

IPP120

PCF XIAOGUSHAN HYDROPOWER PROJECT

**Ethnic Minorities Development Plan
for
Xishui Tibetan Autonomous Township**

Xiaogushan Hydro Power Company Ltd.

Zhangye City

Gansu Province

2004-08-12

Ethnic Minorities Development Plan

for Xishui Tibetan Autonomous Township

According to the findings of the Social Assessment (see SA report in Appendix I), the Xiaogushan Hydropower Project will bring positive social and environmental benefits to local ethnic minorities, and the adverse social, cultural and environment impacts are minor. Therefore, this EMDP, prepared through consultations with local people, focuses on addressing issues raised by the Social Assessment and enhancing social, cultural and environmental benefits for local ethnic minorities.

Background Introduction

1. XGS Hydropower Company (here in after XHC) is constructing a hydropower station (hereinafter the Project) at Xishui Tibetan Township, Sunan Yugur Autonomous County, Zhangye City, Gansu Province. The function of the Project is to alleviate the poser starvation of the area and to empower the sustainability of the development of West China. The capacity of the station is 98MW. XHC, owner of the project, under the support of the Central & Provincial government has a intention to apply for the PCF fund under the administration of the World Bank (hereinafter WB).
2. Zhangye is a historically multiethnic area. Presently, it has over 20 minority ethnic groups among the 55 officially recognized groups in China. Yugur, Tibetan, Salar, Dongxiang, Bao'an, Mongol, Tu and Manchu are the major ones. Sunan Yugur Autonomous County has over 10 indigenous minority ethnic groups. Yugur and Tibetan are the co-dominant ones beside the Han. There are 5 ethnic groups in the core area of the Project, namely, Xishui Tibetan Township. They are the Tibetan, Yugur, Hui, Mongol and the Han. Tibetans amount to over 90% of the township population and members of other groups all have kinship relations with them. Therefore, the local culture is overwhelmingly Tibetan. Historically, different ethnic groups in Zhangye intensively interact with each other. As a result, a harmonious cultural landscape of multiethnic coexistence and common development is culminated. In Sunan County, Yugur culture is dominant. In the Xishui Township, Tibetan culture is dominant.
3. From early April to late May, a vigorous social assessment is carried out by a expert team composed mainly of the Tibetan scholars under the guidance of the WB OD4.20 and through strict PRA procedure. The report has confirmed that all the residents at stake of the Project fall in the category of indigenous peoples. This fact obliges the XHC to carry out extra measures in light of the OD4.20 and the laws and regulations of China for safeguarding their rights, interests and cultures and to enhance their benefits from and development with the Project:

- 1) The construction and operation of the Project, whenever and wherever affects the local residents, must be based on their informed consensus and active participation;
 - 2) The construction and operation of the Project must try to avoid or take action to reduce all the negative impacts.
 - 3) Adopting all the possible measures to ensure their social and economic benefits from the Project that are in accordance with their cultural traditions.
4. This EMDP is formulated in the light of the laws and regulations of China, the OD. 4.20 of WB, the social assessment report, the emic viewpoint of the residents and their local knowledge.

