoid and alleviate negative measures to strengthen the benefits that ethnic minorities obtain. In addition, the EMDP includes relevant procedures for project</p>	

Type	Major Laws and Regulations	Main Contents and Points	Remark
		<p>implementation, monitoring and evaluation.</p> <p>ADB Resettlement policy:</p> <ol style="list-style-type: none"> 1. If possible, involuntary resettlement should be avoided. If involuntary resettlement is unavoidable, it is essential to research into all feasibly substituted plans to minimize the number of APs; 2. It is essential to offer equal land, houses, infrastructure and other forms of compensation to communities suffering negative impacts, which include ethnic minorities and herds-people. Moreover, it is also necessary to provide APs with sufficient resources and opportunities so as to reconstruct their houses and restore their livelihood as soon as possible, to a condition equal or better than before the project. 3. As for the plans for resettlement and compensation, APs should be completely informed and fully consulted. 4. Particular attention should be given to the requirements of those persons who are living in extreme poverty and those vulnerable groups who otherwise at risk. Often such people own no land or property, are female headed households, old or disabled people and other vulnerable groups. These groups should be offered targeted assistance to improve their socioeconomic status. 	

1.4.2. Ethnic Minority Policy Analysis - China and ADB

12. All relevant policies and laws and regulations of China are comparable with ADB objectives; that are, centered on the equality and development of ethnic minorities, and pay special attention to the development of the ethnic minority economy, society and culture, with the view of maintaining the rights of ethnic minorities and promoting their socioeconomic status.

13. Regarding project implementation, the policy of China and the one of ADB are mainly concerned with public participation and consultation. In the phase of project preparation, implementation and monitoring, it is essential to pay close attention to the views, attitudes and expectations of ethnic minorities. Therefore, throughout project implementation, it is necessary to pay particular attention to public participation, especially the participation of vulnerable groups, such as women and poor people, so as to assure their benefit from the project.

2. Natural and Socioeconomic Conditions in the Project Area

2.1. Natural Situation

14. The Project Area includes Ku'erle City, Luntai County and Kuche County.

15. **Ku'erle City** is located at hinterland of Xinjiang Uygur Autonomous Region, at the south foot of Tianshan Mountain, the northeast edge of Tarim, on Kongquehe alluvial plain, neighboring Bohu County in the east, bordering Luntai County in the west, linking Yanqi Hui Nationality Autonomous County in the north and Weili County in the south, at longitude 85°14' ~86°34' and altitude 41°11' ~42°22'. The land area in Ku'erle City is 7,117 km².

16. Ku'erle City is located at the middle latitude zone on northeast edge of Taklimakan Desert in the Tarim Basin. Its plain has the warm continent dry climate of temperate zone, and Huola Mountain area has cold and dry and half-dry climate of high mountain area. It has rich sunshine resources and heat resources, violent changes in cold and hot temperature, rare precipitation, rapid evaporation, dry air, and much gale. The yearly sunshine is 2793 hours for the west and 2951 for the east of Ku'erle City. Ku'erle City has crops mainly of wheat, corn, paddy, cotton, oil crop, and vegetable, etc.. The cotton is the major economic crop. The oil crops are mainly of rape, flax, safflower, and sunflower, etc. The agricultural production includes two-harvests for up to 70% of wheat area, mainly planted with crops of wheat-corn, wheat-rape, wheat- sunflower, and wheat - soybean.

17. **Luntai County** lies on the south slope of Tianshan Mountain, with a gross area of 14,511 km² (110 km long from the east to west and 136 km wide from the south to north). The county is divided into three sections of the north mountain area, the central oasis plain and south Tarim plain.

18. Luntai has the warm continent arid climate of temperate zone, with the average temperature of 10.6°C for the middle plain. The plain has the maximum temperature of 40.5 °C in summer and the min. temperature of -25.5°C in winter, the average temperature difference of 14.7°C. The mountain area has the yearly precipitation of 242.5 mm, and the plain has the yearly average precipitation of 51.9 mm. The yearly average evaporation is 2072 mm, yearly sunshine of 2777hours, and frost-free period of about 188 days.

19. The crops in Luntai County are wheat, corn, and cotton, etc., in which, the wheat is the first main grain crop, the corn is the second main grain crop, and the cotton is the main economic crop. The county has one-harvest annually basically. The summer harvested crops are wheat mainly as well as rape, lucerne and muskmelon and autumn harvested crops are corn, cotton, paddy, tobacco, Calutta herb, and soybean, etc.

20. **Kuche County** is located at the south of middle Tianshan and the north edge of Tarim, at longitude 82°34'~84°25' and latitude 40°49'~42°38'. It has the continuous mountains in the north, vast Taklimakan Desert in the south, and boundless plain. The whole county has a gross land area of 15,200 km², in which the south plain accounts for 53.8% of the total county area and the north mountainous region 46.2%.

21. Kuche County is at the temperate zone, and rich in heat resource. It has dry climate and sparse precipitation, hot in summer and dry and cold in winter, great yearly and daily temperature difference, and belongs to the continent dry climate of temperate zone. The yearly sunshine at Kuche County is up to 2925 hours. The yearly average temperature in the plain region is 11.4°C, highest in July, average temperature 25.8°C, coldest in January, average temperature - 8.0°C. The yearly frost-free period is 266 days, and the yearly average precipitation is 67.3 mm for the plain area and 150 - 300 mm for the mountain area, and the yearly evaporation is 2863 mm.

22. Kuche County has main crops of wheat, corn and cotton, in which, wheat is the first main grain crop, corn is the second grain crop, cotton is the main economic crop; and other crops are paddy, sorghum, glutinous millet, soybean, rape, Calcutta hemp and safflower, etc., but the planting area is not large.

2.2. Socioeconomic Situation

2.2.1. Regional Socioeconomic Situation

(1) Bayinguoleng Mongolia Autonomous Prefecture

23. Bazhou governs 8 counties of Luntai, Weili, Ruoqiang, Qiemo, Yanqi, Hejing, Heshuo and Bohu and Ku'erle City. The capital of autonomous prefecture is at Ku'erle City. By the end of 2004, it has 3 administrative management districts, 5 street agencies, 23 townships, 1 nationality town and 61 towns.

24. By the end of 2004, it has a permanent residential population of 1,148,467 from 372,147 households (1.95% and 3.53% increased than that in last year), the natural population growth rate of 7.33‰, and the minority population of 486,934 (accounting for 42.4% of the total).

25. In the year of 2004, it has a total output value of CNY22.7×10⁹, 13% increased than that in last year. The value added in three industries are: CNY4 ×10⁹ for the primary industrial, 11.5% increased than that in last year; CNY14.4 (10⁹ Yuan for the second industry, 13.7% increased than that in last year; and CNY4.3 (10⁹ Yuan for the tertiary industry, 11% increased than that in last year. The total output value for the farming, forestry, animal husbandry, and fishery is CNY7.436 (10⁹ Yuan. The net income per capita for the rural resident is CNY3866, with an annual increase of CNY348. In 2004, the area for crops is 248,400 ha, 12.4% increase from last year. Through structural optimization, the grain area increased 33.5% to 58,300 ha, and the total output is 336,300 tons, a 25.5% increase. The output of cotton is 208,100 tons, a 20.3% increase.

(2) Akesu Prefecture

26. Now Akesu Prefecture has 1137 administrative villages, 45 agricultural and forest farms and pastures, 82 town(ship)s, 8 counties (Kuche, Xinhe, Shaya, Baicheng, Wensu, A'wati, Wushi and Keping), and Akesu City. Akesu City is the political, economic and cultural center for the district and is the seat of leading offices of the Communist Party, government and army. Akesu City is located west of the Project Area.

27. By the end of 2004, it has a total population of 2,227,700, 34,298 persons more than that in last year. It has a natural population growth rate of 10.23‰, and the minority population of 1,648,600 (accounting for 74 % of the total).

28. In the year of 2004, it has a total output value of CNY20.0 ×10⁹, a 15.98% increase from last year. The shares in three industries are: CNY6.086 ×10⁹ for the primary industrial, a 5.97% annual increase; CNY8.464 ×10⁹ for the second industry, a 23.8% annual increase; and CNY5.453×10⁹ for the tertiary industry, a 15.8% annual increase. in output is 1.1522 million tons. The net income per capita for the rural resident is CNY2779 Yuan, a CNY271 annual increase.

2.2.2. Socioeconomic Conditions in Project Area

(1) Ku'erle City

29. Ku'erle City is the capital of Bayinguoleng Prefecture. It is about 471 km away from Urumchi by highway, 603.55 km by railway, and 347 km by air. It administers 3 regional farms, 5 street agencies, 5 garden spots, 2 townships, and 9 counties.

30. By the end of 2004, the total population of Ku'erle City is 422,300, in which, the agricultural population is 174,800, accounting for 41.4% of the total. The minority population is

129,300, accounting for 30.62% of the total. In the year of 2004, the natural population growth rate is 7.8‰.

31. By the end of 2004, it has a farmland area of 795,000 mu, the farmland per capita for agricultural person of 4.55 mu, the total grain output of 44,479 tons, and the grain output per capita of 254.4kg. In the year of 2004, Ku'erle City has a total output value of CNY17,398.28 million, a 23.57% annual increase. In which, the total output value is CNY1,176.49 million for the primary industry (6.76% of the total and 7.11% increase); CNY13,252.58 million for the second industry (76.17% of the total and 27.70% increase); and CNY2,969.21 million for the tertiary industry (17.07% of total and 14.07% increase). The net income per capita for farmer or herdsman is CNY4530, a 11.36% annual increase. See Table 2-1 Basic Social and Economic Conditions in Ku'erle City for details.

Table 2-1 Basic Social and Economic Conditions in Ku'erle City

Item	Unit	In 2003	In 2004	Increment rate (%)
I. Population				
1. Total households	household	138872	144998	4.41
2. Total population by the end of the year	person	407621	422272	3.59
Of which: non-agriculture/percentage	person /%	169867/41.7	174816/41.4	2.91
Of which: minority/ percentage	person /%	122194/30.0	129314/30.6	5.83
3. Natural population growth rate	‰	8.37	7.8	
II. State land area	km ²	7117	7117	0
III. Comprehensive economic index				
1. GDP	10 ⁴ Yuan	1407956	1739828	23.57
The primary industry / percentage	10 ⁴ Yuan /%	109844/7.8	117649/6.7	7.11
The second industry / percentage	10 ⁴ Yuan /%	1037811/73.7	1325258/76.2	27.70
The tertiary industry / percentage	10 ⁴ Yuan /%	260301/18.5	296921/17.1	14.07
2. Total output value in agriculture and industry	10 ⁴ Yuan	1361107	1705295	25.29
Of which: agriculture	10 ⁴ Yuan	193347	211513	9.40
industry	10 ⁴ Yuan	1167760	1493782	27.92
IV. Agricultural production				
1. Cultivated land area	mu	720000	795000	10.42
2. Grain output	ton	45332	44479	-1.88
3. Grain holding per capita	kg	266.9	254.4	-4.68
4. Cultivated land area per capita for farmer	mu	4.24	4.55	7.31
5. Average income per capita for farmer or herdsman	Yuan	4068	4530	11.36

(2) Luntai County

32. Luntai County, with an area of 14,511 km², is the traffic center for Nanjiang, and has National Road No. 314, Nanjiang Railway and the desert highway passing through. By the end of 2004, it administers 7 townships, 4 towns, 64 administrative villages, and 3 State farms. The total population is 96,941 (2.24% more than last year), in which, the agricultural population is 71,669, accounting for 73.9%, and minority population is 80,901, accounting for 83.5% (1.1% more than last year). In 2004, the natural population growth rate is 10.13‰.

33. By the end of 2004, the total cultivated land area is 271,500 mu, the average cultivated land per capita for agricultural person is 3.79 mu, the annual grain output is 44,813 tons, and the average grain output per capita is 625.3 kg. In the year of 2004, the gross output value is CNY1,042.44 million (35.97% annual increase), in which the gross output value is CNY382.07

million for the primary industry, (36.65% of the total and 7.84% increase); CNY459.34 million for the second industry (44.06% of the total and 98.64% increase); CNY201.03 million for the tertiary industry (19.29% of total and 10.97% increase). The net income per capita for farmer or herdsman is CNY3699, 11.11% increase from last year. See Table 2-2 Basic Social and Economic Conditions in Luntai County for details.

Table 2-2 Basic Social and Economic Conditions in Luntai County

Item	Unit	In 2003	In 2004	Increment rate (%)
I. Population				
1. Total population by the end of the year	person	94816	96941	2.24
Of which: non-agriculture / percentage	person /%	70189/74.0	71669/73.9	2.1
Of which: minority / percentage	person /%	80044/84.4	80901/83.5	1.07
2. Natural population growth rate	‰	9.93	10.13	
II. State land area				
	km ²	14511	14511	
III. Comprehensive economic index				
1. GDP	10 ⁴ Yuan	76668	104244	35.97
The primary industry / percentage	10 ⁴ Yuan /%	35428/46.2	38207/36.6	7.84
The second industry / percentage	10 ⁴ Yuan /%	23124/30.2	45934/44.1	98.64
The tertiary industry / percentage	10 ⁴ Yuan /%	18116/23.6	20103/19.3	10.97
2. Total output value in agriculture and industry	10 ⁴ Yuan	104983	160761	53.13
Of which: agriculture	10 ⁴ Yuan	56006	60760	8.49
industry	10 ⁴ Yuan	48977	100001	104.18
IV. Agricultural production				
1. Cultivated land area	mu	268500	271500	1.12
2. Grain output	ton	44488	44813	0.73
3. Grain holding per capita	kg	633.8	625.3	-1.34
4. Cultivated land area per capita for farmer	mu	3.83	3.79	-1.04
5. Average income per capita for farmer or herdsman	Yuan	3329	3699	11.11

(3) Kuche County

34. Kuche County, with an area of 15,200 km², is 448 km away from Urumchi by a straight line and 753 km away by a highway, and 227.5 km away from Akesu City by a straight line to the west. Kuche County, a gateway for four prefectures in Nanjiang and a center to connect Beijing with Nanjiang as well as a freight center, has two national roads (National Road No. 314 goes through the county and National Road No. 217 connects with south and north of Tianshan Mountain) intersecting within the boundary and Nanjiang railway going through the county. By the end of 2004, it administers 5 state-owned farms, 6 townships and 9 towns. The total population is 414,000 (2.01% annual increase), in which, the agricultural population is 310,830 (75.07% of total and 1.52% increase), and minority population is 365,952 (88.38% of total). In 2004, the natural population growth rate is 10.18‰.

35. By the end of 2004, the total cultivated land area is 750,900 mu, the average cultivated land per capita for agricultural person is 2.42 mu, the annual grain output is 206,203 tons, and the average grain output per capita is 663.4 kg. In the year of 2004, the gross output value is CNY2814.52 million (16.35% annual increase), in which the gross output value is CNY666.30 million for the primary industry (23.67% of the total and 5.24% increase); CNY1,056.89 million for the second industry (37.55% of the total and 27.68% increase); and CNY1,091.33 million for the tertiary industry (38.78% of total and 13.91% increase). The net income per capita for farmer or herdsman is CNY3045, a 9.81% annual increase. See Table 2-3 Basic Social and

Economic Conditions in Kuche County for details.

Table 2-3 Basic Social and Economic Conditions in Kuche County

Item	Unit	In 2003	In 2004	Increment rate (%)
I. Population				
1. Total households	household	95592	98041	2.56
2. Total population by the end of the year	person	405894	414060	2.01
Of which: non-agriculture / percentage	person /%	306189/75.4	310830/75.1	1.52
Of which: minority / percentage	person /%	354330/87.3	365952/88.4	3.28
3. Natural population growth rate	‰	9.14	10.18	
II. State land area				
	km ²	15200	15200	0
III. Comprehensive economic index				
1. GDP	10 ⁴ Yuan	241898	281452	16.35
The primary industry / percentage	10 ⁴ Yuan /%	63313/26.2	66630/23.7	5.24
The second industry / percentage	10 ⁴ Yuan /%	82779/34.2	105689/37.6	27.68
The tertiary industry / percentage	10 ⁴ Yuan /%	95806/39.6	109133/38.8	13.91
2. Total output value in agriculture and industry	10 ⁴ Yuan	275851.56	335585.9	21.65
Of which: agriculture	10 ⁴ Yuan	120597.06	129615	7.48
industry	10 ⁴ Yuan	155254.5	205970.9	32.67
IV. Agricultural production				
1. Cultivated land area	mu	784350	750900	-4.26
2. Grain output	ton	214136	206203	-3.7
3. Grain holding per capita	kg	699.4	663.4	-5.14
4. Cultivated land area per capita for farmer	mu	2.56	2.42	-5.47
5. Average income per capita for farmer or herdsman	Yuan	2773	3045	9.81

2.2.3. Basic Production and Living Conditions of Adversely Affected Residents

36. The project land acquisition and house relocation will affect 814 persons of 174 households at 37 administrative villages in 16 townships (towns, farms) of three counties (Ku'erle, Luntai and Kuche) and at two county-level farms. In order to grasp accurately the production and living conditions of residents in the project area, the project survey working team takes out 77 sample households with 412 persons totally (from 20 villages of Shanghu Town, Ku'erchu Farm and Tuobuliqi Township, Qunbake Town, Tierekebazha Township, Luntai Town, Yangxia Town, Akesa Township, Erbatai Farm, Yaha Town, Wuqia Town, Dunkoutan Township) in the project affected area by random sampling method. A detail survey on their production and living condition was made. Among 77 sample households, 74 households with 400 persons are Uygur, accounting for 97.1% of samples, and 3 household with 12 persons are Han nationality, accounting for 2.91% of samples. In sample households, 10 sample households are from Ku'erle City, 38 sample households from Luntai County and 29 sample households from Kuche County.

37. The statistical information in survey shows that project area is at the agricultural developing area in Nanjiang, therefore, yearly average income per capita in sample households is up to 3240Yuan and 75.92% of the annual income is from the farming, orchards, animal husbandry, and sidelines. The sample households engaged in the orchards and animal husbandry have more income than others. For example, the sample household, Wubuli (Aishan from Manquluke Village in Tierekebazha Township of Luntai County, has yearly

family income of 15000 Yuan in total, with yearly average family income per capita 3950 Yuan (higher than the family only engaged in agriculture). Family Average Net Income Per Capita is indicated in Table 2-4.

38. Through survey by sampling, the living conditions are found as follows: housing area per capita is 35 m²; conditions on producing and living facility as below: most of families have electrical illumination and running water but use coal and firewood as fuel and keep warm completely with heatable brick bed, only a part of households have the cable TV and half of them have telephones; conditions on farming and animal husbandry: land area per capita is 3.16mu, grain holding per capita is 508.78kg; and conditions in the family durable goods: most of families have TV, but only some families have radio-recorder, refrigerator, washer, etc. See Appendix I for survey and statistics of basic production and living conditions of the sample households.

Table 2-4 Family Average Net Income Per Capita

Family average net income per capita (Yuan)	Household	Proportion (%)
Between 1000-1500 Yuan	2	2.60
Between 1500-2000 Yuan	2	2.60
Between 2000-2500 Yuan	8	10.39
Between 2500-3000 Yuan	25	32.47
Between 3000-3500 Yuan	16	20.78
Between 3500-4000 Yuan	16	20.78
>4000 Yuan	8	10.39
Total	77	100.00

3. Ethnic Minority Conditions in Project Area

3.1. Distribution and Composition of Ethnic Minorities in the Project Area

(1) Ku'erle City

39. Ku'erle City, as the capital of Bayinguoleng Mongol Autonomous Prefecture, is the political, economic, cultural, education and information center, and is one of two key cities to be developed in Xinjiang Uygur Autonomous Region. By the end of 2004, it has 23 nationalities of Han, Hui, Uygur, Mongolian, etc., the population is 422300 and minority population is 129314, accounting for 30.62% of the total. Among them, Uygur is the main nationality and other nationalities of Hui, Mongolian, and others. By the year of 2004, Ku'erle City has Uygur of 108,985 persons, accounting for 84.28% of the total minority population; Mongolian nationality of 5,611 persons, accounting for 4.34%; Hui nationality of 11,016 persons, accounting for 8.52%; others of 3,702 persons, accounting for 2.86%. Except for the Uygur, most of the Han, Hui, Mongolian and other minorities live in the urban area. See Table 3.1 Minority Composition Conditions at Towns (Township and Farm) and Administrative Villages along the expressway alignment.

40. By the end of 2004, it has minority population of 52,370 persons in the urban areas, accounting for 40.50% of the total population, and 76,944 persons in the rural areas, accounting for 59.50%. In which, Uygur in the urban areas are 35,333 persons (accounting for 32.42% of total) and in rural areas are 73,652 persons (accounting for 67.58%); Hui nationality in the urban areas are 9,159 persons (accounting for 83.14% of total) and in rural areas are 1,857 persons (accounting for 16.86%); others in the urban areas are 7,878 persons (accounting for 84.59% of total) and in rural areas are 1,435 persons (accounting for 15.41%). Distribution Condition of Main Minorities in Ku'erle (2004) is shown in Figure 3-1.

Table 3-1 Minority Composition Conditions at Affected Towns and Administrative Villages

Town (ship)	Administrative village	Total population	Minority composition (person)				
			Han	Uygur	Hui	Mongolia,	Others
Shanghu township		5860	3323	2472	46	3	16
	Shanghu	1377	781	581	11	0	4
	Dadunzi	1357	770	572	11	0	4
Ku'erchu garden spot		2877	1422	1445	10	0	0

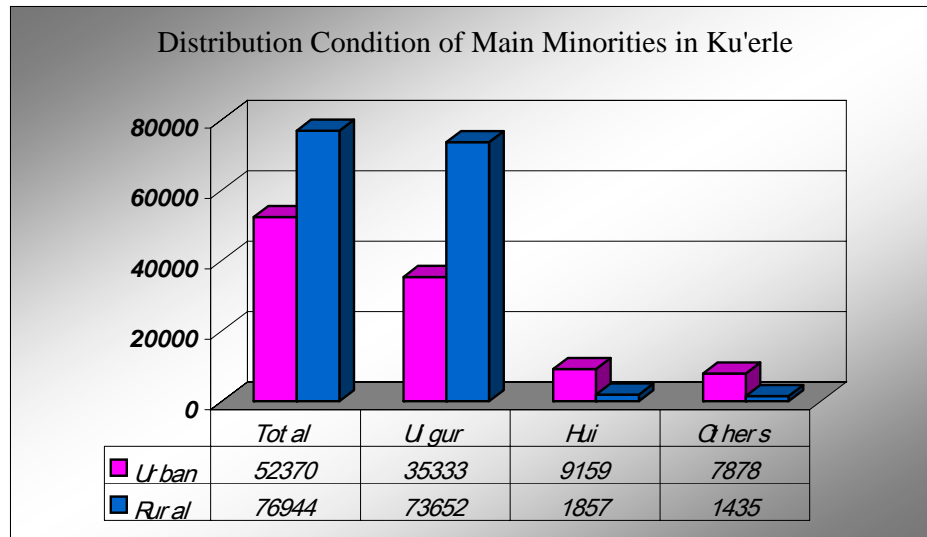


Figure 3-1 Distribution Condition of Main Minorities in Kuerle

(2) Luntai County

41. It has 17 minorities of Uyghur, Hui, Kazakh, Mongolin, etc., but Uyghur is by far the major nationality in the county. By the end of 2005, the county has a minority population of 82635 persons, accounting for 84.24% of the total of 98,098, of which, 82,136 persons are from Uyghur, accounting for 99.4% of total; 357 persons are from Hui nationality, accounting for 0.4%; and 142 persons are from others, accounting for 0.2%.