Project Description

5. The proposed aim of this Project is to alleviate the increasing power shortage in the Zhangye city and the Gansu Corridor. When the whole grid is in hunger, the remote pastoral area is the first to be abandoned. As a result, the life of ethnic minority herdsmen and local economic development and other social undertakings suffer most from the consequences. Therefore, the Project is definitely an impetus to the local combat against the poverty and to the local development. The rural electrification as a sub-project will bring low cost power to the ethnic residents and thus greatly improve their living standard.
6. The building structure of the Project is composed of the head dam, the tunnel canal and the powerhouse. It is located between the planned Dagushan Hydropower Station at upper reach (1.5 km away) and the Xiliushui Station at lower reach (less than 10 km away). The 27 meters high dam is connected by a 11 km tunnel canal that creates a 161 meters high waterfall for the power house. The designed volume of the powerhouse is 98 MW and it can generate 380 million KWh in a year. A 17.8 km long double loop power line will transport the power to the Western Gansu Power Grid via the Heihe transformer station. The total investment of the Project is 689 million RMB. The static investment is 619 million RMB. The estimated unit investment for a KW is 6,320. The construction was initiated in December 2002 and it would complete by the end of 2005. In the peak of the construction period, about 1,340 workers are crowded the site. The designed year for the water level is 2010.
7. Currently, XHC has surveyed the condition of the local residents at stake and has formulated a RAP. All the feasibility studies, including the EAP and RAP, have been assessed by the experts and approved by the higher authorities. The first draft of the socially assessment report has also been submitted and accepted by the WB officials.

The Community

8. In order to mobilize social attention to the rights and interests of ethnic minority people in the implementation of construction projects sponsored by the WB, the following 5 criteria of OD. 4.20 should be applied to the local residents as indigenous people: :
 - (a) a close attachment to ancestral territories and to the natural resources in these areas;
 - (b) self-identification and identification by others as members of a distinct cultural group;
 - (c) an indigenous language, often different from the national language;
 - (d) presence of customary social and political institutions; and
 - (e) primarily subsistence-oriented production.

The social assessment report confirms that the residents at stake are in line with the criteria.

9. The social assessment report also confirms that all the residents at stake are concentrated in the Xishui Tibetan Township, Sunan County (See appendix 1). According to the 2003 statistic data, the Township has 5 villages, 296 households and 1,136 people under its administration. Among them, 642 males, 494 females and 494 able bodies. 192 of them have the non-agricultural household registration. Over 90% residents are Tibetans and over 90% of them are herdsmen. The rest Han, Yugur, Hui also engage in animal husbandry, believe in Tibetan Buddhism and intermarry freely with the Tibetans residents. The ethnic relation is harmonious. The male and female enjoy equal rights and the all the people have a strong orientation for development. No sign of ethnic or gender discrimination within the community can be detected. Since Yugur as a language does not have writing, so the Han Chinese and Tibetan are the 2 writings prevalent in the area. All the residents worshipped mountains and waters together with the Tibetans. Therefore, it is safe to lump the local residents together as Tibetans and as a target group for this safeguarding and development plan. The indigenous features of residents are verified by the following facts:
 10. A close attachment to ancestral territories and to the natural resources. Local Tibetans herd animals in the locality for a thousand of years and most of the local place names are in their own mother tongues. Most of them can still remember the name and territory of their own tribes.
 11. Self-identification and identification by others as members of a distinct cultural group. Tibetans in Xishui believe in Tibetan Buddhism, speaking Tibetan language, and thus they are self-identified and identified officially by the

government and their neighbors as a distinctive cultural group. The fact that they are recognized as belonging to an autonomous township testifies this.

12. An indigenous language, often different from the national language. Tibetans in Xishui has the Amdo dialects of Tibetan language with a writing script shared by all the Tibetans in China. Nowadays, old people can still communicate in Tibetan and young people understand most of them. Meanwhile, all of them have a strong demand and enthusiasm for restoring Tibetan language in the local school.
13. Presence of customary social and political institutions. Young Tibetans in Xishui have adopted Han Chinese personal names, but by their surname, people can still trace back their original tribes. Old people can still remember the boundaries of their own tribal territory.
14. Primarily subsistence-oriented production. Tibetans in Xishui still withhold pastoralism, with grassland as their means of subsistence and with animals as their main resources of livelihood.

The Social Assessment.