42. Han and Uyghur nationalities are distributed over 12 town(ship)s and farms, and Hui, Kazakh and Mongolian nationalities are mainly located in Luntai Town. The minority in urban areas (Luntai Town) are 10,359 persons, accounting for 12.5% of the total, and in the rural areas (town) are 72,276 persons, accounting for 87.5%. Of which, Uyghur in urban areas are 10,030 persons (accounting for 12.2% of the total Uyghur) and in the rural areas are 72106 persons (accounting for 87.8% of the total Uyghur); Hui nationality in the urban areas are 258 persons (accounting for 72.3% of the total Hui nationality persons) and in the rural areas are 99 persons (accounting for 27.7% of the total Hui nationality persons); and others in the urban areas are 71 persons (accounting for 50.0% of the total) and in the rural areas are 71 persons (accounting for 50.0%). Distribution Condition of Main Minorities for Each Town(ship) is shown in Table 3-2. Minority Composition Conditions in Towns (township) and Administrative Villages along the expressway alignment are shown in Table 3-3. Distribution Condition of Main Minorities in Luntai (2004) is shown in Figure 3-2.

Table 3-2 Distribution Condition of Main Minorities for Each Town(ship)

Town(ship)	Sub-total	Uyghur	Han	Kazakh	Hui	Mongolia	Xiba	Russia	Wizibike	Manchu	Others
Total	98098	82136	15463	7	357	40	7	5	4	21	58
Luntai Town	19102	10030	8743	7	258	36	7	4		17	
Dadaonan	13528	12501	990		33	3		1			1
Ha'erbake	10596	10204	382		9						
Qunbake	12580	10440	2108		6	1			4		21
Akesalai	5738	5161	563		14						

Town(ship)	Sub-total	Uyгур	Han	Kazakh	Hui	Mongolia	Xiba	Russia	Wizibike	Manchu	Others
Ta'erlake	4673	4050	614		9						
Yangxia	11143	10700	414								29
Tierekebazha	9453	9295	153		1						4
Cedaya	6253	5563	665		23						2
Yeyungou	3412	3165	246		1						
Lunnan	478	30	440		3					4	1
Caohu	1142	997	145								

Note: others include 9 nationalities of Chuang, Miao, Korea, Tu, Tujia, Dong, Yi, Li. and Lisu (most are recent migrants to cities or State Farms).

Table 3-3 Minority Composition Conditions at Towns (township) and Administrative Villages

Town (ship)	Administrative village	Total population	Minority composition (person)				
			Han	Uyгур	Hui	Mongolia	Others
Qunbake Town		10136	2108	7996	6	1	25
	Nuoqiaoka	1724	0	1724	0	0	0
Ta'erlake Township		4277	614	3654	9	0	0
	Ta'erlake	1364	0	1364	0	0	0
	Kumudun	1038	0	1038	0	0	0
Yangxia town		11143	414	10700	0	0	29
Tierekebazha Township		9172	153	9014	1	0	4
	Manquluke	1582	0	1582	0	0	0
Cedaya township		6238	665	5548	23	0	2
Yanyungou Township		3168	246	2921	1	0	0
	Talike	852	0	852	0	0	0
	Yeyungou	1106		1106			

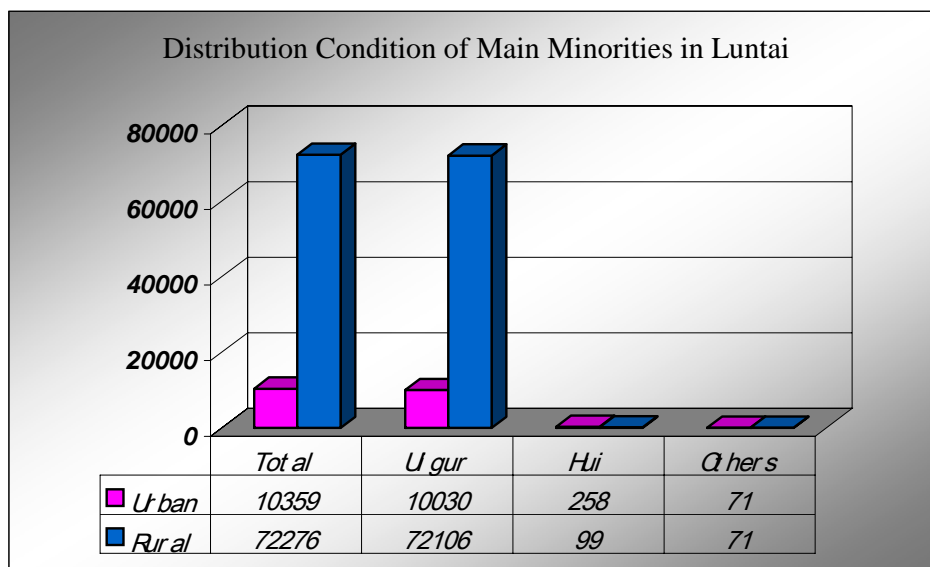


Figure 3-2 Distribution Condition of Main Minorities in Luntai

(3) Kuche County

43. Kuche County has 21 minorities now but the vast majority is Uygur. By the end of 2004, the county has a minority population of 365,952 persons, accounting for 88.38% of the total, of which, 363,055 persons are from Uygur, accounting for 99.21% of the total; 2,340 persons from Hui nationality, accounting for 0.64; and 557 persons from others, accounting for 0.15%. Minority Composition Conditions at Towns (Township and Farm) and Administrative Villages along the expressway and local road alignments are shown in Table 3-4.

44. The minority population in the urban areas is 51,325 persons, accounting for 14.03% of the total minority population, and that in the rural area is 314,627 persons, accounting for 85.97%. Of which, Uygur in urban areas are 49,205 persons (accounting for 13.55% of the total Uygur population) and in the rural areas are 313,850 persons (accounting for 86.45% of the total Uygur population); Hui nationality in the urban areas are 1736 persons (accounting for 74.19% of the total Hui population) and in the rural areas are 604 persons (accounting for 25.81%); and others in the urban areas are 384 persons (accounting for 68.94% of its total) and in the rural areas are 173 persons (accounting for 31.06%). Distribution Condition of Main Minorities in Kuche (2004) is shown in Figure 3-3.

Table 3-4 Minority Composition Conditions at Towns (Township and Farm) and Administrative Villages

Town (ship)	Administrative village	Total population	Minority composition (person)			
			Han	Uygur	Hui	Others
Erbatai farm		4148	1332	2797	14	5
Yaha town		28810	505	28294	0	11
	Quele'ahuti	467	0	467	0	0
	Yahayi	1344	0	1344	0	0
	Mazabage	670	0	670	0	0
	A'kebuya	1162	0	1162	0	0
	Yuqiyujimai	1071	0	1071	0	0

Town (ship)	Administrative village	Total population	Minority composition (person)			
			Han	Uygur	Hui	Others
	Suirunleke	592	0	592	0	0
Wuzun town		27360	936	26389	35	0
Yixihala Township		27443	1406	25849	108	80
	Kumu'airige	2575	0	2575	0	0
	Shangbijake	1672	0	1672	0	0
	Kaheqi	1507	0	1507	0	0
	Duomitibake	1225	0	1225	0	0
	Xiamalibake	2730	0	2730	0	0
	A'remaili	2236	0	2236	0	0
Wuqia town		25386	1637	23749		
Keqilike farm		629				
Seed multiplication farm		2714				
Dunkoutan town		15175	1442	13733		

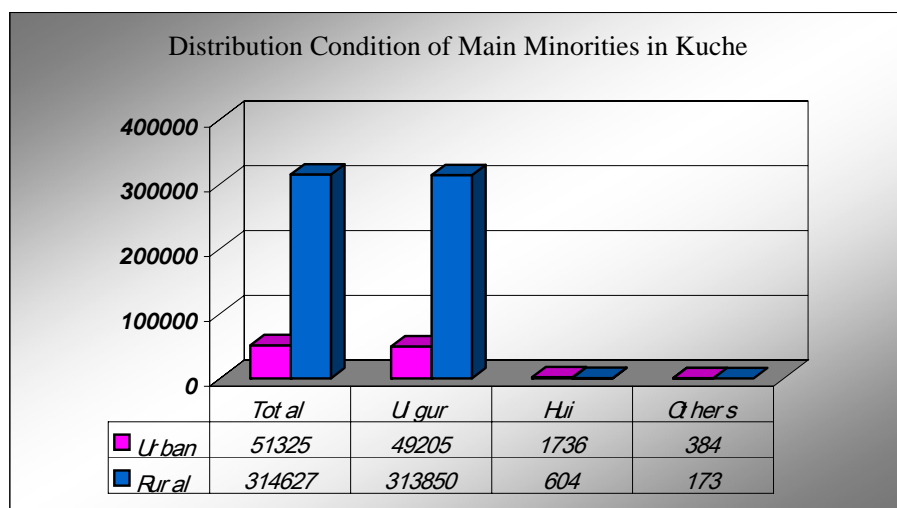


Figure 3-3 Distribution Condition of Main Minorities in Kuche

3.2. Economic Features of Ethnic Minorities

45. Among 77 sampling households, only 3 households are of Han nationality, the rest 74 households are all Uygur. The sampling and survey scope covers villages along the highway and out off the highway. The information from relevant county statistics bureaus shows that most of local residents are Uygur, and the Uygur in Kuche and Luntai counties accounts for 80 % of the total population. The working team has made detail analysis for the social and economic characteristics of the local minorities by visiting the national religious affair bureau, site survey to collect data and analysis for the sampling households. Though there exist differences between the Uygur and the Han at the aspects of family property, education level of the laborers, production method, income level, poverty, consumption concept, trip mode and family work division, etc., but the economic differences are not great in principle. The Uygur people are renowned as herders but have taken up farming since the 1950's. For detail survey and analysis data, please see Appendix II.

3.3. Cultural and Living Features of Minority

46. In order to actually reflect the cultural and living features of minority at the project affected area, during this survey, the survey group put out 53 copies of "Social Questionnaire to Minority" in total and had 53 household responses, and had symposiums with local residents repeatedly. Through sorting and comparison, it is thought of that the inquired results basically reflect the true conditions of minorities in the project affected areas. The social questionnaire is shown in Appendix IV.

47. The nationality in the project affected areas is mainly of the Uygur, which has its own unique characteristics in the aspects of language (spoken and written), living habits, religion and belief, wedding and funeral, etc. The Uygur's cultural characteristics are shown in Attachment V.

3.3.1. Language

48. Uygur language belongs to the Turki Austronesian, Altai Phylum and has 36 characters, which is written from right to left. Since 1964, Xinjiang had popularized the new writing instead of the original Arab writing. In the year of 1983, the people's government of autonomous region made decision to stop the new writing through meeting and resume the old one. The standard modern Uygur language has no much difference for different areas, except Uygur language in Kashi as well as in Weili and Qimo at Bazhou. Hui nationality speaks Chinese language in general.

49. In the project affecting area, Uygur language is in the important position equal to Chinese language, especially in the rural area centralized with Uygur, the role of national language is most important obviously. By survey, it is found that the most of families hope their children to have bilingual education (Chinese and Uygur language) because of easily getting job (bilingual talent is needed) and exchanging ideals with other nations for those having bilingual language. In the local, besides a few of schools teaching by Chinese language, others are nationality schools.

50. During survey, the bilingual billboard and notes are found and can be understood easily. In some town(ship)s, the annual agricultural statistical report and economic statistical report is written in two languages, and in most of towns(ship)s, main cadres can exchange their ideals in two languages.

3.3.2. Family Living

51. The following are the living characteristics of the Uygur:

52. Clothes: Uygur is particular about the clothes. The men often wear an unbuttoned robe (called "Qipan") outside their shirt with square webbing tied around their waist and all favor the boot (overshoes for seniors) and tetragon cap (or leather cap) embroidered with black and white or colored silk threads in traditional Uygur designs. Women like skirt no matter in winter or summer, wear stockings and leather boots, decorated on the head with a crescent shaped comb. Now garments pattern varies, men wear suit, jacket or slack suit, have worker's cap, hat or cap on the head, and favor leather shoes. Women are dressiness in the garment style and have the clothes in good quality and colorful.

53. Food: Uygur minority has Puluo (pancake of wheat or corn flour), Latiazi (rice cooked with mutton, carrots, raisin, etc and eaten with hands), Shamusa (roasted steamed bun), Pitipimanta (the mutton steamed stuffed bun with thin skin), mutton eaten with hands, fried noodles, noodle with soup, noodles cooked with meat and vegetables as well as water, Youtazi (a kind of fired wheat food), Michangzi (sheep gut filled with rice), Mianfeizi (sheep lung filled with powder), and the mutton shish kebab (which is reputation food). They have pancake of wheat or corn flour and butyric tea for breakfast, wheaten food as well beef and mutton for lunch and dinner. They like to eat vegetables of onion, carrot, tomato, cowpea, etc. mainly.

54. Housing: the earth-wood structural house with one-floor, with lighting from top window but only a door without windows on the walls, and door avoiding from the west direction. Now, the house styles vary, it has windows on the walls, the construction material for housing structure also changes to brick-concrete from earth-wood. The house has simple fitment, heatable brick bed, stove constructed at one end of the heatable brick bed at near room, the alcove on the wall, and tapestry. They have stove and fiery wall in winter for heating. Along with the raising of people's living level, the family appliance of TV, etc. also enter into ordinary households. Their fitment is developed to beauty and magnificent from utility gradually. They plant grape, flowers and fruit trees in courtyard and construct the earth platform (covered with blanket) at two sides of door to enjoy the cool and sleep in summer.

55. Traveling: by walk or riding animal-drawn vehicle. The animal-drawn vehicle, with the rubber tire and bearing, is portable so that each household is equipped with donkey-drawn vehicle. The town(ship)s have the bus for communication, and a lot of persons have motorcycles, bicycles popularized for a long time.

3.3.3. Religious Faith

56. Every nationality keeps its own traditional religious faith. Nationalities in the project affecting area keep the religious faith of Islam mainly. Kuche County, the project affected area, possess 609 religious places (including a Christianity hall and 88 mosques) and has the religious personages of 778 and the religious masses up to 100000 persons.

57. Uygur believe Islam mainly, each village has a mosque and religion presider (a senior with a prestige), and old persons do their lessons in the mosque every morning. The mosque in each village is only used for worshipping of themselves, and Islam Christian from other village cannot take charge of village presider.

3.3.4. Marriage

58. Marriage and Mourning: it is as that: the family population of minorities, such as Uygur nationality, etc., is large. Though not prohibiting to marry with other nationality, it has less intermarry between different nationalities and the local religion presider (a senior with a prestige) would oppose his clansman to marry with persons in other nationality in normally.

59. In the past, Uygur youth was married under arrangement of their parents. Since 1950th, youth fall love at first and then ask "go-between" to propose a marriage. Their wedding ceremony is ceremonious, holding at the bride's home at the first, Imam reads the marriage certificate and holds "Nika (a kind of ritual)" in public, then the bride goes to bridegroom's side and enters into the bridal chamber by striding over the fire pile and walking through the red carpet. The following morning, the person of bride's parents will send dumplings, and bridegroom's side will have banquet. The 3rd day, the bride goes to her parents' home, called returning home, at that time the wedding ends.

60. Burial: for Uygur it is as that: no coffin is adopted. Funeral goes on according to the dharma of Islam, the dead person will be put on corpse bed by bedsheet or blanket after being cleared with water, and then be carried to a mosque or graveyard by men (women can not go to mosque or graveyard). It is Iman to hold the funeral and have patter, After funeral, the dead person is put into pit, with the head at the east, feet at the west and face to Baitul-Atiq direction. Iman is invited for patter and relatives and friends are invited at "Naizi'er" (fete) after 3 days, 7 days, 40 days of burying and in anniversary.

61. In generally, the local dead persons are buried in a concentrated place. If it needs to move grave, religious ceremonies must be carried out and efforts shall be made on ideological work.

3.3.5. Traditional Festivals

62. The traditional festivals for Uygur are mainly of "Rozi hey" and "Corban". "Rozi hey" is

also called as Lasser Bairam festival. Before Lasser Bairam festival, they shall have no fire and no eating at daytime for one month. On Lasser Bairam festival, people resume to have eating at daytime after the fast-month expired. It is considered as a kind of merits and some religiosity followers even not have a drip of water in daytime. Corban Festival is known as the Day to Slaughter Animals and is held on the 70th day after "Rozi hey". On the first day morning of Corban, the Muslims will go to mosque for prayer and grave. Afterwards, they will return home to butcher sheep and cows and cook the meat for welcoming guests at any time. The Moslems clad in their holiday best to celebrate the festival and pray devoutly for a better life.

63. Lasser Bairam Time: it is a great traditional festival for Hui nationality on the first day of the 10th month on Islamic calendar. Early in the morning, male over 12 years go to mosques to hear sermon from Iman and then visit friends and relatives with convey greetings. "Corban" Festival is held on the 70th day after fast-month, i.e. 10th of the 10th month on Islamic calendar. The Muslims will have their bodies cleaned, change clothes and go to mosque for prayer. Afterwards, they will return home to butcher block sheep, which is divided into two portions: one is for the others or guests and the remainder for the family feast. Whitsunday, on 12th of 3rd month on Islamic calendar, it is the birthday and pass day of Mohammed, Islamic founder. On that day, Muslem masses will go to mosque to hear sermon from Iman and eat Youxing (nan).

3.4. Ongoing Ethnic Minority Development Programs Implemented by Local Governments

64. All activities in the autonomous region/prefecture/county of People's Republic of China are to be led with the minority development. Namely, the key task of autonomy government is to promote the development of minority. Kuche and Luntai counties have minority populations over 80% and the minority population in Ku'erle City also accounts for 30%. Therefore, each county(city) has its own overall program and professional plan to support the minority development, these professional development plans include: poverty reduction plan; agricultural and forestry development plan; industry development plan; woman development plan; children development plan; education development plan; traffic development plan; ecological environment development program; culture development program; and public health development plan. The ongoing ethnic minority development programs implemented by local governments are shown in Appendix V.

4. Analysis of Project Impacts

65. The main purposes of the Project are to improve the transportation conditions of the autonomous region, mitigate traffic congestion status and meantime perfect the transport conditions of the State trunk line and international thoroughfare as well. While the construction of Kuerle-Kuche Section of No.314 National Highway and the local road upgrading in Kuche County will greatly promote the local social and economic development, the Project may result in some unfavorable impacts on some residents along the highway, especially ethnic minorities. All the three counties (cities) of Kuerle, Luntai and Kuche involved in the project are inhabited by Uygur people.

66. This section analyzes the potential Project impacts on the local Uygur people, both positive and negative, and during construction and operation. The impact analysis considers the following types of project impacts:

- (1) permanent impacts or losses (i.e., land acquisition and house relocation);
- (2) temporary impacts or social risks during project construction;
- (3) post-construction operational impacts; and
- (4) project benefits that may either harm minorities or, if generally positive, may not benefit the Uygur in an equitable manner.

4.1. Analysis of Permanent Impacts and Loss due to Land Acquisition

67. Land acquisition of Kuerle-Kuche Expressway Project of No.314 National Highway and countryside road has impacts on the three counties (cities) of Kuerle City, Luntai and Kuche counties, 16 townships (towns and farms), 37 administrative villages and 2 farms at the county level. The expressway crosses mainly gobi desert and wilderness meadow, with only a small amount of farmland and a few villages distributed along some road sections. The land of all kinds to be requisitioned totals 17,169.55 mu, including 101 mu farmland; 20.6 mu garden plots; and 482 mu woodland. 117 households with 531 persons are involved in housing relocation and the houses of all kinds with a building area of 35,286.51 m² are required to be demolished. The land acquisition has impacts on the gas stations (15 stations), scattered fruit trees as well as some electric power and communication facilities. The impacts caused by land acquisition include: (a) loss of farmland, (b) impacts on grasslands and animal husbandry, (c) damage to irrigation and drainage networks, (d) relocation of residential housing, and (e) impacts on commercial businesses.

A. Loss of Farmland

68. The project-requisitioned farmland and garden plots are in Luntai County and Kuche County. Farmland acquisition concerns Nuoqiaoka Village in Qunbake Town of Luntai county, Manquluke Village in Tierebazha Township, Bositan Village of Yangxia Town, Yeyungou Village in Yeyungou Township, Erbatai Farm in Kuche County as well as Mazabage, Suirunleke and Yuqiyujimai villages in Yaha Town. The requisitioned farmland accounts for 0.3% of the total farmland area of the project-affected villages. The requisitioned garden plots only concern Mazhabage in Kuche County and the requisitioned garden plot area accounts for 11.44% of the total garden plots of the project-affected villages and the per capita garden plot holding will decrease by 0.03 mu. Overall, the requisitioned farmland and garden plots will not bring severe impacts on the agricultural production and land use planning of the areas along the highway. The requisitioned farmland and garden plot amount of each household is less than 15% and there are few impacts on the production and living of the residents in the land acquisition-affected areas.

69. The land losses will affect 174 households with 814 persons, of which 674 persons are Uygur (82.8%) and the rest are Han. The impacts of land acquisition and rehabilitation

measures are addressed in detail in the Resettlement Plans for the expressway and the Kuche local road.

B. Impact on Grasslands and Animal Husbandry

70. The income from animal husbandry of the affected villages by land acquisition only accounts for 12% of the total economic income (i.e., the affected villages rely more on cash crops). All the requisitioned grasslands are deserted natural meadows and they represent only 0.22% of the total of the affected townships, so the economic impact is negligible. The grassland quality is not good and the capacity for animal husbandry is relatively low. It is preferable to compensate in cash. The payment of the compensation fee will help the meadow construction fund, which can be used to improve local grassland quality and create better conditions for the local animal husbandry. Except for a small loss of farm production and animal husbandry, the other income of villages has not been affected.

C. Damage to Irrigation and Drainage Networks

71. The irrigation and drainage facilities of the villages along the alignment have well developed irrigation networks. The land acquisition and road construction will result in some damage to the irrigation systems. However, with the rehabilitation of the affected infrastructure and implementation of resettlement plan, the productive and living system in the affected area will be quickly restored and the infrastructure improved, so the impacts of the project construction will be temporary and mitigated to avoid any income losses; if any losses are incurred, compensation for lost crops will be paid by the Project.

D. Relocation of Residential Houses

72. 117 households with 531 persons are involved in housing relocation and the houses of all kinds with a building area of 35,286.51 m² are required to be demolished.

E. Impacts on Commercial Businesses

73. There are 700 individual business households and 40~50 gasoline stations along Ku'erle-Kuche No.314 road. The construction of highway will promote the regional economy at certain level but could also have certain negative influence on the road economy.

74. The most of gasoline stations along Ku'erle-Kuche No.314 road belong to China National Petroleum Corporation (CNPC), each gasoline station supplies gasoline from 3 to 10 tons/day. By survey on the operation, it shows that private gasoline stations are not competitive because of its operating pattern and management as well as reputation; so that among them, 4 private gasoline stations closed. By survey on distribution, it shows that the sales volume of stations near the county is higher than that in other places. The sales volume for gasoline stations of China National Petroleum Corporation in Yeyungou and Cedayan Township is less than 3 tons/day, but for those nearby county passenger stations is over 10 tons/day. By sampling and visiting the gasoline stations of CNPC, China Petroleum & Chemical Corporation (hereafter referred to as "Sinopec") and private gasoline stations, it shows that the customers are mainly local vehicles, vehicles in petroleum service profession and in local transport for quarrying, as well as long-distance transportation vehicles.

75. The business of gasoline stations in Luntai County does not rely on the vehicles transiting the area, as over 70% of sales volume is for the local vehicles, especially vehicles in petroleum service profession and in transportation industry for quarrying. The business of gasoline stations in Ku'erle and Kuche obtain 50% of sales volume from the transit vehicles.

76. The individual business households along both sides of No.314 Highway are engaging in catering service, coal trade, vehicle maintenance, dry-fruit shop and grocery. Most of individual households are from Uygur nationality mainly, accounting for 80%, from Han nationality is in second, and a few of them is from Hui nationality. Among them, female owners account for 30% and female owners from Uygur nationality account for 24%. For the

restaurants, most of the customers are from the transit vehicles. For example, at outside of Tierekebazha township, there are the individual restaurants scattered to supply Poluo and Latiaozi (noodle), with price of 10 Yuan for each person, its major service is for persons of driving transportation vehicles (it has a large area in front of the restaurant for washing and stopping of vehicles for reason of inconvenience for large-size transportation vehicles to stop in the town), and over 80% business is from the transit vehicles. At two sides of Yangxia Town, there are a few individual shops that mainly sell the local preserved apricot; its sales quantity mainly relies on the transit vehicles (including transportation vehicle and tour buses). Therefore the construction of the highway will have a great impact on them. The service of individual repairing shops along both sides of the national road at the outskirts of the town is mainly for the local agricultural vehicles and some material transportation vehicles and its service content is only to repair tires, so that they will not be impacted greatly by construction of the expressway. The overhaul for vehicles is carried out by the large-size maintenance shop in the county town.

4.2. Analysis of Temporary Impacts or Social Risks During Project Construction

77. The project construction phase will cause some temporary impacts or social risks on the surrounding Uygur communities and residents, including 700 individual business households and 40~50 gasoline stations along No.314 National Highway. These temporary impacts mainly include: (a) inconvenient road conditions for the residents, (b) noise, dust and vibrations caused by construction machinery, (c) risk of transmissible diseases due to the construction workforce, (d) community relations with construction workers, (e) damage to vegetation in construction area, (f) the potential pollution of surface water source, and (g) disruption to local infrastructure facilities.

A. Inconvenient Road Conditions

78. The construction of the expressway will cause disruption to the existing road network, including the use of No. 314 Highway and crossroads. The upgrading to the local road in Kuche County will also cause some temporary delays. Such impacts will need to be avoided or reduced by providing temporary detours, which will inconvenience the local people as well as the transit traffic. Local residents and businesses may also be affected by these detours and temporary access roads. Road safety may also be a problem unless proper signage and traffic control is implemented by XCD or their contractors.

B. Noise, Dust and Vibrations

79. The construction machinery and related civil works will cause noise, dust and vibrations which may affect local residents and businesses. The expressway is located away from most residential areas but some will be affected, especially Yangxia Town. Provisions will be required to reduce impacts, limit construction hours and compensation for any damages.

C. Risk of Transmissible Diseases

80. The issues of HIV/AIDS and other transmissible diseases are the serious concerns in the world and in China. The evaluation team has consulted with the Public Health Department of the Autonomous Region and searched various information sources and found that the Xinjiang is one of the Chinese provinces (autonomous regions) where there are more HIV cases exist (ranking 3rd or 4th). Since 1995 when the first HIV case was found in Xinjiang, the epidemic situation has been expanded rather rapidly. Today, most HIV/AIDS patients are found in Urumchi and the counties and cities directly under Yili Kazak Autonomous Prefecture. In the Project Area, the number of cases is not large but numbers have increased year by year at Akesu Prefecture and Bayinguole Mongolian Autonomous Prefecture, as well as Kashi and Changji Prefecture. The infected persons are mostly adults, and over 80% are infected due to injected drug users using shared needles. By June 30, 2006, an accumulated number of over 16,000 HIV cases were reported in Xinjiang, including over 500 AIDS patients and

about 100 patients had died. In recent years, with the support of the State and the help from relevant international organizations, the Xinjiang Government has carried out many measures including publicity on media and intervention, and established a prevention system in the principle of “guided by the government, coordinated by multi-departments, and participated by the broad masses”. The government adopts the measures including popularization of using 100%-safe condoms, safe needle disposal, and medical screening and treatment (the medical aid and social assistance for AIDS patients are standardized and paid by government). Some international organizations have also successively started cooperation with local government in this field. Therefore, the HIV/AIDS prevention and treatment in Xinjiang is continuously improving and awareness has increased significantly.

81. It is reported that in the project area, Kuche County in Akesu prefecture is a high HIV/AIDS infected area. With the cooperative efforts of various departments of the county and the help of society, an HIV/AIDS prevention mechanism by broad masses has been established, and the self-protection awareness of the masses is strengthened. Together with the increasing concern on HIV/AIDS prevention and continuous cracking down on drug use, the situation of HIV/AIDS prevention is getting better.

82. The Project expressway will require a peak workforce of about 4000 persons during the 3 year construction period. About 1000 will be skill workers that are associated with the contractors. Of the 3000 unskilled workers, at least 50% will be hired locally. This means about 2500 workers will come from outside the Project Area. Compared to other expressway of railway projects, this is not a large workforce. Also, the Project Area receives thousand of short-term and long-term migrant workers every year for the oil and gas industry and the harvest season (i.e., cotton and grapes). Consequently, the influx of outside workers will not cause significant adverse impacts on the local communities. However, there is still an increased risk of transmissible diseases. Therefore, some preventive measures should be taken for the construction workforce and the local communities.

D. Community Relations with Construction Workers

83. With the influx of 2500 construction workers from various parts of China, there is some potential for adverse social relations with local communities. Security problems could increase and there may be lack of respect for local people and their properties, especially the Uygur traditions. Most construction workers would likely spend more time in the larger urban centres, so this impact is not expected to be significant but it will still need to be mitigated and monitored to ensure good relations between construction workers and the local Uygur communities.

E. Damage to Vegetation in the Construction Area

84. During construction, the civil works and the construction camps may lead to some damage to the local vegetation. This will be minimized to the extent possible, and any damage from dust or trampling of vegetation will be compensated by contractors to affected persons.

F. Pollution of Surface Water Sources

85. The construction camps will potentially cause pollution to local water sources, for example oil spills or improper disposal of wastes. This concern has been addressed in the EIA and contractors will be required to follow strict procedures to prevent pollution. This will be monitored as part of the Project’s Environmental Management Program (EMP).

G. Disruption to Local Infrastructure Facilities.

86. The Project expressway will cross a number of local roads, power lines, communications lines, water supply lines and oil & gas pipelines. These facilities will either be relocated temporarily to ensure uninterrupted services, or will be replaced and restored as quickly as possible. Most infrastructures will be replaced by the local agency responsible, and the cost

will be paid by the Project. However, some local water supply, electricity lines, local roads and irrigation and drainage canals may be owned by villages, in which case the Project contractor will replace and restore the facilities to the original or improved function, which is covered in the Project cost. XCD and the Project contractors will need to liaise with the local communities closely to ensure there is no serious or prolonged disruption of their services.

4.3. Analysis of Post-construction Operational Impacts of Project

87. Once the Project is completed, the traffic flows will be allowed to increase without any congestion and thus can travel at faster speeds. The improved road facilities will support better and more transport services, such as trucking, bus service and transit centres. In turn, this will enable the local economies to grow faster. This section analyses the potential impacts on the local Uygur communities, which may include: (a) increased drug trafficking, (b) increased HIV/AIDS amongst truck drivers, (c) loss of local Uygur traditions due economic development, (d) increased traffic accidents, and (e) reduced job opportunities for local people after construction.

A. Drug Trafficking

88. The issue of drug trafficking is a serious concern in the world and in Xinjiang, and so the risks should be assessed and, if necessary, addressed in this Project. Xinjiang Region is on the northwest of China, neighboring with many foreign countries. With such a special geographical position, Xinjiang is for long time facing the attack of drug trafficking from the two major drug bases “Golden Triangle” and “Golden New Moon” areas. The drug trafficking cases are getting increased in recent years, therefore, the additive-originated HIV/AIDS infection is accordingly getting more prominent. In order to control the peril and crash down the drug smuggling, the Xinjiang Government are making strong efforts to hold back the expansion trend of this peril.

89. The construction of the project will improve the regional traffic conditions, promote the local economic development, thus, the living and production conditions of the local people will be much increased, which will play an active role in publicity of the knowledge of drug use prevention, intervention of the smuggling, quick and effective cracking down of the drug-smuggling crime.

B. HIV/AIDS Amongst Truck Drivers

90. The new expressway will facilitate increased truck traffic through the Project Area. Truck drivers are considered a high risk group for HIV/AIDS. However, the expressway will actually speed up the transit of trucks through the Project Area, which means less risk to local communities. Regarding truck drivers, there is already a national HIV/AIDS awareness campaign, so this Project will cause no incremental impacts. Nonetheless, XCD, as a member of the HIV/AIDS regional awareness program, will continue to promote awareness at its service centres along the Xinjiang Highway network.

C. Loss of Local Uygur Traditions

91. The expressway will help open the Project Area to faster economic development. However, the expressway is not the cause of such growth; instead, it facilitates the current rapid pace of economic growth that stems from oil & gas development, and the related industrial development that has started. This has already greatly changed the cities of Ku'erle, Luntai and Kuche, and they continue to expand rapidly. Obviously, there have been some changes to the local communities along No. 314 Highway and this will continue in the future. However, this does not appear to have threatened the traditional customs and values of the local Uygur people which are still based on agriculture. This is likely due to the remoteness of the region and the fact that 80% of the rural population is Uygur; consequently, the changes in the urban centres have not affected the rural lifestyle to the same extent. However, rural incomes are growing some the local Uygur are benefiting indirectly from the economic growth.

Consequently, the expressway is not expected to have a significant adverse impact on the local Uygur society.

D. Traffic accidents

92. In 2005, there were 35 significant transportation accidents along national highway 314 sections in Kuerle County; 48 persons died, 8 persons were injured and the direct economic loss was CNY600,900. Owing to the construction of the project, the road traffic condition will be greatly improved because separated lanes and restricted vehicle access are adopted, management of road operation is strengthened, and road safety enforcement is increased (i.e., Xinjiang already has a very strict program for speed control). As a result, even though average speed will increase, the traffic accident rate on the expressway will be greatly reduced compared with the existing highway.

93. However, the local road safety is still an issue due to the mixing of motorized and non-motorized vehicles and pedestrian traffic. During the social survey, it was observed that local villagers have the habit of enjoying cool and rest at the roadside, the improvement of road surface and rising of vehicle speed may increase problems for safety on the upgraded road. Many Uygur households still use horse drawn carriages. Therefore, there is a need for increased road safety education for drivers and local communities, and the use of speed controls and signage. XCD has agreed to improve road safety measures along the local road in Kuche, and apply similar measures to other local roads in the Project Area. The measures of deceleration installation shall be adopted nearby villages and the areas centralized with pedestrians. The Project intends to reclaim the material storage area and temporary land acquisitioned by mixing plant for the road construction as a rest place after completion; the locations will be determined in consultation with Uygur villagers. Also, local schools will work closely with the Public Security Bureau (PSB) to provide road safety education to local communities. PSB also has a national road safety program for drivers.

E. Job Opportunities for Local People After Construction

94. The local Uygur communities will benefit from the workers hired during the construction of the roads. However, when the Project is completed, these jobs will disappear. Fortunately, the economic growth in the Project Area is created new employment at a much faster rate. The Uygur people may not get employed due to lack of work experience. Therefore, those hired during road construction will gain valuable experience which will enable them to find better employment locally. Others may decide to go outside for employment not that they gained new skills and confidence with working with national contractors.

4.4. Analysis of Impacts of Project Benefits

95. The Project construction not only improves the local traffic conditions but also promotes development of the local social economy and transportation industry, increases employment opportunities and accelerates development of tourism and energy resources. Indirectly, the income and livelihoods of the local residents will be raised. This section analyses the project benefits to assess whether they could adversely affect the Uygurs (i.e., culturally inappropriate) or, if generally positive, whether they benefit the Uygur in an equitable manner (i.e. adequate social inclusion). The main impacts on the local social and economic development include the following aspects: (a) land use, (b) economic development, (c) transport services, (d) employment.

A. Impacts on Land Use

96. Though some farmland and garden plots, house sites, woodland and meadow are requisitioned for the project, land acquisition for the expressway gives priority to the wasteland in the gobi desert. The expressway can stimulate industrial and economic development and raise the land value along the highway and moreover it will result in great changes in land use in the areas along the highway and make full use of the unused land.

97. Now, Yakela petroleum base in Yaha Town of Kuche County is in developing step by step, and it is planned to construct a simple passage at Yakela (section K69 5 + 700) to facilitate transportation of the crude oil. Due to convenient traffic and rich resources, more and more enterprises will enter and stay there and trade and catering service will also be developed correspondingly so that the useless gobi desert will have greater developing space.

98. Such developments are inevitable due to the large oil and gas industry. The expressway alignment provides opportunities to concentrate industrial development near interchanges and to utilize the wasteland or meadow areas. In this manner, the industrial development will occur along this corridor without affecting the Uygur rural economy (herding and farming) and their communities.

B. Impacts on Economic Development

99. The expressway will provide convenient traffic conditions; therefore, it lays a firm foundation for the regional resources and economic development along the highway and forms the advantage of regional development, both urban and rural. The main impacts on regional economy are shown as follows:

100. **Promoting the agricultural development of the areas along the highway.** The Project Area has long sunshine, which is suitable for crop growth and the climate can guarantee the maturation of grain, cotton, rapeseed and fruits. The agricultural and sideline products are mainly sold to other parts of China, except for part sold in the own county and city. The convenient and rapid traffic furnished by the expressway will certainly accelerate the circulation of agricultural products and information exchange, impel the continuous improvement and optimization of agricultural production structures, make the agricultural products accommodate to the market demands and therefore promote the agricultural development and increase output value. See Table 4-1.

Table 4-1 Output of Main Agricultural and Sideline Products in Project Area (2004)

Item	Unit	Ku'erle City	Luntai County	Kuche County
I. Grain crops				
(i) corn	ton	22509	44813	206204
(ii) Bean	ton	26		
II. Oil crops	ton		29	1012
III. Cotton	ton	41270	21358	49028
IV. Potato	ton	566		3803
V. Vegetable	ton	91679		35021
VI. Fruit	ton	61606	62571	149019
VII. Other crops	ton	27321		12661
VIII. Livestock by end of year	10 ⁴ head	26.25	35.52	40.71

Note: The blank means there was no statistical data available.

101. The sweet-pear has the thin skin and cannot be bumped, or it will spoil. Therefore, it has high requirement on the good road condition. The sweet-pears are packed with multi-cover, packed in double-layer paper box with paper and foam net, so as to reduce the spoilage during transportation. The sweet-pears are transported through highways, which takes 3 or 4 days for transporting from Ku'erle to Beijing and 5 days from Ku'erle to Shenzhen. After the construction of the expressway, the transportation time from Luntai and Kuche will

also be shortened and the losses will be reduced.

102. Though it is not easy for transportation of sweet-pear, it's very easy for storage. Now, 90% of sweet-pears are kept in the cold storage to realize the year round supply. The fresh-keeping storage capacity in Ku'erle reaches 180,000 tons. Ku'erle becomes a fresh-keeping storage and transportation center for sweet-pears and other fruits in southern Xinjiang. The sweet-pears from Bazhou and south Akesu area are transported to Ku'erle for storage, and then sent to markets throughout China. Therefore the construction of expressway will facilitate for the fruit to be transported from Luntai and Akesu area to Ku'erle for the cold storage, or new facilities may be developed in those centres (e.g., for apricots, grapes or meat products).

103. Such improvements to the agricultural sector will directly benefit the Uygur communities, enabling increased emphasis on cash crops which will raise the incomes of the rural households. At the same, the herding industry will be able to continue, although a declining number of young people may choose this livelihood. However, the rural communities can thrive since agricultural livelihoods will be more prosperous.

104. **Facilitating the economic (industrial) zones.** With the advantage of the expressway, the economic and industrial districts will be set up gradually along the corridor, which will impel the formation of high and new-technology industries and increase of enterprises along the highway, change the original economic layout, improve the industrial development including the Kuxi industrial park of Ku'erle City and Layisu chemical district in Luntai County, and Kuche Economic Zone. The project construction will promote the formation of the economic zone in the areas along the highway, make the rural population and labors transfer to towns and non-agricultural industries, lower the proportion of the primary industry in regional economy and raise that of the secondary and tertiary industries. At present, the direct employment in oil and gas development is quite specialized and capital intensive, so it does not employ many Uygur. However, as the industrial base diversifies, there will be greater employment opportunities for the local Uygur.

105. **Impelling the commercial prosperity of the area.** The convenient traffic brought by the expressway facilitates commodity circulation, propel market development, form a series of large-scale commodity markets to enhance the urban and rural commodity transaction, promote comprehensive development of agriculture and develop gradually towards urban integration. Now the fruit packing profession for sweet-pears, white apricot, etc. develops quickly in Ku'erle. Along with construction of the expressway, plenty of fruits in southern Xinjiang will be transported to Ku'erle easily, and the fruit packing profession will be developed.

106. Ku'erle is the distributing centre for important agricultural materials in southern Xinjiang. The markets of seed, chemical fertilizer, farming tools, etc., will be developing quickly, which will be benefit for the areas of Akesu, Kashi and other places. Plenty of the agricultural products in southern Xinjiang will be transported from Ku'erle through the highway. Therefore the construction of Ku'erle highway will facilitate the transportation of agricultural materials, and be benefit for the agricultural development in southern Xinjiang, especial Akesu area. The reduction of transportation cost will reduce the price of the agricultural inputs and production information and increase farmgate prices, so all Uygur farmers will be benefited greatly.

107. Facilitating development of tourism. The development of tourism industry has a close relation with the improvement of traffic condition. The construction of highway will promote the flow of people and goods. Now, the passenger flow directions in Xinjiang include: (i) Kashi from Urumchi by airplane, and back Urumchi via Kashi - Kuche - Ku'erle by train or bus; and (ii) by bus from Urumchi - Ku'erle - Kuche - Kashi - Urumchi. The construction of Ku'erle to Kuche expressway will improve the traffic condition so the visitor quantity will increase and the

travel business for cities along the line will be developed. Improvement of traffic conditions makes the existing historic sites (such as the historic relic of Guici Grotto in Kuche County) and scenic spots (such as Longchi Natural Scenic Spot in Kuche County) developed and therefore improves tourist and investment environment and promote tourism development. This will create some opportunities for the local Uygur people to benefit, since their cultural traditions also attract many tourists. These developments can be planned by the Uygur communities to ensure their cultural traditions are protected and not exploited.

C. Influence on Transportation Industry

108. **Benefit of transportation cost reduction.** It is the principal internal benefits calculated for the highway projects. It refers to the benefits in cost saving in the aspects of maintenance fee, tire and fuel in comparison with the former highway owing to the upgrade of the highway technical grade. After the expressway project for No. 314 National Highway completed, the speed for buses and heavy trucks will be up to 50 km/h, therefore the transportation costs of buses and heavy trucks will drop 10.18% and 12.81% respectively. The calculation herein may be not exactly, but it is undoubtedly that rising of highway grade can make the transportation cost reduced.

109. When the residents in Dunkuotan Village go to Kuche County, they shall pass through Wuqia - Dunkuotan highway. If the road condition is good, the ticket price is 5Yuan / person according to fees decided by transportation management department, now because of bad road condition in some sections of the highway, the drivers, considering of operation cost of vehicle wear, oil and time, are not willing to carry out standard of 5Yuan/person, the cost from Dunkuotan to Kuche County is increased to 7Yuan/person. After the completing of Wuqia- Dunkuotan road, the cost from Dunkuotan to Kuche County will be reduced to 5Yuan/person. As that the local building material, production information, living appliance etc. shall be purchased from the county, at that time, transportation cost will also be reduced and farmers will be directly benefited from project construction.

110. **Benefit of transportation time saving.** Constructing a high-grade special automobile highway instead of common highway of mixed traffic may greatly save the time of passengers, goods and drivers. The efficiency in transportation time saving is the result of calculating the saved time by the "with and without analysis" method and then measuring the value due to time saving with opportunity cost. After the highway line technical grade raised to expressway grade from original Grade II, the design speed will be raised to 100 ~ 120km/h from original 60 ~ 80 km/h, 25 ~ 50% increasing, and the transportation time is reduced to 3 hours from the original 4.2 hours, at least 1.2 hour decreasing. Evidently, the raising of line technical grade will make the transportation time shorten greatly.

111. Shortening transportation time will be helpful for traditional women of Uygur nationality to go out and get more information. In general women of Uygur nationality are in charge of cooking and the arrangement of the housework directly affects the trip of women. After completion of highway and countryside road, it is convenient for traffic, so that women can carry out some agricultural product trades by only spending a half day for going into town, and can return home for cooking in time, which will not affect the traditional habit and division of family work.

112. The improvement of traffic condition will also facilitate villagers' going to hospital. For example, Shanghu Village in Ku'erle City has only a barefoot doctor with a low level in Group 4 and 5, therefore the pregnant women have to be inspected and give birth to a child in the city, owing to inconvenient traffic, and they have to call for a taxi 2 days before. The improvement of traffic condition will prevent them from bumping and save time on the road. Dunkuotan Town in Kuche County and some villages in southeast Talimu Township are far away from towns and county, there is no infirmary in villages; the improvement of road condition becomes particularly important. The distance from Kashanggu'er village of

Dunkuotan town to Dunkuotan town is 30 km and to Kuche county is 60 km, villagers shall take 2 hours for shopping and seeing a doctor in the town and 3 hours for going to the county. For preventing accident, pregnant women have to stay towns or county in advance for giving birth so that the burden of villagers is increased. By reconstruction of Wuqia - Dunkuotan road, the inconvenience traffic condition will be improved obviously for Uygur villages.

D. Influence on Employment of Labor Force

113. The construction of the project will increase directly and indirectly 1500 short-term and long-term employment opportunities to the local Uygur people.

4.5. Summary Analysis of Project Impacts on the Uygur Communities and Residents

114. The communities directly affected by project construction and land acquisition are all Uygur communities. The effects of project construction on the minority communities and residents mainly include the following aspects: (a) living environment, (b) household economy and livelihoods, (c) public health, and (d) cultural protection.

A. Effects on Living Environment

115. Although the expressway construction will result in some adverse impacts on production and living of the residents along the highway due to land acquisition, the project construction will improve regional traffic conditions. The expressway can facilitate reasonable layout of regional economy and regulation of industrial structures, speed up flow of information, materials and personnel, raise the local residents' living quality and level, and accordingly perfect the residents' living conditions and environment. Minimization of land acquisition and relocation has been considered in design stage and so there is no such case as the highway passes through villages. The villages near the highway are mostly in the south side of the road and the mosque, schools and most of agricultural land are located in the south side of the highway. In the sections necessary for cultivation and passing, the pathways for pedestrian, livestock funeral, and farming machinery are set, and meantime in accordance with the distribution of villages along the line as well as the residents' trip requirements, service roads will be built in some sections, therefore, the obstruct impacts of project construction on the local residents' production and living are comparatively limited.

116. In addition to the resettlers' removal and appropriate resettlement (refer to the RPs), the expressway construction results in impacts to a certain extent on the residents' living environment along the highway. They mainly include the inconvenience for the residents' going- out during construction, noise and dust arisen in construction, damage to vegetation in construction area, the potential pollution of surface water source, and the temporary damage or interruption to local infrastructure. However, as long as the effective measures and methods are taken as specified in the EIA and EMP, the above-mentioned impacts can be avoided or mitigated.

B. Effects on Household Economy and Livelihoods

117. Most of the areas adversely affected by the project construction are Uygur communities (about 674 people directly affected); however, about 580,000 rural Uygur people in the Project Area will benefit from the project construction. Firstly, utilization of local resources and creation of employment opportunity in project construction will increase the family economic income of the minority residents along the highway and improve their living quality and standard; secondly, completion of the project will facilitate the local social and economic development and raise the living standard of the minority peoples. The effects of project construction on family economy and life of the minority peoples mainly cover the following :

- Wage income of the local minority residents obtained by participating in project construction during construction;

- Income from service trades by providing such services as commerce, catering and accommodation for the constructors in construction;
- Proceeds obtained by supplying construction materials as well as transportation equipment in construction;
- The completion and operation of the planned project will surely impel the development of the local competitive agriculture, accelerate the circulation of agricultural products and accordingly increase the sales income of the agricultural and sideline products;
- Increase in income of industries related to tourism. Road construction makes the traffic more convenient and rapid and will promote development of the tourist trade and increase and raise the income of the trades related to tourism.
- The completing of highway will promote the development of the transportation trade, but at the same time, it will bring some inconveniences for the living of farming households. Agricultural vehicles and tractors cannot go on the expressway, so the cost of transporting the agricultural products to Kuche or Luntai County may increase. Therefore, the local road network will need to be improved to ensure they have good access.

118. Local economic development will attract more migrant workers to enter the project areas and most of them are Han people. So bilingual education and skill training is necessary for the young Uygurs to compete.

C. Effects on Public Health

119. During project construction, a large numbers of contractors, construction workers (about 1500 assuming local workers comprise 50%), and subsidiary personnel of the construction units (such as the constructors' dependents and the service personnel engaged in the tertiary industry following the construction units) enter and temporarily live in the communities along the Project expressway, which may result in public health problems and disease infection which may spread and impact the local Uygur residents. The analysis shows that the risks are not so high but will still require prevention measures and monitoring to be taken by the Project, in conjunction with local health officials.

D. Effects on Uygur Cultural Protection

120. The Project Area is a traditional rural Uygur area with unique cultural characteristics. During construction, the influx of 1500 non-native persons of the contractors and the difference between their cultures may have effects more or less on the culture and activities of the local minority residents, such as religious activities, modes of conduct, habits and customs, etc. The analysis shows this influx is not so large compared to the seasonal migration of agricultural workers. Also, the communities along the highway have already been exposed to development pressures, so the expressway construction will not have significant impacts. However, contractors should take special measures to ensure good relations with the local communities. This will be facilitated if contractors can hire local people and liaise regularly with community leaders.

121. Table 4-2 shows a summary o the social impact analysis. The potentially adverse impacts will require mitigation measures, which are presented in Section 6.

Table 4-2 Summary Social Impact Analysis

Social Issues / Potential Impacts	Degree of Significance	Significance for Ethnic Minority	Mitigation measures already included	Additional mitigation measures required
1. Permanent Impacts or Losses				
1.1 Loss of Farmland	Small but significant loss	Mostly affects Uygurs	Included in Resettlement Plan	None
1.2 Grasslands and Animal Husbandry	Small loss and negligible impact	Mostly affects Uygurs	Included in Resettlement Plan	None
1.3 Irrigation and Drainage Networks	Potential impacts are significant	Mostly affects Uygurs	Included in Resettlement Plan	None
1.4 Relocation of Housing	Significant – 174 households	135 Uygur households	Included in Resettlement Plan	See section 6.2 A1/A2
1.5 Commercial Businesses	Significant – 29 businesses	15 Uygur businesses	Included in Resettlement Plan	See section 6.2/6.3 A2/B7
2. Temporary Impacts or Social Risks during Project Construction				
2.1 Inconvenient Road Conditions	Potentially significant	Many Uygurs potentially affected	Included in Project design & construction	See Section 6.2 A3/A4
2.2 Noise, Dust and Vibrations	Impacts some people	Many are Uygurs	Included in EIA/EMP	See Section 6.2 A6/A8
2.3 Transmissible Diseases	Small but significant risk	Uygurs may be affected	Included in contractor requirements	See Section 6.2 A9
2.4 Community Relations	Potential risk could be significant	Mainly Uygur communities	Specific measures but contractors are aware of risk	See Section 6.3 B6
2.5 Damage to Vegetation	Minor impacts	Many are Uygurs	Included in RP and EIA/EMP	See section 6.3 B1
2.6 Pollution of Water Sources	Low risk but needs monitoring	Many Uygur are potentially affected	Included in EIA/EMP	See section 6.2 A7
2.7 Local Infrastructure	Temporary impacts	Affects many Uygurs	Included in contractor requirements and RP	None

3. Post-construction Operational Impacts

3.1 Drug Trafficking	Road will have negligible impact	Some Uygurs are at risk	Ongoing programs to control drug trafficking and assist drug users	see Section 6.2 A9
3.2 HIV/AIDS	Truck drivers at high risk	Few Uygurs are directly affected	Step up existing awareness programs	see Section 6.2 A9
3.3 Local Uygur Traditions	Potential impact but roads will have little impact	Rural Uygur communities	None	
3.4 Traffic Accidents	Expressway will be safer; local roads need enforcement	Some Uygurs will benefit; rural communities are still at risk	PSB has increased controls and enforcement.	see Section 6.2 A5
3.5 Post-construction Job Opportunities	Economic growth will create more jobs	Uygurs will have more opportunities	Labor Bureau will provide training and job arrangements	See Section 6.3 B5, B7, C2, C3

5. Attitudes and Expectations of Minority Peoples to the Project Construction

122. By means of such methods as talks, group discussion and individual interview as well as questionnaire, and based on the investigation and understanding of the minority officials, resident (including male and female), poverty-stricken households, and individually owned industrial and commercial business as well as religious organizations in the prefecture, county (city), township (town or farm) and village groups involved in project construction, it is found that they put forward the corresponding expectation for the project construction while they hold the support and welcome attitude towards the project construction. The on-site discussion and talks organized by the survey team in project-affected areas are shown in Photo 6.1-6.4.



Photo 5-1 On site talk in Kuche County



Photo 5-2 Discussion in Yaha Town, Kuche



Photo 5-3 Discussion meeting in Luntai County



Photo 5-4 Talk in a household in Luntai County

5.1. The Minority Peoples' Attitudes to the Project Construction

123. By means of holding meetings and visiting as well as questionnaire, it shows that as a whole, the minority organizations and residents in project-affected areas hold supporting and welcome attitude to the project construction (with the support rate of 92.5%) and fully realize the highway construction plays a significant promoting role in the following aspects: reducing transportation cost; accelerating circulation of personnel, raw materials and vehicles; enlarging markets of agricultural and sideline products and raising their door-to-door purchasing price; promoting tourism development; speeding up information spreading and facilitating cultural exchange; improving medical service; providing employment opportunity; decreasing traffic accidents; expediting regional development; perfecting communication with the peripheral areas and attracting investment. But they require to take the corresponding measures or methods to solve the adverse impacts of land acquisition and relocation as well as construction disturbance on the residents' normal production and living, routine going-out of some residents in the local sections after project completion and the business activities of a few individually owned industrial and commercial business engaged in the tertiary industry along the highway.

5.2. Minority Peoples' Expectation to Project Construction

124. Though the minority organizations and residents in project-affected areas support the project construction, meanwhile they put forward the following expectations to the project construction:

125. A. Use the existing roadbed, pavement and corridor of G314 Highway as far as possible, avoid residential areas, not occupy or least occupy farmland and garden plots so as to decrease impacts on the surrounding residents. This has been achieved.

126. B. According to the national and local policies and laws and regulations in force as well as the actual conditions of the project-affected areas and the project, negotiate and determine reasonable compensation standard for land acquisition and relocation as well as resettlement scheme. This will be implementation in accordance with the RPs.

127. C. On the premise of satisfying related technical requirements and conditions, the contractor should use the local construction materials and transportation equipment and absorb the local laborers especially the minority laborers to participate in construction. The ethnic minority people are willing to take some un-skilled jobs to get some cash income.

128. D. Protect the project-affected areas, especially the minority communities along the highway, from the interference and impacts of construction on their normal production and living. If the contractors construct near the residential areas of the minority residents, they must formulate strict measures to ensure the safe use of construction machinery, prevent excess noises and roller compaction of farmland and trees. Temporary access roads should be constructed to guarantee their daily going out. Warning signs written in minority languages should be set up around the schools, shops and channels to ensure safe going-out. The damaged irrigation and drainage system should be rehabilitated timely to protect the surface water used by the local people from pollution in construction. On religious day (Fridays and religious holidays), no construction will be conducted within 500 m of mosques and the other ceremonies to avoid disturbances that may violate the local minority habits and customs.

129. E. Take effective measures and methods to resolve the separation effects on both sides of the highway after its completion:

Passageway to Graves

130. The graves of No.5 Team in Shanghu village are at the side of G314 highway. Since the construction of road will obstruct them from going to the graveyard, it is necessary to

construct a wider and higher passageway for funeral vehicles and processions to go through. This has been agreed by XCD.

□ Flood Passageway

131. XCD needs to construct the special discharge passageway for flood. Through visiting and survey on each town(ship), the quantity of discharge passageway has been designed according to the flood passageway in southern Xinjiang railway which can satisfy the requirements of 1/50 year flood discharges. Qunbake Town of Luntai County requires to have passageways or culverts at the newly constructed highway according to that at railway. Now Ta'erlake Township has 20 passageways for discharging along the railway line. While it shall also pay attention to form a complete set with the original passageways along railway line so as to guarantee the unobstructed draining. At the same time, Ta'erleke Town has Ka'erta trunk canal at Dina River; therefore a reasonable passageway shall be designed so as to guarantee its operation. The construction of new highway will form a natural flood-control dyke for the north of the village.

□ Passageway for Animals

132. The herding passageway is necessary for herdsmen, but others do not see much need to cross to the northern side of the expressway. The construction of the expressway will have certain influence for cattle and sheep to pass from villages to the grasslands in the mountains. Since domestic animals of cattle and sheep cannot cross the new expressway directly¹, passageways under the highway will need to be constructed. The passageway quantity, width and height shall meet the current requirements and development of local animal husbandry in the future. These passageways will improve the road safety and eliminate risks to animals and herders.

133. In Ku'erle: Shanghu Town, Yingxia Township, Tiekeqi Township, Langan Town, Qia'erbage Township, Awati Township, and Halayugong Township share Dadunzi herding passage, and Puhui Township and Heshilike Town share Shuililiang herding road. Herdsmen require that the herding path shall be higher and wider for heavy vehicles (such as 141 truck) to pass through. But if the herding path is excavated deeply, the raining water will be accumulated deeply. The village heads say that Shanghu Village is near the highway and residents nearby will use the underpass regularly, so it is necessary to have reasonable design for the passageway so as to meet these requirements.

134. According to reflection from Ku'erle City Animal Husbandry Bureau, along the highway line there are much culverts, which can be used as the passageways for domestic animals, and the existing culverts (herd path) under the railway can meet the demands of herd reach the meadowlands on the mountain slopes.

□ Passageways for Pedestrians

135. Yangxia Town has two passageways passing through the railway, Bositan Village has one vehicle passageway, and Kuke Village has one plane interchange and culverts. The culverts are not only for flowing, but also for persons, domestic animals and farming machinery to go through. It is required that the culvert quantity under highway shall be equal to that under railway, and a passageway shall be designed respectively for Bositan and Kuduke villages.

136. XCD/XCCAB held several meetings and encouraged minority officials and representatives of the masses to attend the meeting actively for consultation of common problems. The meetings will be conducted before determination of land acquisition scope, compensation standard, resettlement scheme, project design, and periodically during project construction. Table 5-1 shows the passageways proposed by each county.

¹ The expressway will be fenced to prevent pedestrians and animals from crossing the roadway.

137. F. Take the corresponding measures to protect the ecological environment. These concerns have been incorporated into the EIA and EMP.

Table 5-1 Passageways Suggested by Each County

County	Town (ship)	Passage-ways	Quantity	Position	Requirements
Ku'erle	Shanghu, Yingxia, Tiekeqi, Langan, Qia'erbage, Awati, and Halayugong	Herding	1	Share Dadunzi herding passageway for shift meadow.	It is necessary to construct a large and sound herding path so as to guarantee the animals to go up and down mountain in unblocked and safety.
	Puhui and Heshenlike		1	It is at Shuililian herding path.	
	Shanghu	Funeral	1	Shanghu village	It is necessary to construct a wider and higher passage for funeral vehicles and troops to go through.
	Ku'erchu garden spot	Herding	1	Xiwulong, Ku'erchu toll station	It shall be designed with a herding passageway.
	Ku'erchu garden spot	Funeral	1	100m to west of exit for Ku'erchu farm	It shall be designed with passageway for herding and going to graves.
Luntai	Qunbake	Walkway and flowing	5	Each for Nuoqiaoka village, Alaisayi, and Ha'eryuan river, and two at Keshenli.	Four are used as herding passageways and walkways. Each village shall have a passageway to be used for flowing.
	Ta'erlake	Herding	2	Tusikelugou	
		Walkway	1		It shall be designed with two passageways for buses and large-sized vehicles to go through according to passageway design of railway.
	Tierekebazha	Walkway	5	A passageway each for 4 villages, and a passageway between Man village and Bashenkeyu village	It shall be designed at proper position.
	Yangxia	Walkway	2	Bositan and Kuduke village	It is required to design culverts with quantity equal to that of railway, and one each for Bositan and Kuduke village.
	Yangxia	Flowing	6 culverts		It shall be connected with that of railway.
	Yeyungou	Flowing	4 large bridges and 8 small bridges	Two large bridges and two small bridges at Aketamu, one large bridge and one small bridge at Taleke village, and one large bridges and five small bridges at Yeyungou.	It shall be connected with that of railway.
	Yeyungou	Walkway	4	One at Aketamu, one	It shall be designed at the

County	Town (ship)	Passage-ways	Quantity	Position	Requirements
				walkway and one small bridge at Taleke, and two at Yeyungou.	express way in consistent to that of railway and also a passageway with enough width and height shall be reserved for Yeyungou trunk so as to guarantee the operation and maintenance of trunk.
	Yeyungou	Herding	1	At interface between Yeyungou township and Cedaya township	At boundary of Cedaya township, one passageway shall be designed to guarantee the herding of Cedaya township.
	Cedaya	Path	2	Duosimaiti and Sayibage village	Now, there has a passageway at railway, and hope that another passageway be designed at Sayibage village.
Kuche	Erbatai farm	Herding	1	Zhundong company	A passageway be designed at proper position.
	Yaha	Simple inter change	6	Exit at gas mineral of K683 Yixikelike, Chinese- date base at K687 Quelawat, K697 Yakela village, interface between K719 new and existing No. 314 national road, at K723 and K724	It is required to have 6 passageways.
	Yaha	Separation inter change	2	At K690 Quelawati and K717	It is required to have 2 separating interchanges.
		Inter change	2	At K691 Quelawati, and interface between K715 new and existing national road in eastern Yaha town	It is required to have 2 separating interchanges.
	Yixihala	Path	1	Duomitibake	

6. Ethnic Minority Development Action Plan

138. The minority development action plan is to avoid or mitigate negative influence from the project construction, and ensure the minority to benefit from the Project. The construction of this project will be helpful to improve road and traffic transportation service conditions. The improvement of traffic condition will promote the development of regional tourism and industry, accelerate the circulation of merchandise and agricultural products, raise door-to-door purchase price of agricultural products, promote smooth of information, increase migrant labor chance and improve social service, and bring various favorable influences for the most minority.

139. The direct benefit for the minority includes: the improvement of economic conditions brought by the project; the measures taken by the minority development action plan; preferential policy of local government and development plan. These measures and policies will make benefit to the minority family during the social and economic development. The influence of this project is generally positive for both Uygur and Han, and there is relatively small negative impact on the local social economy and normal living and production of the rural Uygur communities. Although there are significant cultural, language and religious differences, the economic and social level between the Han and Uygur are similar. Also, the system of minority autonomous administration helps to eliminate discrimination.

140. The survey showed that the minority supported positively the road construction, because they had known that this was a kind of major method for their improvement of economic conditions, and estimated that the beneficial opportunity was equal for all ethnic groups.

141. The ethnic minority the development action plan has been formulated based on the socio-economic survey results, public consultation and the social analysis in Section 4. This action plan includes the measures to: (i) avoid or mitigate adverse impacts of the Project, both during construction and operation (Task A); (ii) ensure social inclusion and maximizing Project benefits for the Uygur people in a culturally appropriate manner, especially for the poor and women (Task B); and (iii) promote cultural protection to offset direct or induced impacts of development (Task C).

6.1. Principles of Plan Compilation

142. In order to avoid or mitigate the negative influence to the minority and ensure the minority to get profit from the project, the principles adopted are as follows:

- A. Guarantee the minority people have ample opportunity to participate in the EMDP;
- B. Guarantee that the Project avoids or mitigate any negative influence;
- C. Ensure that the minority people benefit from Project development (social inclusion);
- D. Ensure the minority cultural uniqueness is respected; and
- E. Raise the production and living levels of minority people by implementing the action plan.

6.2. Avoidance or Mitigating Measures (Task A)

143. According to various positive and negative influences of the project construction on society, economy as well as residents' production and living, and at the same time considering the actual conditions in the project affected areas, the following measures will be taken to avoid or mitigate the various negative influences caused by the Project.

A1. Optimize Design Scheme to Reduce Land Acquisition

144. The construction of proposed express way and countryside road will directly affect 16 townships(town, farm), 37 minority villages, 2 county-level farms of Kuerle, Luntai and Kuche.

After full demonstration and comparison by the design unit and related departments, the 157 km long line in the feasibility study stage is along the original road corridor of existing Grade-II highway, 139.5 km is new line. The expressway alignment will mostly go through gobi desert or natural grassland; in some sections, it will pass through forest belt, but very little farmland or resident spots are affected. Satisfying fully the prerequisite of project technical requirement for line route determination, the use of the existing G314 roadbed has been maximized and the road surface and corridor zone designed to avoid farmland, buildings, and trees, to reduce damage to the environment as far as possible, and to decrease the adverse influences to the Uygur residents along the line.

A2. Resettlement Rehabilitation Plans

145. Although there are relatively small impacts from land acquisition and relocation involved in this Project, there are still significant impacts on some households, many of whom are Uygur. Therefore, according to the current relevant policies of the State and ADB, and based on full negotiation with related departments and affected persons, the corresponding compensation standards and resettlement rehabilitation plans (including the relocation and production recovery, rebuilding of special items, etc.) have been formulated and must respect religious faith and the customs habit of local Uygur people and minimize the unfavorable impacts. Especially for the land acquisition and relocation, it is necessary for the religious leaders and government departments to consult and carry out work together and coordinate actions to address relevant problems, and properly resettle the affected residents. Refer to the RPs for relevant resettlement compensation and implementation schemes.

A3. Avoid or Mitigate Construction Disturbance and Impacts

146. The construction will result in negative influence at different levels to the minority along the line during the enforcement of the project, and in order to reduce and eliminate these influences, the following measures will be taken:

147. The construction unit will work out strict measures and arrange reasonably the construction time to ensure to use construction equipment safely, prevent heavy noise and rolling on farmland, grassland and trees when the construction is performed in the minority residential zone. The corresponding measures are set out in the EIA/EMP and will be implemented to avoid or mitigate disturbance and influence for the heavily impacted villages such as Mazabage Village of Yaha Town, Duomitibake Village of Yixihala Town, Rouqiaoka Village of Qunbake Town, Taerlake Village and Kumudun Village of Taerlake Township, Manquluke Village of Tierekebaza Township. Environment supervision teams will monitor the compliance and effectiveness of these measures.

148. The temporary shortcuts tours shall be built along the line to guarantee the residents daily trip during the project construction. Also, local language signs will be placed around the Muslim mosques, shops, canals etc. to guarantee their trip safety.

149. The project implementing unit, local government responsible department and school shall work out strict student safety measures. Fortunately, no schools are located close the construction areas, but if required, people will be engaged for wardship for pupils on the way to school. Public Security Bureaus will carry out road construction safety education in the school, set local language signs at the construction site where the pupils often pass by.

150. Avoid damage or resume timely the irrigation and drainage system damaged by construction works. Also, prevent the pollution of ground surface water source used by local residents from the construction.

151. When the construction is near the mosque, the local residents worry that construction will disturb religious activities. Therefore, in order to eliminate the worry of local minority residents, XCD will require the contractor to stop the construction activities within 500 m of mosques on Friday and other religious days. There is only one mosque in the project

construction area, located at the north of existing national road in front of farm headquarter of No.28 Regiment State Farm. Although it does not require relocation, the construction activities may result in certain disturbance and influence to the religious activities, so that the above-mentioned measures shall be strictly implemented.

152. The construction unit must educate the workers on relevant Uygur policies, customs and habits to ensure they respect the customs and habits, normal religious activities of local Uygurs, as required in this EMDP. XCCAB will invite local government officials to carry out the propagation education of two above-mentioned aspects to the contractors and their workers to avoid behaviors that violate the Uygur customs and habits or religion activities.

153. Set safety supervisor for each contract section; set up safety guard fences; set up conspicuous sign lamps at night; prevent strictly the local villagers, pedestrian, especially child and old person along the line from entering into the construction area.

154. The large tonnage vehicles and plenty of material transportations may damage local road during construction, so attention shall be paid to road maintenance and the road should be restored soon after completion of the construction in that area.

155. The construction shipping vehicles should avoid the peak hours of local road traffic to prevent traffic blocks and traffic accidents.

A4. Avoid and Mitigate Obstructing Influence at Two Sides of Highway

156. The restricted access expressway will certainly result in some obstructing influence on living and production of nearby minority residents, so the possible obstructing impact was fully considered in the feasibility study stage. Based on negotiation between the XCCAB, people's government at different levels and its responsible departments, and residents along the road line, and combining with actual condition of this project, totally 9 interchanges are designed at Ku'erlebei (K459+500), Ku'erlexi (K477+500), Wuwa (K500+000), Yeyungou (K548+500), Yangxia (K605+400), Luntaixi (K652+000), Kuchedong (K722+400), Kuchexi (K753+600), and the junction of G314 and G217 line (of which, the reconstruction of Beishan interchange and the junction of G314 and G217 line is included in the reconstruction item of No. 217 National Line, and others are newly built ones); four simple interchanges are designed at Shuangfeng town (K514), Cedayu (K574), Erbatai (K667), and Yakela (K695+700); 13 separated crosses, 36 passages, 9 km of link roads, 3 flyovers , and 70.2 km services road are designed along the line, which can solve the normal living and production requirements of Uygurs residents along the line (refer to the feasibility study report for the specific location and name of every facility in detail). However, the expressway will still bring inconvenience for production and living of some residents. In order to facilitate better the normal passage of Uygur residents, the following measures will be taken:

157. For the project preliminary design stage, the location and quantity of passageway will be further investigated and determined reasonably, especially passageway for the students, passageway to graves as well as herding and water diversion passages. Table 7.1 shows some important passageways suggested by each town(ship)s but they will be finalized in consideration of the technical feasibility analysis, so the inconvenience caused by disrupted local access will be avoided or reduced by constructing service roads and passageways.

158. The quality of passageways will be guaranteed to prevent water from accumulating inside the passageway, the pavement should be flat and solid. 60 cm wide and 30 cm high steps will be built at one side of passageway to facilitate passing in rainy days.

159. The height and width of passageway must be adequate to permit the local farming equipment to pass.

A5. Set Bilingual Road Identification Signs

Through the investigation, the local residents, especially automobile drivers request to use bilingual road identification signs. According to the relevant stipulations of Xinjiang, the road identification signs will be in Chinese and Uygur languages. As this is already the official standard, the cost is included in the XCD construction budget for signage.

A6. Ecological Environment Protection

160. XCCAB, after full negotiation with relevant responsible departments, contractors and local governments, worked out specific measures for protection of periphery vegetation at two sides along the expressway (mainly for grassland and trees). The constructors will set up very strong consciousness of environmental protection, set conspicuous signs at the side of grassland and reinforce propaganda for ecological and environmental protection to the contractors.

161. The construction will use fully the existing material resources to reduce earth excavation for roadbed as far as possible. For the digging earthwork, the useful part can be regulated longitudinally and unused part put back in original borrow pit, and resume the original landforms. The construction spoil will be put on designated place to reduce damage to the environment. The details of such measures and related costs are included in the EMP.

A7. Recovery of Special Water Conservancy Facility

162. Some sections of the expressway will pass through Uygur cultivation areas, which will partially affect the farmland irrigation facilities. When the alignment was chosen, the protection of existing farmland and the irrigation and drainage facilities has been considered to decrease the influence on the facilities as far as possible. Totally, 14 large bridges, 245 middle and small bridges and 630 culverts are designed along the line, which avoid damage to original surface water systems and the farmland irrigation facilities (refer to the feasibility study report for the specific location and name of every facility in detail). This Project will impact 40 diversion rivers, ditches and channels. .

163. For the protection or reconstruction of water conservancy facilities, culvert positions must be consistent to the main spillway so as to meet the requirement of discharging the mountain stream torrents in time. In order to alleviate the flood-control pressure and flood calamity, the discharge shall not be concentrate; instead, the culverts will be scattered to discharge flood waters. The design of structures will also take full consideration for sedimentation and hydrology.

164. Additionally, the construction unit must establish strict protective measures for land and water conservancy irrigation facilities, and it is necessary to inform in advance the local administrative departments and the Uygur residents about the canal that will be affected. The contractor should fully consult with them to decide the measures or method to be taken to guarantee their farmland will be irrigated in time. If the irrigation and drainage facilities cannot be restored timely and accordingly results in output reduction of crops, the contractors shall compensate according to the actual crop loss. The corresponding articles are included in the contract signed between Communication Construction Bureau of Xinjiang Uygur Autonomous Region and the contractors to minimize such impacts.

165. Other special facilities such as petroleum pipelines, gas pipelines, Nanjiang railway, communication optical cables, and high voltage transmission lines must also be handled properly to avoid or minimize the impacts. These will be handled with the direct involvement of the related agency, and the cost for restoring facilities will be paid by XCD.

A8. Protection of Public Sanitation and Health

166. The construction camp management and protective measures are mainly aimed at the construction workers, their family members and indirect workers providing services to the construction units. This will include scientific management for public hygiene, HIV/AIDS and other disease control for local residents, especially Uygur villages.

167. The public hygiene of construction camp is mainly for handling of domestic rubbish. The major measures are: (i) set garbage can in the construction camp, centralize all domestic rubbishes for storage, transport rubbish timely to rubbish landfill of each county(city) for unified handling, forbid strictly to throw rubbish disorderly, ensure the environmental hygiene of construction camp; (ii) according to the need, set certain quantity of public lavatory, forbid strictly to relieve oneself anywhere; and (iii) adopt dustproof measures to prevent air pollution. These public hygiene measures are included in the EMP budget.

A9. Prevention of Transmissible Diseases

168. Public health prevention measures are mainly to aim at control the spread of diseases in the construction camp and surrounding communities. The main risks include HIV/AIDS and other transmissible diseases such as tuberculosis. XCD, XCCAB and the contractors will take necessary measures and assist local health bureaus and centres for disease control (CDCs) to take the following effective measures to prevent epidemic and infectious disease.

169. (1) Undertake health screening of contractor staff, contract workers, their families and other subcontractors. Health officials will survey the health conditions and disease conditions of the construction camps when they mobilize; if the person with disease is discovered, they will be treated in a timely manner and allowed to enter in the construction area after being fully cured. During construction, the physical examination for workers and their dependents will be performed regularly to check their health conditions and to prevent disease from spreading. Any person found to be HIV positive will be provided treatment at regional centres.

170. (2) Make the construction camp area sanitary, especially for public facility, the sterilization work shall be often performed. At the same time, spray insecticides to control mosquito, fly, rats, etc. in temporary residential place for workers and their dependents to control spread of infectious disease effectively.

171. (3) Realize health and sanitary supervision system to supervise and manage food that enters into construction camp to guarantee good food source and food processing.

172. (4) Establish the medical and health protection organization, reserve necessary prevention and disease control medicines as hemostasis, dysentery and tetanus medicine in order to facilitate emergency handling to the workers and their dependents when unexpected and epidemic disease is found.

173. (5) In order to reduce the impacts on normal production and living of the local residents, the contractors should generally select to build the facilities as temporary houses in the gobi desert with some distance to the villages. The contractors will carry out health and sanitary awareness and educational work in the construction campsite to make the constructors and subordinate people raise good sanitary habits. In particular, HIV/AIDS awareness will be conducted for all workers, sub-contractors and local communities and materials will be provided in Chinese and Uygur languages. This awareness program will be continued during project operation by providing information in service stations along the expressway; this will especially target truck drivers

174. (6) In accordance with ADB/FIDIC contract conditions in Clause 6.7, each contractor engaged by XCD is responsible for (i) the provision of screening, diagnosis and counseling for their staff and laborers and families, (ii) conducting an awareness program for their staff, hired laborers, family members, sub-contractors and local communities, and (iii) provision of condoms to staff and laborers, as required. Each main contractor will prepare and submit a

disease prevention and awareness plan (to comply with the above requirements) to XCCAB and to the local health bureaus for their approval and follow-up monitoring. Contractors will bear the associated costs within their contracts, including the engagement of an experienced health facilitator; alternatively, they can pay the local CDCs for this service. The local health bureaus and CDCs will be responsible for periodic monitoring, as part of their ongoing programs and budgets.

A10. Encourage Women to Participate in Policy-making

175. In order to guarantee the Uygur women enjoy equal benefit and social economic position, the Women's Federation of each county(city) organizes some Uygur women to participate in policy-making and formulation of EMDP, and ensures that they can get equal benefit or opportunity from project construction while they participate in the implementation of the EMDP. The women in directly affected areas (along the expressway) will offer meal service and other social service to the contractors to get income benefits.

176. In addition, from long-term view, the Project construction and implementation of the EMDP is also favorable for women, by improving women's educational condition (the WF will organize some classes and training courses), raising cultivation ability, promoting development of planting, breeding and circulation of agricultural and byproduct; thus, the family economic income and living level of women will be raised. When XCCAB and the contractors need laborers, they should give highest priority to women and let the women go in for the jobs with less working strength such as hygiene, revegetation and catering work.

A11. Support Vulnerable Groups

177. The vulnerable group means the family faced with difficult condition or poor family, such as due to illness, old and weak, female householder family lacking labor force, etc. They may be vulnerable before the project, or put at risk due to Project impacts (e.g., land acquisition and relocation). The corresponding support measures will be taken for the poor family. Each township and village, headed by township and village cadres, will set up the support groups for the poor to offer assistance during relocation and production rehabilitation. In the RP, there is a fund of CNY283,000 for supporting vulnerable groups during their relocation (such as help in providing house construction materials and labor). This kind of support is particularly applicable to the Uygur families (most of the funds will be provided to them). Priority will be given to the poverty-stricken families in the aspects of labor service employment for the project construction, distribution of work types, utilization of the local materials and transportation resources.

178. Queleawati Village in Kuche County, affected by the project construction, is a poverty-stricken village at autonomous region level and is the local government plans to implement poverty alleviation in 2008-2010. Proper support will be given to the execution of the local poverty-reduction plan in parallel with the project implementation, thereby maximizing opportunities.

6.3. Strengthening Measures (Task B)

B1. Tree Planting and Beautification

179. The project will acquire 482 mu of forest land, and XCD will pay to the Forestry Department CNY1,928,000, in which most of money will be used for local tree planting and beautification. XCD and the Forestry Department will consult with local governments and its responsible departments to prepare new afforestation plan, and arrange it as far as possible in the Uygur villages and consider using the Uygur residents first for laborers, especially women. Assuming CNY4000 is the average cost of timber forest per mu and 482mu woodland will be replanted, 964 persons will benefit (0.5mu/person), and most people are Uygur. This cost is included in the RP.

B2. Farmland Reclamation

180. The project will acquire 121.6 mu of garden land, and XCD will pay to the Xinjiang Land and Resources Department (XLRD) CNY243,200 for use of cultivated land, in which the money will be used for local farmland reclamation, if there is suitable land resource for upgrading. XCD and XLRD will consult with local government and its responsible departments to prepare new reclamation plan, and arrange it as far as possible in the Uygur villages. Assuming CNY2000 is the average cost of land reclamation per mu and 121.6 mu land will be improved, 121 local people benefit and the most would be Uygur. This cost is included in the RP.

B3. Promoting Development of Tourism Industry

181. The natural landscape and historic sites are numerous in the project affected areas. Kuche is one of four major tourism counties(city) and famous for scenic spots at the west of Xinjiang, with a long history and rich culture, the "Silk road" for thousands of years has brought up rich humanity and historical landscape and cultural heritages to Kuche, at the same time, Guici² cultural tourism district has been identified as one of ten major well known scenic spots in Xinjiang. The construction of this Project will promote the development of local tourism trade vigorously, the related county(city) and its responsible department in the project affected area should adopt following measures to promote rapid development of tourism trade.

182. (1) Set guide signposts for the scenery spots along the expressway to facilitate the tourists and increase the stream of people.

183. (2) Display the Uygur culture, such as providing performance to tourists,.

184. (3) Improve tourism infrastructures.

185. (4) Compile the tourism pamphlet and poster to distribute to the service centres of expressway as well as to each tourism agency in the city.

186. (5) Promote the tourism resources and post maps on websites.

B4. Offer Technical Training for Planting and Breeding

187. In order to heighten the comprehensive quality of resettlers and increase the labor skill level, as a part of income recovery of the RPs, relevant technical department (agricultural and forestry sectors) will arrange technical people or the farmer and herdsman who have technical specialty to pass on the knowledge for breeding, disease prevention and planting, and go to the field and teach the Uygur in their own language. At night using broadcasting and television, play science film continuously to popularize practical and new technology. In addition, offer skills training and to help the Uygur villagers get the employment for the construction of expressway. Before construction, the XCD has arranged CNY139,200 in RP for the technical training for Uygur. The people attending the train may reach over 2000 persons/times.

B5. Develop and Strengthen Bilingual Education

188. By the survey on the project affected areas, various bilingual talents are specially

² Qiuci Culture: For a long period of time, the ancient Silk Road linked China, Europe and North Africa, as well as being a conduit for political, economic, cultural and religious exchange between the east and the west. Qiuci was one of the 36 strong kingdoms in western China since the Western Han Dynasty (206 BC-24 AD). Due to its unique geographical location, Qiuci had the advantage of embracing different cultures and religions. It's said that Qiuci culture is a must-read for learning western Chinese history.

needed and welcome, especially for the staff in the government department and the service sector. Normally, the bilingual person can easily find working opportunities; otherwise, it is hard to go outside of Xinjiang for migrant work.

189. Because the enforcement construction of this Project will improve the traffic and transportation condition, accelerate people flow, promote local social and economic development, therefore, the local people may require bilingual education to seek employment in nearby cities or outside the Project Area. Therefore, for the young Uygurs, the local education bureau will offer further bilingual education to train various bilingual talents to meet the needs of society and economic development.

B6. Provide Bilingual Interpreters in Construction Units

190. Because most of the project area is Uygur area, in order to facilitate the construction unit for negotiation, communication and contacting with local communities and also let the Uygur residents participate in the Project, the contractors will be required to hire and maintain bilingual translation people.

B7. Developing Small Business

191. The Rural Credit Cooperatives will provide support to some households to operate small business to benefit from the Project. The procedures will be simplified.

192. Some small business centers at the expressway interchange and at strategic locations will be established. For example, according to the design report, Yangxia Town will have an interchange which will enable shops to attract more business, and can promote the sale of the preserved apricot which is well known. This will mitigate the potential negative impacts on small businesses. The income of most of individual households will increase during the construction period because of a plenty of constructors coming and large passenger flow. Afterwards those individuals will go to the areas with large stream of people at the interchange exit and a new prosperous business base will be formed in a new place. Those business directly affected will be compensated and relocated (refer to the RP for the expressway component).

6.4. Beneficial Measures Plan (Task C)

C1. Use Local Building Materials and Transportation Resources

193. During the project construction, local people's government at different levels in the Project Area will negotiate with XCD and XCCAB, under the conditions that satisfy project construction needs, to try best to use or buy local construction material such as soil, sand, aggregates, cement and lime, etc. Also use local transportation resource as far as possible to participate in the transportation of road construction material to promote development of local transportation service to increase family economic income of local Uygur residents and let them benefit from the project construction.

C2. Absorb Local Labor Force

194. The construction of this Project needs a peak of 3000 to 4000 laborers during the 3-year construction period. About 3000 workers will be unskilled, of which at least 50% would be hired locally. Assuming local wages of 20 Yuan/person-day, wages earned by local workers would total CNY22 million. Many of the local workers could be Uygurs and thus the construction of project can significantly benefit local Uygur communities.

195. XCCAB and local government will encourage contractors to hire local Uygur residents by providing some general training for interested Uygur workers. The local people's government at different levels along the line shall negotiate with XCCAB and the contractors to organize the recruitment of local laborers, especially the Uygur laborers and women for the suitable posts. When hiring unskilled labor, contractors should first use the Uygur laborers.

196. The Women's Federation will offer help in women's skill training and organize the women to participate in skill training for the work types necessary for the project construction. The contractors raise their requirements for work types and laborer quantities to the local women's federation and consult the training matters before they enter into the site so as to make more benefit for the local people. If the women are willing, the women laborer proportion among the used local laborers should be no less than 10% of the total construction workforce.

C3. Offer Employment Opportunity in Service Trade such as Catering

197. During the project construction, the number of workers will be increased in the construction areas, and the daily lives of these workers will demand local goods and services. Therefore, it offers a good opportunity for catering services for local business unit (household). XCCAB will support the local meal service trade, especially Uygurs to benefit from these business opportunities. Also, the supply of local materials will also generate employment opportunities for local people.

6.5. Other Measures (Task D)

198. The other suggested measures of this project include (i) organize villagers liaison team, (ii) support supplemental construction of local road, and (iii) combine with local social and economic development plan.

7. Investment and Funding Source for Ethnic Minority Development Action Plan

199. In order to avoid and mitigate negative influences to local Uygur communities and economy, to maximize their benefits from the Project construction, the EMDP is formulated specially. The fund needed to implement and monitor the EMDP is mainly from (i) the project investment (including the plan design cost, resettlement budget, civil works budget, and environment protection budget), and (ii) the local governments at different levels and their responsible departments. Many of the EMDP costs are already included in the project investment (e.g., grade separation, passages and service roads set to minimize the project impacts as well as the expenditure to purchase the local construction materials and sand and stone in road construction). The budget for monitoring and evaluation will be the only incremental budget.

7.1. Investment and its Funding Source for Mitigating Measures

200. The mitigating measures of this project include optimization of design scheme to reduce land acquisition as far as possible, compilation of practical and feasible resettlement plan, reduce or eliminate construction disturbance, avoid or mitigate highway obstructing influence to cross the expressway, set bilingual road identification sign, ecological and environment protection, recovery of special items of water conservancy facilities, protection of public hygiene, control transmissible diseases, encourage woman to participate in policy-making, support vulnerable group and relocation of some tombs. See Table 7-1 for the investment budget and source for each measure (note, figures in brackets indicate the total budget, as some measures would be taken regardless of the EMDP requirements).

Table 7-1 Investment and its Source for Mitigating Measures

No.	Measures	Target Group	Investment source	Amount CNY 10,000
1	Optimization of design scheme to reduce land acquisition as far as possible	29 villages, 13 townships (80% Uygur)	Project cost/Design contract	(100)
2	Compilation of practical and feasible resettlement plan	171HHs, 814 APs, including 135 Uygur HHs	Project cost/Resettlement consulting contract	(30)
3	Mitigate or eliminate construction disturbance and affect	29 villages,	Project cost/Contractor's contract	(200)
4	Mitigate or eliminate highway obstructing influence by two sides	29 villages,	Civil works cost (in feasibility report)	(31950)
5	Set bilingual road identification sign	All Project roads	Civil works cost	1200
6	Ecological environment protection	Areas adjacent to Project roads	Project cost as per EMP/Contractor's contract	(600)
7	Recovery of special items of water conservancy facilities	29 villages,	Resettlement plan budget	(1404)
8	Protection of public hygiene and sanitation	All construction camps	Project cost as per EMP/Contractor's contract	(100)

No.	Measures	Target Group	Investment source	Amount CNY 10,000
9	Prevention of HIV/AIDS and other transmissible diseases	All construction workers and 29 Uyгур villages	Project cost as per Contractor's contract; and local health bureau	50
10	Encourage woman to participate in policy-making	29 Uyгур villages	Resettlement plan budget	(10)
11	Support vulnerable group	Uyгур households	Resettlement plan budget	(28.3)

7.2. Investment and its Source for Strengthening Measures

201. The strengthening measures for this project include tree planting, land reclamation, promoting tourism development, offering technical training for breeding and planting, as well as development of bilingual education. See Table 7-2 for the investment budget and sources for each measure.

Table 7-2 Investment and its Source for Strengthening Measures

No.	Measures	Target Groups	Investment source	Amount (CNY 10,000)
1	Tree planting	29 Uyгур villages	Resettlement plan budget	(192.8)
2	Land reclamation	29 Uyгур villages	Resettlement plan budget	(24. 32)
3	Promoting tourism development	3 Project counties and Uyгур vilages	Local governments and Xinjiang Tourism Department	80
4	Offering technical training for breeding and planting	2000 Uyгур households	Resettlement plan budget	(13.9)
5	Development of bilingual education	2000 Uyгур households	Local governments	40
6	The contractors provide bilingual interpreters	20 interpreters	Contractors	5
7	Developing Small Business	3 project counties	Local governments	100

7.3. Investment and its Source for Beneficial Measures

202. The benefited measures of this project include use of local building material and transportation resource, absorption of local labor force, offering opportunity for meal service, etc. See Table 8.3 for the investment budget and sources for every measure.

Table 7-3 Investment and its Source for Beneficial Measures

No.	Measures	Target Group	Investment source	Amount (CNY 10,000)
1	Use of local building material and transportation resource	Local villages (80% Uyгур)	Contractor's contract (wages)	(150)
2	Hiring of local labor force – 1500 workers	Uyгур villages (50% of workers)	Contractor's contract (wages)	100
3	Offering opportunity for meal service	Local villages (80% Uyгур)	Business operator /individual	--

7.4. Other Suggested Measures

203. The other suggested measures of this project include (i) organize villagers liaison team, (ii) support supplemental construction of local road, and (iii) combine with local social and economic development plan (see Table 7-4).

Table 7-4 Other Suggested Measures

No.	Measures	Target Group	Investment Source	Remarks
1	Suggest organize villagers liaison team	29 affected Uyгур villages	Resettlement plan budget	
2	Suggest supplemental construction of local roads	Project area local road network	XCD	Included in 11 th Five Year Plan
3	Suggest combine with local social and economic development plan	29 affected Uyгур villages	Contractor's contract and local government	Included in 11 th Five Year Plan

7.5. EMDP Monitoring and Evaluation Cost

204. The EMDP requires internal monitoring and supervision and external monitoring, evaluation and reporting. The internal costs are included in the Project cost and are the responsibility of XCCAB. The cost for the external monitoring agency is CNY210,000 (see Section 10).

8. Implementation Management

8.1. Organizations and their Obligations

205. In order to ensure smooth construction of Ku'erle-Kuche expressway, the project construction unit and relevant county(city) people's government have appointed corresponding organizations to coordinate and supervise all activities related to Project construction and implementation of the EMDP. The main organizations for Ku'erle-Kuche expressway include:

- XCD
- XCCAB
- Project construction coordinating and leading group and its office,
- Relevant county(city) project coordinating and leading group and its office,
- Township(town) and village working group,
- External independent monitor.

206. In addition to the coordination work for the project construction, the key work of these organizations is to implement the Resettlement Plans and this EMDP in order to ensure the Project benefits Uygur residents, to promote the social and economic development in the Uygur area, and to monitor and evaluate the implementation process and results.

207. XCD has overall responsibility for Project construction and implementation of this EMDP. XCCAB (the Project Owner) is responsible for the design, implementation and supervise of relative measures in the EMDP; Project contractors are responsible for performance of related measures into the construction; local people's government at different levels and its relevant department (poverty-reduction, traffic, education, sanitation, Women's Federation, environmental protection sectors, etc.) participate in design, implementation and supervision of related measures. The external monitor is responsible for analysis and evaluation of social influence, as well as relevant problems in the implementation of the EMDP, offering guidance and training to the project office, leading group and its office, Uygur community or organization, local Women's Federation and other organizations.

8.2. Implementation Plan

208. The EMDP implementation shall be combined with Project construction and the RPs and EMP, and the specific implementation progress shall be based on the construction progress. The EMDP shall follow the following implementation principles:

- A. Complete the preparation work of the EMDP.
- B. Complete land acquisition, house relocation, grave relocation, channel rebuilding, and set of temporary passageway before start of construction of road construction.
- C. Prepare Project design to prevent the influence resulting from the construction to local residents (such as noise, dust, etc.); the Project contractors will implement the scheme under the supervision of XCCAB.
- D. Provide skill training, encourage public participation and ensure environmental protection through the whole course of project preparation, construction and operation.
- E. Set up a regular monitoring and supervision system for the EMDP implementation.

209. The actions or measures mentioned above have been included in the RPs, EMPs, Contractor specification, as well as in this EMDP, and the responsible organization and budget for implementation is also specified in these plans. The EMDP will be managed by the

project office, with the collaboration of the Leading Group, and local people's governments at different levels.

210. XCD entrusts XCCAB and the Project contractors to implement the majority of relevant measures above-mentioned. County governments will be responsible for technical training, tourism promotion and small loan. Relative government responsible department such as the Civil Affairs Bureau, Minority Affairs and Religious Bureau, National Land and Resources Bureau, Poverty Reduction Office, Forestry Bureau, Agricultural Bureau, the Women's Federation, county(town) government etc. will participate in the implementation and/or supervision of the EMDP.

211. The proposed implementation plan is shown in Table 8-1, and specific timing will be adjusted according to the project preparation and progress of construction.

Table 8-1 Implementation Plan for the Ethnic Minority Development Action Plan

No.	Plan	Measures	Implementation unit	Date
1	Optimizing design scheme to minimize land acquisition	Optimization of design scheme to reduce land acquisition as far as possible and decrease the impacts on the local residents	Project owner, design unit	2007
2	Restoring the affected persons' productive and living standard	Preparing feasible resettlement plan and restoring the productive and living standard of the affected persons (814 persons)	Resettlement Monitor, local government, project owner	2008
3	Mitigating or eliminate construction disturbance and impacts	Taking all measures for site management, mitigating or eliminating construction disturbance and impacts; repairing timely all the affected water conservancy irrigation facilities and compensating the loss from interruption of water conservancy facilities (stipulated in construction contracting contract)	Contractors, the local governments	2008-2010
4	Mitigating or eliminating the obstructing influence on both sides of the highway	Increasing grade separation and passages. Building connecting lines (11.9km), service road (70.2km) to mitigate or eliminate obstructing influence on both sides of the highway	Design unit, project owner, contractors	2008-2010
5	Setting bilingual Chinese-Uygur road identification signs for the convenience of distinguishing of the Uygur people	All road signs either temporarily setting in construction or permanently setting after completion should be in bilingual Chinese-Uygur.	Project owner, contractors	2008-2010
6	Protection of ecological environment	Constructing strictly according to the design scheme and implementing environment protection measures	Contractors, government administrative department	2008-2010
7	Restoration of such special facilities as water conservancy facilities	According to the specifications and in consideration of the local plan, rehabilitating the special facilities of power and telecommunication, formulating reconstruction plan, paying attention to reasonable arrangement for reconstruction and demolishing time and minimizing impacts.	The relevant department for the special facilities, Contractors	2008-2010
8	Protection of public hygiene and sanitation	According to the relevant local law and the requirements of the health department, carrying out precautions measures, enhancing personnel management, protecting public hygiene and health.	Contractors, government health bureaus	2008-2010

No.	Plan	Measures	Implementation unit	Date
9	Prevent HIV/AIDS and other transmissible diseases	Contractors are required to take preventative measures for all their staff, contractor workers, dependents and subcontractors. Local health bureaus will increase community awareness and monitor health conditions.	Contractors, government health bureaus	2007-2010
10	Encouraging women to participate in policy-making	Encouraging women to participate in policy-making in project preparation and implementation stages, giving priority to women as the laborers necessary for the project	Local government responsible department, Contractors	2008-2010
11	Support to the vulnerable groups	Giving support in demolishing and house construction as well as removal and giving allowance to those having difficulty in living	Local government	2008-2010
12	Tree planting and greening	Increasing over 482 mu of woodland	Forestry department	2008-2010
13	Increasing farmland area	Land reclamation for over 121 mu	Land and resources department	2009-2010
14	Promoting the development of the tourism industry	Putting up signs in scenery spots, giving out tourism handbook, publicizing in the place with concentrated crowds such as service areas and bus stations; giving priority to arranging the employment of the poor population and women	The local government and departments	After 2008
15	Training in skills and increasing employment opportunities	Offering technical training for breeding and planting (about 2000 persons/times)	The local government and departments	2007 and ongoing
16	Improving language ability	Development of bilingual education, holding language training classes	The local government	After 2007
17	Facilitating communication and consultation with the Uygur people	The contractors provide bilingual interpreters, at least one to two interpreter(s) for each contractor	Contractors	2007-2010
18	Developing small business	Developing some business center at the interchange or some strategic locations	Local governments	2008-2010
19	Making full use of the local resources to improve the residents' income	Using local building materials, such as cement, steel products and sand and stone, and transportation resource	Contractors, the local government	2008-2010
20	Absorbing the local laborers to raise their income	Absorbing the local laborers to participate in the project construction, the local laborers account for over 50%	Contractors, the local government	2008-2010
21	Providing employment opportunities in such service trades as catering industry to raise income	The local government facilitates the residents in setting service facilities at the place with concentrated constructors to provide employment opportunities in service trade	The local government, the individual	2008-2010

8.3. EMDP Fund Management

212. The most of relevant costs for EMDP implementation are already included in the total budget of project and related plans and contract. XCCAB will pay the cost according to the project progress to each implementing unit one month before the start of work, including the

design unit, consulting unit, project contractor and government resettlement organization at different levels to guarantee the project implementing units have enough time to prepare and implement the EMDP actions on time.

213. The preparation and implementation of all projects must follow relevant stipulations of the country and autonomous region. The external monitoring and evaluation unit invited by XCCAB will monitor implementation to guarantee quality expected effect of the EMDP. Comments from each side and results will be reflected in the monitoring and evaluation report each year.

8.4. Acceptance

214. The acceptance of EMDP shall be combined with the acceptance of main project. In addition to self-check by XCCAB, XCD supervision department, and the quality inspection unit will make an acceptance opinion.

9. Monitoring and Evaluation

9.1. Monitoring and Evaluation

215. The external independent Monitoring and Evaluation agency will undertake the periodic monitoring and evaluation and provide advice to the project construction coordinating and leading group to assess the quality of the EMDP implementation and results. The external independent Monitor will collect opinions and suggestions from Uygur communities by sampling a representative number of affected villages and households every year, especially from the poor or adversely affected Uygur families.

9.2. Monitoring and Evaluation Implementation

216. According to the requirement of ADB, evaluation of the EMDP will be conducted annually to ensure the actions are implemented according to the action plan and to assess whether the established goals are being achieved. Before the project implementation, XCCAB will engage a monitoring agency that has suitable experience and qualification acceptable to ADB. The Monitor will prepare a monitoring and evaluation plan, including:

A. Collect related data and information, analyze the change of Uygur population, social and economical state of community to reflect project enforcement effect and influence.

B. The enforcement condition of EMDP including project enforcement progress, project quality, satisfactory degree as well as budget allocation and use.

C. Startup participating working method, investigate the economic condition, environmental condition, employment condition of Uygur families and community development condition to prepare and implement related supplemental plan.

D. Pay attention to crucial activities and program in the implementation, and absorb experiences to be used in other area.

217. The data collected should be detailed as far as possible. The data collected and analysis should distinguish according to sex and different income groups, where relevant. The main contents include: implementation of the measures to mitigate impacts, restoration of the affected persons, the beneficial areas and extent, the articles related to the EMDP and measures stipulated in the contract between the project owner and the contractors, as well as the implementation conditions of the measures (including the measures to be executed by the local government). The specific monitoring and evaluation (M&E) indexes and work plan are shown in Outline of Monitoring and Evaluation (see Appendix VI).

218. XCCAB will arrange special funds to engage an experienced Monitor. The Terms of Reference for the external monitoring agency is included in Appendix VI and the tentative budget is 210,000 Yuan.

9.3. Reporting

219. XCCAB will report EMDP progress in the Quarterly Progress Reports submitted to ADB. The external Monitor will prepare and submit reports annually to ADB, XCD and the local governments. The tentative reporting schedule is as follows:

June-August 2008, first monitoring, submit No.1 M&E report.

June-August 2009, second monitoring, submit No.2 M&E report.

June-August 2010, third monitoring, submit No.3 M&E report.

June-August 2011, fourth monitoring, submit No.4 M&E report.

220. For the Kuerle-Kuqa expressway, M&E will be conducted 4 times. Regarding to the

Kuche local road, the first M&E will be carried out in the construction period and the second one will be in 2010 with the results incorporated into the No. 4 M&E report.

Appendix I: Basic Living Conditions of Sample Households

Items	Unit	Amount (77 households)	
		Amount	Average indexes
I. Population and Labor Force			
1. Family population/ female	person /person	412/182	5.35/2.36
2. Labor force/ female	person/ person	281/124	3.65/1.61
I. Living condition			
1. Average housing area per capita	m ² /person	35	
Among which:	m ² /person		
Brick-concrete structure		9.7	
Brick-wood structure	m ² /person	7.22	
Earth-wood structure	m ² /person	18.08	
2. Fuel			
(1) liquefied gas	Yes/No	3/74	
(2) coal	Yes/No	75/2	
(3) firewood	Yes/No	71/6	
3. Cable TV	Yes/No	4/73	
4. Illumination	Yes/No	77/0	
5. Telephone	Yes/No	30/47	
6. Heating facility			
(1) heating	Yes/No	3/74	
(2) Heatable brick bed and stove	Yes/No	77/0	
7. Running water	Yes/No	77/0	
1. Contracted farm land	mu /person	3.16	
Among which: (1) Cultivated land	mu /person	2.30	
III. Agricultural & Animal Husbandry Product			
Irrigation land	mu /person	1.80	
Dry land	mu /person	0.50	
(2) Forest land	mu /person	0.01	
(3) Garden plot	mu /person	0.85	
(4) Grassland	mu /person	0.00	
(5) Fish pond	mu /person	0.00	
(6) Other land	mu /person	0.00	
2. Output of Agricultural & Animal husbandry			
Among which: Grain	pg/person	508.78	
Cotton	pg/person	220.76	
Apricot	pg/person	320.62	
Cattle	head/person	0.26	
Sheep	head/person	1.52	
Dog	head/person	0.07	
Chicken	head/person	0.3	
IV. Non-agricultural population	person	63	0.82
Among which:	person		
1. Industry		8	0.10
2. Construction	person	0	0.00
3. Transportation	person	6	0.08

Items	Unit	Amount (77 households)	
		Amount	Average indexes
4. Services for commerce and catering	person	20	0.26
5. Others	person	15	0.19
6. Outgoing labor force	person	14	0.18
V. Domestic durable consumables			
1. Domestic electro-fixtures			
(1) TV set	set	70	0.91
Among which: Color TV	set	46	0.60
(2) Radio- recorder	set	27	0.35
(3) Refrigerator	set	24	0.31
(4) Washer	set	12	0.16
(5) Electrical fan	set	22	0.29
2. Tools for transportation and production			
(1) Tractor	set	25	0.33
(2) Motorcycle	set	26	0.34
(3) Bicycle	set	38	0.49
(4) Sewing machine	set	22	0.29
(5) Horologe	set	54	0.7
VI. Gross Income	Yuan	1844336.47	23952.42
1. Income from household business and outgoing labor force	Yuan	1844336.47	23952.42
(1) Farming, forestry, animal husbandry, side-line and fishery	Yuan	1400170.68	18184.04
Among which:			
a. Agriculture		963821.65	12517.16
b. Forestry	Yuan	228151.65	2963.01
c. Animal husbandry	Yuan	208197.38	2703.86
(2) Industry	Yuan	11751.73	152.62
(3) Construction	Yuan	0.00	0.00
(4) Transportation	Yuan	42777.78	555.56
(5) Services for Commerce and Catering	Yuan	140453.72	1824.07
(6) Other non-agricultures	Yuan	181740.33	2360.26
(7) Income for outgoing labor force	Yuan	67442.23	875.87
(8) Income for collective services	Yuan	0.00	0.00
2. Transfer Income	Yuan	0.00	0.00
3. Property Income	Yuan	0.00	0.00
VII. Total Expenditure	Yuan	1413623.60	18358.75
1. Expenditure for household business	Yuan	509361.99	6615.09
(1) Farming, forestry, animal husbandry, side-line and fishery	Yuan	396273.12	5146.40
Among which: Agriculture	Yuan	286854.72	3725.39
Forestry	Yuan	49404.17	641.61
Animal husbandry	Yuan	60014.61	779.41
(2) Industry	Yuan	0.00	0.00
(3) Construction	Yuan	0.00	0.00
(4) Transportation	Yuan	37831.60	491.32
(5) Services for Commerce and Catering	Yuan	72892.80	946.66
(6) Others	Yuan	2364.47	30.71

Items	Unit	Amount (77 households)	
		Amount	Average indexes
2. Living Expenditure for Consumption	Yuan	830283.22	10782.90
(1) Foods	Yuan	405862.99	5270.95
(2) Clothing	Yuan	183891.81	2388.21
(3) Residence	Yuan	130367.54	1693.08
Among which: Fuel	Yuan	114464.98	1486.56
Electricity	Yuan	15902.56	206.53
(4) Household facilities and Services	Yuan	5913.90	76.80
(5) Medicines and Medical Services	Yuan	12586.86	163.47
(6) Transportation and Communications	Yuan	19984.44	259.54
(7) Cultural, Educational and Recreational Articles and Services	Yuan	16452.27	213.67
(8) Other Commodities and Services	Yuan	55223.41	717.19
3. Taxes	Yuan	0.00	0.00
4. Expenses for Collective Apportion	Yuan	0.00	0.00
VIII. Net Income per capita	Yuan	3240.23	

Appendix II: Socio-economic Characteristics of the Ethnic Minorities in Project Areas

1. Property

The properties of rural households are of the contracted land, house, domestic animals, orchard garden, shop, etc. The contract land area was allotted according to the family population and not adjusted during contracting period. Therefore, the change of family population directly causes the unequal land area among households in a same village, though individual village (Mazhabake village in Yaha town of Kuche county) has allotted the collective land for those with less land area, it is still hard to solve the problem of possessing equal land area for each, which is the one of reasons to cause different income for different family. In generally, the farmers from Han nationality have the less family burden and rich in economy as they are hard working and intensive cultivation, at the same time, they have higher quality and acceptable ability and less children. By survey, it shows the average cultivated land per capita for samples is 3.16mu, garden land 0.85mu, the average housing area per capita 35 square metre (of which, the houses are accounting for 27.7% for brick-concrete structure, 20.6% for brick-wood structure, 51.7% for earth-wood structure), and the average domestic animals quantity per capita is 2.15.

2. Labor force and education level

In the samples, the male (accounting for 55.83%) is more than female, and the labor force of male is accounting for 55.87%. Most of the labor forces in the project affected area engage in the agriculture, accounting for 77.58% of the total labor force, the enterprise workers are accounting for 2.85%, transportation persons are accounting for 2.14%, catering service persons are accounting for 7.12%, and others (doctors, doctors, persons engaging the odd job) are accounting for 10.31%.

In labor forces, the education condition for male is equal to that of female, it shows that the female enjoys the equal education right as that of male. By Table 3.5 Education Condition of Nuoqiaoka Village in Luntai County, it show evidently that people of the spare labor forces graduated from the junior high school is accounting for 90% of total, and from the school high than the senior high school is accounting for 6.32%, those have higher education and can engage the secondary and tertiary industry from the traditional agriculture.

The labor forces in town(ship)s along the highway line are from Uygur nationality mainly, the labor forces from Uygur nationality are accounting for 94.2% of the total, see Table 3.6 Basic Conditions of Labor Forces in Different Nationality and Sex in Ta'erlake Township of Luntai County. The education level of the labor forces of the whole county is mainly of the junior high and primary schools, accounting for 88.2% of the total labor forces. The labor forces are no longer illiterate basically. But in general, the education level is lower relatively.

Education Conditions of Surplus Labor Forces in Nuoqiaoka Village of Luntai County

Unit: person

Education level	Sub-total	Primary school	Percentage	Junior high school	Percentage	Senior high school	Percentage	Technical secondary school	Percentage	Junior college	Percentage
Male	127	4	3.15%	117	92.13%	2	1.57%	2	1.57%	2	1.57%
Female	63	2	3.17%	55	87.30%	4	6.35%	2	3.17%	0	0.00%
Total	190	6	3.16%	172	90.53%	6	3.16%	4	2.11%	2	1.05%

Basic Conditions of Labor Forces in Different Nationalities and Sex in Ta'erlake Township of Luntai County

Administrative village	Total	Of which					
		Uygur	Percentage	Han nationality	Percentage	Female	Percentage
Kumudun	657	657	100.0%	0	0.0%	318	48.4%
Ta'erlake	981	969	98.8%	12	1.2%	442	45.1%
A'kebolake	736	608	82.6%	128	17.4%	344	46.7%
Ta'erlake department	111	106	95.5%	5	4.5%	47	42.3%
Total	2485	2340	94.2%	145	5.8%	1151	46.3%

Education Conditions of Labor Forces in Ta'erlake Township of Luntai County

Administrative village	Total	Of which																	
		University	Percentage	Junior college	Percentage	Technical secondary school	Percentage	Senior high school	Percentage	Junior high school	Percentage	Primary school	Percentage	No longer illiterate	Percentage	No working capacity	Percentage	Illiterate persons	Percentage
Kumudun	657	0	0.0%	6	0.9%	7	1.1%	21	3.2%	413	62.9%	183	27.9%	12	1.8%	15	2.3%	0	0.0%
Ta'erlake	981	0	0.0%	6	0.6%	6	0.6%	23	2.3%	580	59.1%	321	32.7%	25	2.5%	19	1.9%	1	0.1%
A'kebolake	736	0	0.0%	8	1.1%	10	1.4%	17	2.3%	390	53.0%	283	38.5%	12	1.6%	15	2.0%	1	0.1%
Ta'erlake department	111	5	4.5%	21	18.9%	41	36.9%	23	20.7%	19	17.1%	2	1.8%	0	0.0%	0	0.0%	0	0.0%
Total	2485	5	0.2%	41	1.6%	64	2.6%	84	3.4%	1402	56.4%	789	31.8%	49	2.0%	49	2.0%	2	0.1%

3. Production

Because of no land adjustment after 1980th and the population (more children) of Uygur more than that of Han nationality, average cultivated land area per capita is less, but the domestic animals (mainly of cattle and sheep) quantity is much for Uygur families and is less for Han nationality. The land cultivated by local residents are dry land and garden mainly, which is mainly planted with wheat, cotton, corn, lucerne, etc. and has two-harvest for a year. Garden land is planted with almonds and interplanted with wheat. They are busy with planting from Apr. to Oct., and free from Nov. to next Mar. The local planting crops are mainly of cotton, wheat, corn and fruits. The cultivated way is as that: winter wheat (from Oct. to next June) and corn (from June to Oct.) or cotton (from Apr. 4 to Oct.) and winter wheat (from Oct. 10 to June), and one-harvest for cotton for a part.

Through survey by sampling, it is found that most of labor forces in the project affected area engage in agriculture. Among 412 sampling persons, only 63 persons engage in non-agriculture, accounting for 15.3% of the total people. The family agricultural planting way for different nationalities is basically same.

Different county and city has its own special agricultural products. Luntai and Kuche county has mainly planting the white apricots and cotton, and Ku'erle is famous for sweet-pears. Ta'erlake village in Ta'erlake township of Luntai county has the cultivated land area of 2700 mu and garden area of 2700mu, those are almost in equal. Around the courtyards of households, some economic crops such as grapes and sweet-pears are planted. Mainly the apricots are planted in the garden plot of the village and cotton as well as wheat and corn is planted in the cultivated land. The agricultural products of apricots and cotton are for exporting, 50% wheat is for selling, basically corn is taken as the forage for domestic animals. The animal husbandry is an important income source for local residents. The sweet-pear and cotton is also a major income source for herdsman in Ku'erle. According to the preliminary statistics of Ku'erle agricultural department, in 2005, the pure income per capita is 1303.64 Yuan from cotton, at the first rank, 1174.76 Yuan (154.28 Yuan increasing than that in last year) from sweet-pear, at the second rank; and 384.82 Yuan, 311.7 Yuan, 225.57 Yuan and 131.11 Yuan from animal husbandry, vegetable, grain, the forestry respectively. The income of sweet-pear is accounting for 1/4 and even up to 70% or 80% form some, and the proportion in Ku'erchu is the highest. Kuerchu garden spot in Ku'erle city has the area of 63000 mu, and the sweet-pear planting area up to 51000 mu. By the end of 2005, the sweet-pear planting area in Ku'erle was 354000 mu. Of which sweet-pear of 90000mu had the output of 88700 tons. It is expected that by the end of 2020, the sweet-pear planting area will reach to 500000 mu, the fruiting area will be 400000 mu, the total output will be 400000 tons. The market price for sweet-pear in Kuerle is higher, which has a great influence on the income of farmers, and its income proportion for farmers increases year by year. Now, the sweet-pear is mainly transported to the coastal cities and exported to 24 countries and regions of Southeast Asia, Canadian, etc..

4. Income

The family income is from several parts such as planting, animal husbandry and outgoing work for Uygur; and planting, second and tertiary industry and outgoing work for Han nationality (or mainly from second and tertiary industry for some). For reasons of that Han nationality has the higher planting output per unit through careful cultivation, higher income from the secondary and tertiary industry, and less burden by less family population, so that average income per capita for Han nationality is higher than that of Uygur. The income of local Uygur families is from planting and animal

1	Halayugong	6	11	34	59	27	95	67	165	7121	2.32
2	Langan	23	55	34	106	14	52	71	213	6370	3.34
3	Qia'erbage	38	74	53	123	25	69	116	266	9483	2.81
4	Tiekeqi	46	83	9	19	13	22	68	124	9019	1.37
5	Tuobuliqi	36	61	23	57	8	28	67	146	5412	2.70
6	Puhui	12	17	9	30	8	24	29	71	3112	2.28
7	Awati	56	119	19	66	24	67	99	249	9747	2.55
8	Yingxia	9	23	33	87			42	110	6800	1.62
9	Shanghu	49	114	31	112			80	226	5882	3.84
10	Heshenlike	96	317	34	121	33	110	163	548	5556	9.86
	Total	371	874	279	780	152	467	802	2118	68502	3.09

* The Special households have the pure income per capita lower than 600 Yuan.

** The poor households have the pure income per capita lower than 882 Yuan.

*** The temporary poor households are the households in difficulty with short period because of the paroxysmal incidents such as disease and natural calamity.

Data source: it is from Ku'erle City Development and Reform Bureau.

Luntai County has the total population of 106767. Of which, persons from Uygur nationality is 82136, accounting for 76.9% of the total population. It has the poor population of 2156 with the low income, which are all from Uygur nationality, accounting for 2.2% of the total population. The poor population scatters in town(ship)s. Among them, Yangxia Town is a poor town at the autonomous prefecture level, and the villages of Bagetuogeke and Manquluke in Tierukebazha township as well as Yigeziwuyi village in Qunbake town and Ta'erlake village in Ta'erlake township are the poor villages at the autonomous region level. Jiafangqu village of Caohu township is a poor village at the autonomous region and prefecture level, has the households of 84 with 363 persons, the poor households with the low income are 71 with 316 persons. See the Table below for distribution conditions of the rural poverty-stricken population in Luntai County.

Distribution Condition of Rural Poor Population in Luntai County

Town (ship)	Poor population with lower income by end of 2005		Distribution condition of farmers and herders with pure income lower than 882 Yuan/person by the end of 2005								Poor herders with lower income by end of 2005	
			Five-guarantees households		Salvation households		Supporting households					
	House hold	Person	Household	Person	Household	Person	Resettlers				House hold	Person
							House hold	Person	Household	Person		
Luntai	57	128	51	80	151	298	57	128	---	---	7	24
Ha'erbake	26	55	22	22	34	78	26	55	---	---	---	---
Ta'erlake	45	107	24	30	32	126	45	107	---	---	4	14
Akesalai	38	126	9	26	27	72	38	126	---	---	4	13
Qunbake	73	255	47	60	37	81	73	255	---	---	---	---
Yangxia	15	52	24	31	37	81	15	52	---	---	---	---
Tierekebazha	35	137	41	61	53	167	35	137	---	---	3	10
Cedaya	31	89	10	12	19	38	31	89	---	---	---	---
Yeyungou	---	---	6	6	26	59	---	---	---	---	---	---

Caohu	145	705	—	—	52	187	145	705	115	412	201	1073
Garden spot	36	90	5	5	16	35	36	90	—	—	—	—
Seed multiplication farm	14	92	5	8	26	52	14	92	—	—	—	—
Caohu meadow	111	520	—	—	34	127	111	520	88	414	—	—
Total	626	2356	244	341	544	1401	626	2356	203	826	219	1134

Kuche County has 2 poor townships of Hanikatamu and Talimu at autonomous region level and 70 poor villages, mainly scattering over 13 town(ship)s. According to the poverty standard of Kuche County (the pure income per capita of 2005 and 2006 is lower than 922 and 944 Yuan) as well as the 9-year poverty reduction plan (2002 - 2010), there are 70 key poor villages with 24349 persons from 5205 households. The poor population in Kuche county is almost Uygur. According to that plan, 70 key poor villages will pass the poverty-reduction standard by three stages. Among them, 24 key poor villages for the first round (2002-2005) passed the poverty-reduction standard; 23 key poor villages for the second round (2005-2007) will pass the poverty-reduction standard; and 23 key poor villages for the third round (2008 to 2010) will pass the poverty-reduction standard. The key poor villages in Kuche county have major characteristics of large population and much spots of poor persons, wide area, long line, complex poor levels; bad natural condition and natural calamity such as arid, dust storm, salinization, calamity weather, etc.; low output of crops, poor benefit, the weak ability of resisting natural calamity, and low production level, and inconvenience for traffic and lower education level and cultural quality of farmers. See the Table below for distribution of rural poverty-stricken population in Kuche County.

Distribution of Rural Poor Population in Kuche County

No.	Town (ship)	Total households	Total population (person)	Poor households	Percentage	Poor population (person)	Percentage
1	Hanikatamu	6249	32872	1729	27.67%	9726	29.59%
2	Talimu	1379	5347	112	8.12%	377	7.05%
3	Akewusitang	3409	15148	267	7.83%	947	6.25%
4	Age	1230	4459	215	17.48%	805	18.05%
5	Yuqiwusitang	6989	29598	155	2.22%	376	1.27%
6	Bixibage	6580	27920	1365	20.74%	6000	21.49%
7	Wuqia	9031	38432	92	1.02%	438	1.14%
8	Yixihala	7051	27443	224	3.18%	1176	4.29%
9	Yaha	6571	28810	45	0.68%	196	0.68%
10	Wuzun	5816	27360	213	3.66%	934	3.41%
11	Qiman	8099	36930	330	4.07%	1212	3.28%
12	Dunkuotan	3413	16304	141	4.13%	452	2.77%
13	Alahage	7727	36735	317	4.10%	1710	4.65%
	Total	73544	327358	5205	7.08%	24349	7.44%

The woman proportion is more than male in the poor population. By survey on Ta'erlake township in Luntai county, it shows that Ta'erlake is a poor township in Bazhou, and Ta'erlake village is the poorest village in Bazhou. The township has 101 poor households. In which, Ta'erlake village has 21 households with 27 persons under the five guarantees (of which, male of 7 and female of 20), long-term poor households of 38 households with 92 persons (of which, male of 37 and female of 55). As women are easy to be injured, therefore, each county and city has worked out the special development outline for woman so that the position and quality of woman are rising step by step through the effort made by governments at different levels.

(2) Poverty reasons

There are many reasons to cause the local persons to be poor. According to the survey on three counties and city involved by the project, main reasons are as follows:

- Short of Labor Force

The families short of labour forces have to employ labour forces to complete the agricultural production, then the busy season centralizes in a short period, it is difficulty for them to employ labour forces, that causes their agriculture produce cost to be higher, and the field management not carried out in time makes the harvest being lower.

- Serious Disease

Though, the rural cooperative medical insurance has popularized basically in the rural area, the expense for serious disease and medical is greatest, which is a heavy burden for local residents. A considerable part in poor population becomes poor because of disease.

- Natural Calamity such as Flood and Hail;

The occurrences of natural calamity make the poor population hardly to be out of poor. In 2005, Ku'erle city had 152 poor households with 467 persons suffered by natural calamity. For example, Ailikantuman village in Tuobuliqi township is the poorest village in the township. In 2005, the pure income per capita is 4805 Yuan for herdsman in the township, and 3876 Yuan for herdsman in the village. The reason caused the village poor is natural calamity again and again. The especial heavy hail on "June 29" in the year of 1994 caused no harvest for 85% cotton and collapse of some houses and the gale in the year of 1997 made no harvest for 60% cotton.

- More Population and Less Land Area Per Capita

The contracted land was allotted for a household according to family population, the population of some families increases greatly as comparing those at that time so that the land area per capita is less and agricultural income is lower.

- Serious Salinization of Land and Not Perfected Water Conservancy Facility

Poor land quality, serious salinization of land and not well water conservancy facility are reasons to cause some villages to be poor.

- Low Education Level of Farmers

The educational level and technical skill of farmers is lower so that employment change is less, and their income is mainly from the planting.

- Poor Countryside and Village Road

The restriction of traffic condition causes the transportation cost of agricultural products to be higher, loss larger, information blocked and market consciousness

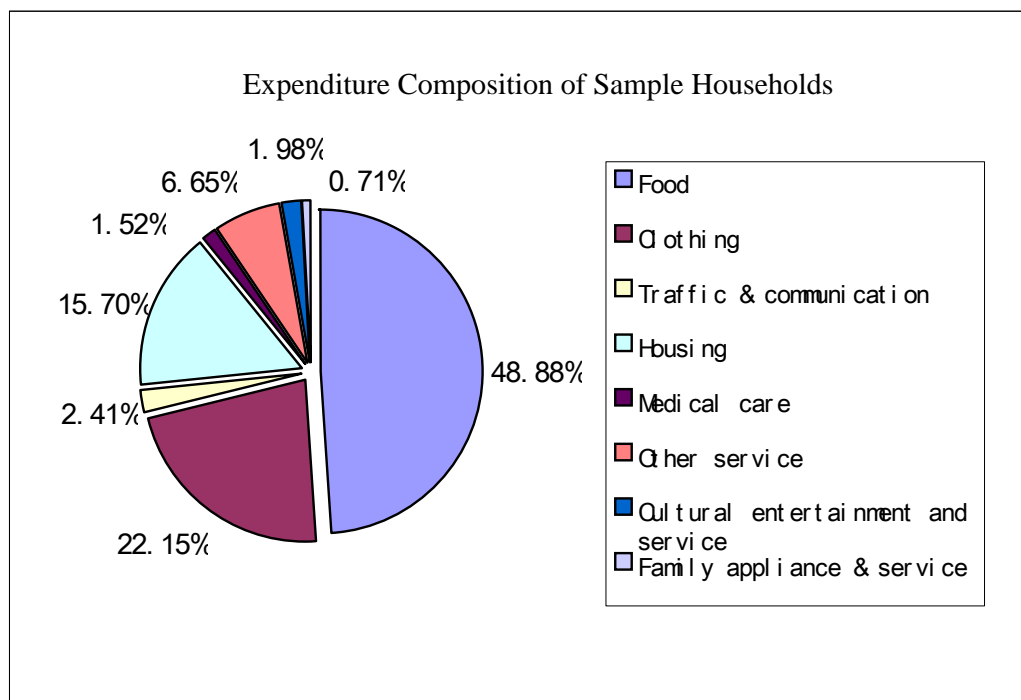
lower, those are also major reasons to cause the producing and living level of villagers to be low and poor population to be much.

For the poor condition in three counties, the local government have adopted the corresponding supporting measures. See Section of Implementing of EMDP for details.

6. Expenditure

The family expenditure of Han nationality is high because of high family income, at the same time, families of Han nationality make efforts on the property accumulation.

By survey, it is found that in the business expenditure of the local families, it is accounting for 77.8% for farming, forestry, animal husbandry, side-line and fishery, and the rest for industry, transportation trade, trade and catering. In the living expenditure, it is accounting for 48.88% for food, 22.15 for clothing, 15.70% for housing, 1.52% for medical care, 0.71 for family appliance and service, 2.41 for traffic and communication, 1.98% for cultural entertainment and service, and 6.65% for other services. Expenditure Composition of Sample Households is shown in below Fig.



7. Traffic

In general, they have business in the local town(ship)s and county. Though the production and living way of each nationality is close, the obvious national features are kept. Uygur have the traffic tools of donkey-drawn vehicle and motorcycle normally, and Han nationality selects motorcycle, vehicle, etc. (less having donkey-drawn vehicle). By survey, it shows that the selection of the transportation tool has a close relation with the economic capacity but has no relation with sex. In general, women are able to drive some small vehicles.

By survey on Shanghu village of Kuerle city, it shows that the village has

377 households in total (in which, 9 households are from Han nationality and others are Uygur nationality) with 1377 persons, possess over 300 tractors for the production transportation and traffic, and has 600 sets of motorcycle. Each household possesses 1~2 sets of motorcycle, the households in the better condition have purchased cars, and the village has 30 cars in total. In addition, the village has 6 trucks for transportation, the rare households in the village use the animal power vehicle such as donkey vehicles. Shanghu village is 6km away from Shanghu town, it has a buss (No. 22) from the village to the town by interval of 30 minutes, and the cost is different, from 1 Yuan, 3 Yuan to 5 Yuan according to travelling kilometer. The traffic condition can directly affect the economic and living condition of residents, in 1999, the sweet-pear in village could not be transported to outside and was rot so that made farmers in great loss. Recently, along with opening of the village road, such kind of matter would not occur any more.

Duosimai village in Cedaya of Luntai county is about 5km away from the township government. 301 households in the village has 260 motorcycles (20% of motorcycles driven by female), 170 tractors (driven by male), and 10 vehicles (driven by male). It shows that the large-size vehicles are driven by male mainly. In the village, a few of persons drive the transportation vehicles (also driven by male).

Along with the improvement of traffic condition, women have more chances to enjoy trip or engage the outgoing work.

8. Living Conditions

Through survey on households by sampling, it shows that minorities in the effected area all have heatable brick beds for heating. In the winter, only a few of households with operating restaurant use heating. The fuel used is coal and firewood mainly, and the liquid gas is for a few households with a good economic condition. The most of households possess TV, the households along the line watch the television programme through the outdoor antenna or satellite receiver mainly. 20% households have durable consumer goods of refrigerators, washers, etc. The usage of telephone is relatively universal, nearly a half of households have the telephones. The illumination rate is up to 100%, and the most of families have the running water.

9. Work Division in Family

Generally, the male is the head of a household, which shows the tradition of man ruling the family affairs. Generally, men and women also engage the agricultural labour, the men carry out the heavy farming work such as fertilizing, planting, placing pesticide, irrigating, picking sweet-pear and transporting agricultural products, and so on. Women are engaging housework or light farming work such as washing clothing and making meals, looking after the old persons and children, weeding, raising domestic animals, packing sweet-pear, picking cotton, the field management. During the busy season, the work of men and women would also be in intersecting. In purchasing, it is the men to purchase the production information and woman to buy the living appliance. For engaging the outgoing work, it is mainly the men to engage the some physical farming works for the land contractors. Only a few of women engage the outgoing work.

Shanghu village in Shanghu town has 377 households, and the household heads are male basically. The male engages the local work, and female does not go out work basically. Usually, the young labour forces in farming household will go to work in the local cotton factory for 2 - 3 month after busy season, a few of households also carry out transportation by motor or three-wheel motor, and can get the income 400 – 500 Yuan for every month. The youth in the village would engage the outgoing work (as the seasonal worker). During the grape mature season, they would go to Tulufan, Akesu and other places to pick grape.

Appendix III: Interview Records

Resettlement interview:

Time: March 19, a.m. 2006

Place: Yaha Town Government Office of Kuche County

Resettlement representative: Yimiti, Director of town, Tuerxun•Fan Aihemaitijaing, Head of the office, and main village cadre and woman director from Yaha village, Mazabage village, Yuqiyujimaiti village

This interview is mainly for survey of basic condition in the project affected area. Through the propaganda from the government, the majority of participants know this project. They think generally that the construction of project is favourable to improve the traffic condition, facilitate materials circulation and resident trip, so, express that support the construction of this project. At the same time, they also mentioned that the construction of this project will result in certain impacts on daily life of local residents, especially the majority in the project affected area is of the Uygur. Therefore they hope that the government at different levels and the project owner pay full attention to the Uygur to reduce the unfavourable factors during the project design and implementation.

In the language aspect, both Chinese and Uygur languages are used in the project affected areas, but the most use Uygur language. However, along with more exchange with the outside, bilingual(Chinese and Uygur languages) use is more and more, and both Chinese and Uygur language are used in the town government documents(as agricultural annual report and economic annual report etc.), and the most persons hope that their child can accept bilingual teaching.

In the family living aspect, local residents use firewood and coal as fuel, running water is common, the requisitioned wasteland is mainly used for herd and planting of fruit tree. At the same time, the majority in the project affected area is of Uygur, and is centralized relatively, therefore the national custom retains complete relatively, and the way for production and living is quiet different.

In the production aspect, the majority of Uygur is engaged in the agriculture, few people engaged in the 2nd and 3rd industry, the main family income is from agricultural, animal husbandry, forest and fruit.

In the marriage and relative aspect, they pay attention to family relationship, is equal and important in daily life between the relatives and neighbours. They hope that they can live together with relatives after relocation. They do not oppose their child marry with other nations, but hope own child to marry own nation. There is own special tradition on the wedding ceremony.

In the religious aspect, the most believe in Islam, nearly each village has own church, old person go to church to do lessons in the morning every day. The mosque in each village is offered to their own villages, the religion follower of other village can not take charge of preside of mosque.

Door-to-door interview:

Time: March 19, p.m. 2006

Place: Rouqiaoka village, Qunbake Town of Luntai County

Object: Xukele-Abula

Xukele-Abula, Uygur, has 6 family members, parents, elder brother, younger brother and younger sister with agricultural residence registration. Housing is of earth and wood structure, 3 rooms about 100m². The project affects 1.3mu land of his family and no house relocation is required. The following is the interview records.

Q: How about the basic living facilities in your family such as heating, water and fuel, etc.?

A: The heating is by the brick bed, water by running water, and fuel use coal and firewood.

Q: How many kilometers for the nearest highway, post and telecommunications office, shop, primary school, middle school and clinic to your family?

A: There is about 2km for the highway, 2km for post and telecommunications office, 2km for the shop, 4km for primary school, 10km for middle school and 2km for the clinic.

Q: How many farmlands do you have? Which the agricultural products do you have? How about the income is this year?

A: There is 20mu irrigated land, the agricultural products are mainly of grain and cotton, 80% total income is from agriculture, the rest from animal husbandry and migrant labor service.

Q: Which is the most difficult in your family?

A: It is too far for child to go to school, and it also is difficult to see doctor.

Q: Do you know the construction of expressway here? Do you know the line route?

A: Yes, I heard it from the town and village cadres.

Q: Is there any positive and negative influence by the construction of highway to your family?

A: The construction of new highway has shortened the distance between my home and highway, and facilitated us for tripping, but the expense on transportation will be also raised up, only the ticket be increased a lot.

Q: For the nearby area, it is mainly of highway economy, how do you to sell agricultural product of your family? Is the construction of new expressway to impact on sale of agricultural product?

A: The sale of agricultural product here is mainly by door-to-door purchase, the "Bazha" market is held regularly every week, the construction of new highway will not only not result negative influence for sale of agricultural product but also is favourable for sale, because the traffic is convenient, more purchaser attracted and more merchant from outside to attend our "Bazha" market.

Q: How does the farmer here arrange one day? How does the farmer here arrange four seasons? What's the busy seasons and what's the idle season?

A: Our work and rest time is same as other places. Farmers do cultivation usually

during Mar. to Oct, and the winter idle time between Nov. to Feb. next year.

Q: What crop is planted here? What is the crop rotation?

A: Crops are mainly of cotton, wheat, corn, fresh fruit and dry fruit. The cultivation way is normally winter wheat (Oct. to Jun. next year) and corn (Jun.-Oct.) or cotton (Apr.-Oct.) and winter wheat (Oct. to Jun. next year), also have only season of cotton.

Q: Which production material and production means with national characteristic do you have?

A: Uygur has more family population than Han nationality (many child), resulting less land resources per capita; More domestic animals (mainly for cattle and sheep) quantity than Han nationality.

Q: What's your family income source and structure? Are there any differences than other nations?

A: The income composition of family is mainly from plating, animal husbandry and migrant labor service. The family of Han nationality is more engaged in the 2nd and 3rd industry relatively.

Q: What's special requirement for marriage? Do you agree to intermarry mutually between nations?

A: Our family does not be prohibited intermarry with other nations, but in fact the case for intermarry between different nations are few, the old age persons in village opposing intermarriage with other nationalities, and there is fix up wedding ceremonies for the marriage.

Q: What's the religious faith in your family? What's function in the production and living? Is it affected by the relocation?

A: The faith is of Islam religion and we go to mosque every week. Each village has religion preside (held by the senior in patriarchal clan), and the mosque in each village is offered to their own villages, the religion follower of other village can not take charge of preside of mosque.

Q: What suggestion and opinion do you have for highway construction?

A: About the land acquisition and relocation compensation, I hope we can get the compensation stipulated by the policy of state and the government of autonomous region.

Appendix IV: Results of the Social Questionnaire

Social Questionnaire

No.	Content	Responses	Sample	Result
1 Language	Through what way do you know the expressway will be constructed in your hometown?	Notification Know it from cadre Know it for others Other way	53	0 10 38 5
	The language spoken in your family	Uyгур Mandarin Chinese	53	45 8 6
	What school do your children go to?	Minority Han	53	41 12
	What school do you like for your children?	Minority Han	53	18 35
	What language do your children study in school?	Chinese Mandarin Uyгур Bilingual	53	0 14 17 22
	Which do you think is the best language for your children to study in the school?	Chinese Mandarin Uyгур Bilingual	53	0 8 17 28
2 Family living	How do you get firewood (coal) for your family?	Collecting firewood Buy coal	53	30 53
	Do you buy drink water now?	Yes No	53	45 8
	What function of acquisitioned waste mountain and land for your living?	Firewood Grazing No	53	6 25 26
	What difference between your nationality and other nationalities?	Production Living Religion Social organization No difference No more difference	53	6 53 53 6 6 0
	What inconvenience will be caused in your living after relocation?	Drinking water Breed aquatics Planting Collecting No	53	0 6 20 6 21
3. Marriage and relatives	Do you have the ancestral hall for your family branch?	Yes No	53	28 25
	Do you think the family relative is important?	Yes No So so	53	45 3 6
	Are your children going to break up the family and live apart after marriage?	Yes No So so	53	44 3 6
	Where people do you perfect for child to marry with ?	From the some village From the some township From the some county Any place	53	8 8 3 34
	Which nationality do you perfect for child to marry with ?	Native Other Any nationality	53	50 3 3
	Mainly where do your relatives live?	Own village Own township Own county Other county	53	8 17 25 3
	Who (relatives, neighbor or government) offers a great supporting	Relatives Neighbor	53	25 17

No.	Content	Responses	Sample	Result
	to you in your living ?	Government		33
4 Family contact	Whom do you have more contact with ?	Native in own village Other in own village Native in other village All the some	53	39 0 0 14
	Who give you a help hand during difficulty ?	Relatives Neighbor Friend Government	53	28 24 25 12
	Whom do you easily borrow money during the urgent needs?	Relatives Neighbor Friend	53	32 10 20
	Has any of your national person taken charge of post in village, town and county?	Yes No Don't kwon	53	50 0 3
	Has your village got any mutual helping organized by nationality leader other than the government?	Yes No	53	31 22
	If any, who are they?	Native elder Native educated person Village cadre	31	11 6 14
5. Religion	What religion does your nationality in village believe?	Islamic Buddha Taoism Christianity	53	47 3 0 0
	Is there any religion place in your village for your nationality?	yes No	53	47 6
	Who has a great affect on your nationality living?	Jinn Ancestor Government Technology	53	3 6 16 28
6. Nationality relation	Which nationality will get most favorable from the project construction?	Uygur nationality Han nationality Nearest one One far away Any	53	3 2 5 2 41
	Which nationality will get most unfavorable impact from the project construction?	Uygur nationality Han nationality Nearest one One far away No unfavorable	53	2 0 3 0 48
	Which nationality is more easily to be employed in this area?	Uygur Han Others By one's own ability	53	6 11 1 35
	What shall be attention to during relocation?	Together with own nationality Together with neighbors Near school Near hospital All	53	0 11 8 34 0

Appendix V: Ongoing Ethnic Minority Poverty Development Projects

Now, Xinjiang is implementing the 9-year (2002 - 2010) poverty-reduction plan, and the poverty-reduction target is mainly the Uygur. The first round of 2002 - 2004 is now already completed, so the most key poverty-stricken villages and households have reached above the poverty-reduction standard; the second round (2005-2007) is underway; and the third round will be performed in 2008-2010. The standard for poverty-reduction of key poverty-stricken villages and households is to get “five-pass, five-have, five-be able to” i.e. Five-pass means water, power, road, telephone and broadcasting and television; Five-have means to have schools, have medical insurance, have cultural, science and technical activity places, have strong village leading group, have complete poverty-reduction files; Five-be able to means to be able to have safe drinking water, able to use electricity, able to have steady income source from one and more production projects, able to have economic and suitable housing, able to get training in time, get information and participate in project implementation. The poverty-reduction measures mainly include:

1) While completing and perfecting infrastructure and social service facilities of key poverty-stricken villages, use the way of “giving people work in place of relief subsidies” to increase the family economic income of poverty-stricken population;

2) Develop animal husbandry, forest and fruit production project to each household, at the same time, popularize practical agricultural technology in the poverty-reduction development;

3) Support and develop the local processing enterprise of agricultural products to drive poverty-stricken households for the development, i.e. “key household plus rural household, enterprise plus rural household”.

The poverty-relief fund is mainly from the government financial appropriation and the discount government loan. The programs in each county/city of the Project Area are as follows:

(1) Ku'erle City

As the minority population is over 30%, Ku'erle City has begun to implement the “11th five-year plan”. Overall, the development plan is to: Implement Ku-Wei integration strategic disposition; insist on strong industry-support city; optimize investment environment; rely on advantage of resources, promote new industrialization; improve the agricultural development to steady the city; use trade to activate the city; improve ecology of the city; realize science and education; strengthen enforcement of laws; advance fully socialist economic construction, political construction, cultural construction and harmonious social construction continuously; prepare solid foundation to realize comfortable social goal; and establish central city position of regional modernization.

—Strong industry-support city, new industrialization path: According to the working thought of “whole party grasps the economy, focal point to industry, invite excellent investment, create the first class environment, promote development of private-run enterprises”, surrounding tightly “Ku-Wei integration” , with carrier of industrial park, by the way of recruiting business to draw capital, with key project as breach, accelerate to advance conversion of best resource, develop positively circulated economy, accelerate the processing development of petroleum, natural gas, cotton spinning and agricultural products;

—Agriculture shall optimize industrial structure, to raise agricultural benefit, develop specific forest and fruit, cotton, animal husbandry, vegetable and fruit planting trade. Industry shall enlarge petroleum trade, develop vigorously high carrying capacity industrial, support and make strong of industry of cotton spinning, forest and fruit, livestock products and agricultural product process trade. The 3rd industry shall develop greatly the circulation of commercial and trade, develop quickly new type service trade (information service, financial service, intermediary service, exhibition service, and real estate) and tourism.

The development goal of the “11th five-year plan” is: The total GDP shall be increased by 13% annually, and reach CNY52.3 billion by the end of the 11th five-year plan. Local financial income shall be increased annually by 16%, whole social fixed asset investment shall be increased annually by 20%, total fixed asset investment for five years will reach CNY111.6 billion; the average income per capita for urban residents will be CNY12,500, the housing area per capita 30 m² ; and the net income of farmers and herders per capita will be CNY7000.

According to the poverty standard of Ku'erle City (the net income per capita of 2005 and 2006 is lower than CNY882 and CNY924) as well as the 9-year poverty reduction plan (2002 - 2010), there is no key poverty-stricken village in Ku'erle City. In 2005, the whole city had 802 poverty-stricken households with 2118 persons, in which there were 371 special poor households with 874 persons; 279 poor households with 780 persons; 152 temporary difficult households with 464 persons. In 2005, the poverty-stricken population in project affected areas had 80 households with 226 persons, including 49 special poor households with 114 persons; 31 poor households with 112 persons.

The poverty-reduction measures of Ku'erle City is mainly to support one by one, cadres stay in the village to solve problems, give people work in place of relief subsidies, use labors from low income poor family, technically support and train farmers and herdsman as well as formulate preferential policy to alleviate the burden.

—Support one by one - The government department in Kuerle City will support village one by one, definite the supported objects and work out the supporting plan.

- Technical training - Offer the technical guidance for poor households to develop agricultural products such as planting sweet-pear and cotton.

—Preferential policy - The preferential policies include: exempting three types of tax of poor household (agricultural tax, animal husbandry tax, agriculture special product tax); avoiding textbook cost, tuition and miscellaneous fees of 9-year compulsory education; and mitigating duty labor service, etc.

For example in 2005, Ku'erle City exempted three types of tax, providing savings of CNY176,962 for poor households and the three special types of herd tax saved CNY31,455.4.

(2) Luntai County

By the end of 2004 , Luntai County had a total population of 96941 and the agricultural population is 71669 accounting for 73.9% of the total, the minority population 80901 accounting for 83.5%. In order to promote further development of minority regional economy, the strategy of the “11th five-year” plan is: focus on the central task of economic construction, rely on resource advantages of oil, gas and land, develop greatly the characteristic economy, promote the mode change of

economic increase, raise economic quality and benefit; speed quickly the process of new industrialization, create obvious trade competitive advantage, outstanding development effect by the key enterprise; guided by the market, implement conversion strategy of advantage resource, with focal point for deep process of oil, chemical, characteristic agricultural by-products, minerals development; and centralize the energy sector to enlarge the construction of industrial park for deep processing of natural gas, petroleum exploration, coal resource development, ecological and cultural travel resource development.

The development goal of the "11th five-year plan" is: The GDP in 2010 of the whole county will be CNY4.5 billion, 30% increase per year, annual financial income increased by 13.3%; Agricultural comprehensive production ability will be strengthened, industrial level raised, economic structure further optimized, resident income raised steadily, the farmer and herdsman income per capita in 2010 will be CNY6000, increasing 7.8% per year; develop ecological and environmental conditions by increasing forest coverage rate up to 9.93% from 7.86%.

According to the poverty standard of Luntai as well as the 9-year poverty reduction plan (2002 - 2010), there is one key poor village of Jiefangqu village under Chaohu township. The whole city had 626 poor households with 2,356 persons, which are all of Uygur and distributed in 10 townships (towns, farms).

In order to promote the economic development of minority areas, improve the production and living conditions of the masses, accelerate steps for poverty-reduction of poor population, the local government at different levels have worked out specially the poverty-reduction plan. According to the actual conditions of each township (town) and village, they will arrange special capital every year to improve the facilities for water conservancy, traffic, education, culture, medical hygiene and other basic facilities to raise cultural quality and the production level of science and technology for farmers and herdsmen. Between 2003-2005, totally CNY535,000 of minority development capital was allocated to complete projects of reconstructing dangerous houses of Kusitireke school in Tierekebaza Township, impervious channel of Yeyungou township, construction project of cultural station of Haerbake township and Qunbake town, alteration of culture station of Taerlake township and equipment purchase project, and procurement of teaching equipment of Talabulake primary school of Yangxia town, etc. In 2005, the autonomous region paid special support poverty-reduction capital of CNY2,929,800 for: (i) the construction of the 25 km diversion channel in Jiefangqu Village of Chaohu Township that is the key poverty-reduction item, (ii) breed type improvement of animal husbandry, (iii) subsidy for schooling, and (iv) medical subsidy and house rebuilding of poor families, benefiting a population of 2300. In 2006, the poverty-reduction relocation project and ability training project was ready for implementation.

From 2002 to 2005, the governments at different levels of region, prefecture and county offer a great supporting for key poor village of Jiefangqu in Caohu Township of Lunxian County, with the supporting capital of 5154100 Yuan. The completed poverty alleviation items are as follows:

In 2002, 1306 long-haired goats were introduced, and the investment was CNY453,600, of which, CNY350,000 was from the poverty alleviation capital of the autonomous region, and CNY103,600 was from self-financing. That helped to adjust the industrial structure, develop animal husbandry, and develop production for poor households in Caohu Township.

Also, 30 sets of housing with 1830 m² were built with an investment is CNY640,500, of which the supplemental capital for the autonomous region is CNY450,000. The relocation of houses improved the village appearance and the

basic infrastructure facilities were strengthened, the living conditions of herdsmen improved, 30 households moved into new houses.

In 2003, Jiefangqu Village of Caohu Township introduced long-haired goat and constructed 30 sets of heated sheds, and the total investment was CNY1,500,000, of which CNY1,170,000 was from the poverty alleviation capital, and CNY330,000 from self-financing of the town(ship)s. The completed project made a good foundation for adjusting types and structure of domestic animal, enlarging the production and reproduction ability of animal husbandry, improving the production condition of poor herdsmen, increasing development ability by themselves, effectively helping the poor households with a lower income to realise the goal of increasing income, solving the clothing problem for poor population, getting rid of existing poor condition thoroughly, and becoming rich.

In 2003, the road construction was completed and 14 km long sand and gravity road was built. The investment was CNY600,000, in which: the capital of giving people work in place of relief subsidies was CNY550,000 and self-financing from town(ship) was CNY50,000. After the project is completed, the conditions of "Man with dust on fine day and the mud on rainy day" end completely, the traffic condition of herdsmen is improved greatly, laying a good foundation for economy development and for herdsmen in Jiefangqu Village to become rich.

In 2004, Jiefangqu Village of Caohu Township completed the construction of sown pasture and basic farmland construction item, and the total investment was CNY1,060,000, of which, CNY960,000 was from the poverty alleviation capital, and CNY100,000 from self-financing of the county. Caohu township, according to construction program and project construction requirements, carried out the construction of sown pasture 350 mu and basic farmland construction 300 mu.

In 2005, the construction of the water conservancy facility for farmland and breed reforming of animal husbandry were completed. Caohu Township, according to project construction plan and requirements, constructed the water conservancy facilities of 25.7km long diversion channel and a pump station, artificial insemination station of 200 m², and 2 medicated vats. The total investment was CNY900,000, in which: CNY780,000 was from the poverty alleviation capital and CNY120,000 was from self-financing of the county. The completed construction of the water conservancy facility for farmland and breed reforming of animal husbandry for Jiefangqu in Caohu Township meets the requirements and passed acceptance organized by the related authority.

(3). Kuche County

As the minority population is over 85%, Kuche County has made and implemented the "11th five-year" plan, determined specific development direction, goal as well as the plan. The specific thought is: center on regional "6122" project, implement further "six development strategies", build quickly "one center and one hub", develop greatly "six trunk industries", realize with great efforts "two big breakthroughs".

—implement further "six development strategies": Implement the advantageous resource conversion strategy by market orientation, "industrial support to strengthen the county" strategy, all-around open strategy, "Gui-Zi cultural brand" strategy, the science and technology talent strategy, durable development strategy;

—build "one center" : Quicken the construction of central city at the north;

—build "one hub" : build the northern traffic hub at the south of Xinjiang ;

—develop “six trunk industries”: The petroleum and natural gas exploration development industrial system, and the petroleum and natural gas chemical industrial system; Coal, coal coking and new building material industrial system; Power industrial system; Deep processing industrial system for grain, cotton, domestic animal and specialized forest and fruit; Gui-Zi culture and tourism industrial system;

—realize with great efforts “two big breakthroughs” : use fully resource advantages to enlarge the trunk industries, realize over-conventional, high speed and jump development for the industry and get significant breakthrough on carrying new industrialization; around the construction of regional central city, build large material flow passageway, rely on industrial park construction and industrial development, realize the development of countryside brought by the city, industry feedback the agriculture, promote the common development of town and countryside, and get significant breakthrough for construction of socialist new countryside and town.

The development goal of the 11th five-year plan is: The GDP of whole county will be increased by over 20% per year, annual financial income increased by 20%; whole social fixed asset investment shall be increased annually by 25%, total fixed asset investment for five years shall be completed for CNY10 billion; Town resident average income per capita shall reach CNY10,000 Yuan; and the net income of herdsman per capita shall reach CNY4500.

According to the survey, the poor population in Kuche County is mostly of the minority and based on the poverty standard of Kuche County (the net income per capita of 2005 and 2006 is lower than CNY922 and CNY944) as well as the 9-year poverty reduction plan (2002 - 2010), there is 70 key poor villages with 11,724 households for 59,085 persons. Among 24 key poor villages for the first round (2002-2004), 24 villages pass the poverty-reduction standard; 23 key poor villages for the second round (2005-2007) is under implementation; 23 key poor villages for the third round will be realized from 2008 to 2010.

By the efforts of poverty-reduction for four years, and up to the end of 2005, the poverty-reduction of 6,059 households with 30,545 person was completed, with payment of poverty-reduction funds of CNY7,990,000. At present, there still have 5,665 poor households with 28,540 persons, who all are Uygur. It is scheduled to complete the poverty-reduction for the remaining persons during 2006-2010 respectively.

— Efforts are made to construct the rural cultural facility, in recent four years, 13 scientific technology and cultural rooms with area of 5000 m² established in each town(ship).

—Efforts are made to popularize the scientific technology and practical technical training by conducting 40 training classes, training the rural cadres and poor households 4935 person/time, and passing on the practical technology of 10 items as to set up a foundation for poverty-reduction and becoming rich;

—Efforts are made to solve problems of the drink water for 4 villages with 3200 persons and 50000 heads of domestic animals and the running water into 1200 households;

—Efforts are made to solve the electrical demand;

—Efforts are made to construct the water conservancy facility. For the problems of legging behind of water conservancy facility in the key villages and incomplete draining and irrigating system for farmland, it is to construct the impervious channel of 62 km, alkali draining canal of 58 km, motor-pumped well of 25 sets, and bridges,

gates and culverts of 360 sets as that the production and living condition in key villages are improved efficiently;

—According to the actual conditions in key villages, guide farmers to develop the animal husbandry and forestry and fruit industry, quick the speed of poverty-reduction and become rich, and put in CNY7,990,000 of poverty alleviation capital in total. In 2002, CNY1,390,000 was invested for 658 households to purchase 3233 head cattle and sheep, CNY70,000 used to set up 400 mu grape base, CNY40,000 used for scientific and technologic train. In 2003, CNY950,000 was invested for 760 poor households to purchase 3040 sheep, CNY500,000 used for 500 poor households to develop new orchard of 1000 mu, and CNY50,000 used for the technical training. In 2004, CNY2,910,000 was invested for 1250 poor households to purchase 6250 heads of sheep and construct the alkali draining canal of 3 km. In 2005, CNY1,500,000 was invested for 1238 poor households to purchase 8529 heads of sheep, and CNY460,000 was used for 5 villages to excavate a canal of 18 km.

According to the poverty-reduction plant in 2002 – 2010, there are key poor villages in project affected area (3 in Yixihala Town, 3 in Wuzeng Town and 5 in Yaha Town). The poverty-reduction for the first round, second round and third round is 3, 4 and 4 villages respectively. The construction of this project does not be concerned with land acquisition and relocation of 11 poor villages above, only few woodland and grassland in Queleawati village of Yaha town to be requisitioned, which belongs to the third round poverty-reduction.

Appendix VI: Terms of Reference for the External Monitoring Agency

1. Objectives of M&E

According to the ADB' requirements, independent monitoring and evaluation (M&E) on ethnic minority development of Xinjiang Regional Road Improvement Project (XRRIP) will be carried out, through checking the implementation process and evaluate on ethnic minority development. Reports will be submitted to Asian Development Bank (ADB), Xinjiang Communication Construction Administration Bureau (XCCAB) and related superior departments annually. Through independent monitoring and evaluation, ADB, XCCAB and people's governments in the Project Areas can assess whether the Ethnic Minority Development Plan (EMDP) is being implemented adequately to achieve the goals on schedule and with stipulated quality. Problems will be identified and recommendations for improvement will be included in the reports.

2. Contents of Monitoring and Evaluation on Ethnic Minority Development

According to the implementation plan which is formulated based on the mitigating, strengthening and beneficial measures in the EMDP, M&E will be carried out. The contents of M&E are shown as follows:

A. Implementation Process and Effect of Mitigating Measures

- A1. Optimize Design Scheme to Reduce Land Acquisition
- A2. Resettlement Rehabilitation Plans
- A3. Avoid or Mitigate Construction Disturbance and Impacts
- A4. Avoid and Mitigate Obstructing Influence at Two Sides of Highway
- A5. Set Bilingual Road Identification Signs
- A6. Ecological Environment Protection
- A7. Recovery of Special Water Conservancy Facility
- A8. Protection of Public Sanitation and Health
- A9. Prevention of Transmissible Diseases
- A10. Encourage Women to Participate in Policy-making
- A11. Support Vulnerable Groups

B. Implementation Process and Effect of Strengthening Measures

- B1. Tree planting and beautification
- B2. Cultivated land reclamation
- B3. Facilitating tourism development
- B4. Providing some trainings (planting, breeding, etc.)
- B5. Strengthening bilingual education

B6. Bilingual interpreters for construction unit

B7. Developing Small Business

C. Implementation Process and Effect of Benefited Measures

C1. Using local building material and transportation resource

C2. Providing employment priority to local labor force

C3. Providing employment opportunities in service industry

Specific contents of M&E are shown in Table 1, attached.

3. Methodology

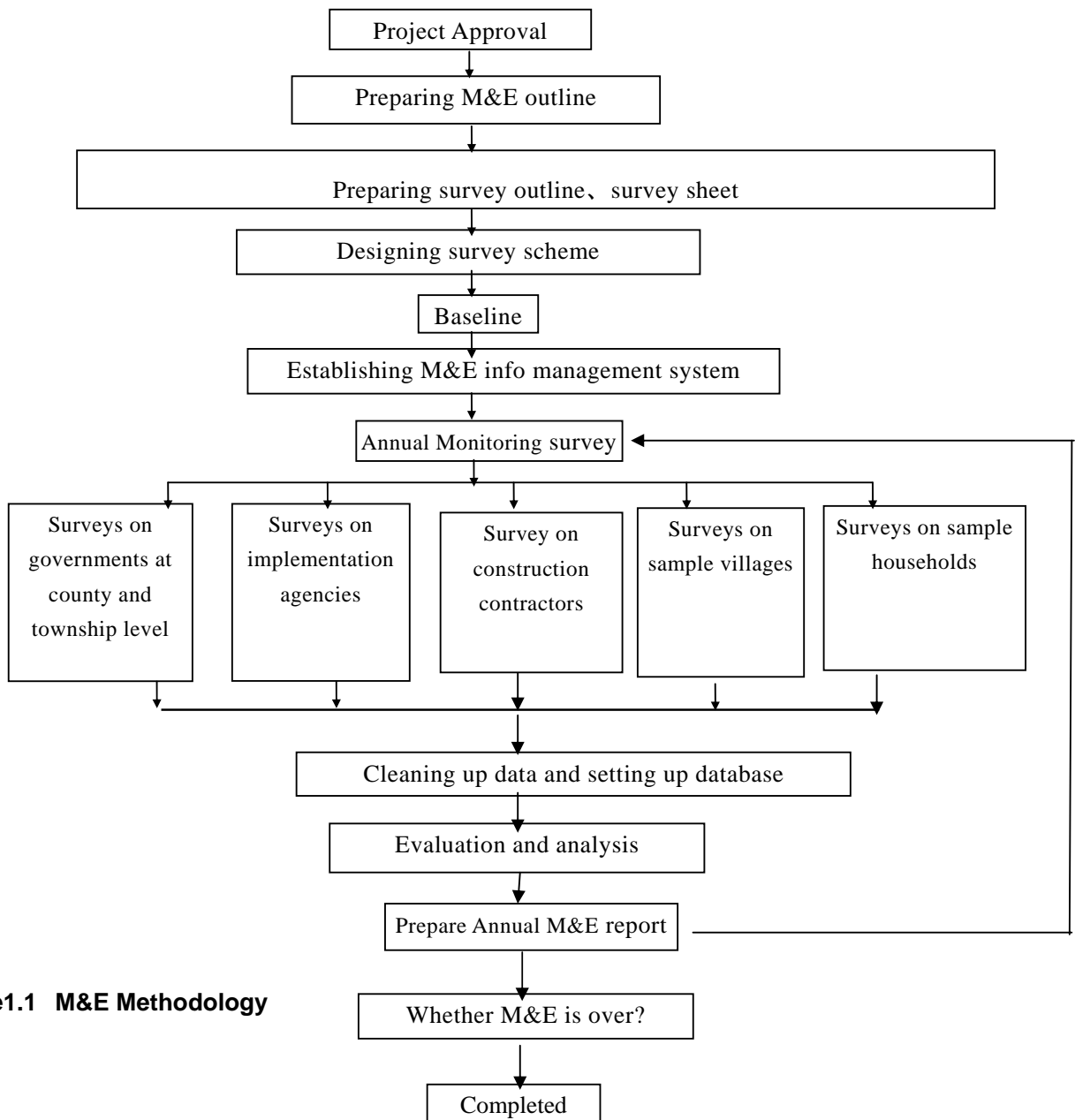


Figure1.1 M&E Methodology

4. Independent Monitor

An independent M&E institute which is experienced in M&E on ADB financed projects with ethnic minority development and has qualified staff will be contracted by XCCAB.

5. Organization Arrangement

- A. The external Monitor will to be responsible for specific survey, data collection of M&E by XCCAB, then calculate and analysis it, and examine the results.
- B. The external Monitor will take charge of compiling M&E outline, establish monitoring site, and preside over on-spot survey and inside analysis, and take charge in preparing ethnic minority development M&E reports.
- C. XCCAB provides cooperation of staff and transportation etc. during ethnic minority development M&E group carries out on-spot survey.

6. M&E Investigations and Surveys

- A. The method of combination of on-spot survey, calculating analysis and experts comprehensive evaluation is adopted.
- B. The survey method of combination of random and targeted is adopted. Comprehensive survey on process, fund and institute and management etc is conducted. Sampling survey on the typical villages and households which is referred in EMDP will be conducted.
- C. Method of classified stochastic sampling is adopted in survey, and follow-up survey on typical households and villages is conducted. The sample size for household survey is 150 households and for 15 villages (5 affected by resettlement, 5 beneficiary villages, and 5 for the local road). Ten sample households will be selected in each sampled village. Regarding to the sample households selection, location, gender, culture, livelihood style, and impact types will be considered in order to select the most representative ones. Household questionnaire, in-depth household interview, focus group discussion, field survey and other M&E methods will be adopted.
- D. Methods of survey sheet, interview, inquiring files and documents, sociological observation, etc. are applied in comprehensive survey on all relevant agencies (XCCAB, 5 county governments and relevant bureaus, contractors, township governments, project supervisor, design institute, etc.).
- E. The Monitor will establish and maintain a data analysis and reporting system, which will be made available to XCD and ADB upon request.
- F. Other information such as pictures, records, etc. should be collected and made available upon request.

7. Schedule of Independent M&E

June-August 2008, first monitoring, submit No.1 M&E report.

June-August 2009, second monitoring, submit No.2 M&E report.

June-August 2010, third monitoring, submit No.3 M&E report.

June-August 2011, fourth monitoring, submit No.4 M&E report.

For the Kuerle-Kuqa expressway, 4 times M&E will be conducted. Regarding to the local roads and border road, the first M&E will be carried out in the construction period and the second one will be in 2010 with the results incorporated into the No. 4 M&E report.

8. Budget for Independent M&E

A total of CNY 210,000 (\$27,000) is estimated to cover the costs of external monitoring and evaluation. A total of four surveys will be conducted and four reports prepared. The cost includes remuneration, per diem, travel expenses, report preparation, and other administrative expenses.

Budget for External M & E on EMDP Implementation

ITEM	No.	Unit	Unit Cost (CNY)	Amount (CNY)
Remuneration	50	Days	1000	50,000
Per Diem	60	Days	500	30,000
Land transportation/Vehicle Rental	60	Days	800	48,000
Survey Assistants	60	Days	500	30,000
Reports and translation				40,000
Management Overhead				12,000
Total				210,000

Measures in EMDP		Project Component					Interviewees			
A9	Preventing HIV/AIDS and other transmissible diseases	√	√	√	√	√	√	√		
A10	Women's participation	√	√	√	√	√	√	√	√	√
A11	Supporting measures to vulnerable groups	√	√	√	√		√	√	√	√
B1	Tree planting and beautification	√			√		√			
B2	Cultivated land reclamation	√		√	√		√			
B3	Facilitating tourism development	√		√			√	√	√	√
B4	Providing some trainings (planting, breeding ,etc)	√	√	√	√		√	√	√	√
B5	Strengthening bilingual education	√	√	√			√	√	√	√
B6	Bilingual interpreters for construction unit	√								
C1	Using local building material and transportation resource	√	√	√	√	√	√	√	√	√
C2	Providing employment priority to local labor force	√			√	√	√	√	√	√

Measures in EMDP	Project Component	Interviewees
C3 Providing employment opportunities in service industry	√ √ √ √ √	√ √ √

Note :

A : Mitigating Measures; B: Strengthening Measures; C: Beneficial Measures

Appendix VII: Map of the Project