15. With strict anthropological fieldwork and participant rural assessment methods, the team with Tibetans experts as the bulk has carried out an intensive social assessment and interviewed over 1/2 of the local households. The data collected is extensive and highly convincing. .
16. The social assessment reveals that over 90% of the local residents strongly support the project and cherish a positive expectation toward it. All the local people, including the herdsmen, the women, the ethnic minorities, school teachers, and doctors in the clinic, lamas in the monastery and government officials confirm the project has the following benefits:
 - 1) Developing clean energy, raising the tax revenue of the local government and booming the local development. Sunan is a county at border between Qinghai and Gansu. Owing to the frequent change of the borderlines, Sunan is unable to develop its own industry and enterprises. Therefore, its tax base is weak and its development of social undertakings is slow. Once the project completed, 2.6 million of RMB tax will be generated to the County Government and this will greatly enhance the governmental capacity to combat poverty and to develop.
 - 2) Chopping down the power price and improving the life. In the past, the power supply is unstable and the price is high, nearly a RMB Yuan per kW/h. The herdsmen have to burn coal or wood for fuel and for warmth. This not only pollutes the air, harms the forest, but also a physical burden to the local

women. As the project initiated, the power supply to Bajiaowan was improved and the price cut down by half. Once the project completes, the environment will benefit from it, the home electric appliances will be more popular and life will be more enjoyable.

- 3) Improving the communication and rendering conveniences. In the past, the road from Xishui to Zhangye is difficult and local people suffer a lot for going to school, hospital, finding jobs and buying necessities. The project improves the road and a commuting bus is in function on the daily basis. A Zhengnangou young man's observation is "the better road saves fuels for my motorcycle and makes it easier for me to look for girl friend". People all think education, medical care will be improved and development of tourism and product processing will become easier.
- 4) Booming the diversified industry and residents' income. The assessing team witnessed a number of villagers in Bajiaowan helping XHC to plant trees. Each person could earn 30 RMB per day. In the discussion with the villagers, they all expect that the increase flow of the outsiders will allow them to develop the service industry such as the restaurant, family hotel, barbershop and other small marts. The idling educated youth will also find employment in many ways. Local people are confidence in developing tourism and animal product processing around the project.

17. The SA also received complaints from some residents. Some residents raised their concerns and worries on the impact of the project to their ecological environment and traditional ethnic culture. These concerns could be summarized as the following 4 points:

- 1) The land acquisition and compensation. Some villagers still complained that the valuation methods for land compensation were not fair enough. They proposed that XHC should use the unit price to multiply the lost area, and multiply again with the years to come till the village re-allocate land and renew the land contract with each family.
- 2) Other rights and interests. Although the management of XHC is sound, there are still loopholes resulting in some delinquent behaviors of the construction teams. Some teams excavate the sand, heap the building materials, or dumping the wastes on the land without going through land acquisition process, thus occupies extra land and damages the pasture or blocks the herding rout. Some workers set fire on the pasture for warmth, and some workers poached the wild life or steal residents' property.
- 3) Ecological environment and public security. Local climate is often very dry and the construction road has not been well paved. Sometimes heavy trucks

in high speed arouse horrible dust that pollutes the grass, crops and certain section of the river water. This also presents a serious danger to the local herdsmen, their schooling children, and the herds. The noise of the trucks also affects teaching in the school on the roadside.

- 4) Religion and folk beliefs. Local people believe in Lamaism and pay attention to the worship of the gods of mountains and rivers. They regard the Dagushan as a holy mount and have 3 latse (obo in Mongolian) on its top for regular annual adoration. The neglect of appeasing rituals causes anxieties among the local residents, especially the lamas, the old and the women. They think this may offend the gods and will befall disasters to the community.

Legal Framework

18. The following laws and regulations provide this EMDP with a firm legal stand:

- 1) Article 117 of the Constitution of PRC stipulates that organs of self-government of the ethnic autonomous areas enjoy the autonomy to manage their own local finance. They may autonomously arrange local financial revenues.
- 2) Article 118 of the Constitution of PRC stipulates that organs of self-government of the ethnic autonomous areas, under the guidance of the state plan, enjoy the autonomy to arrange and manage the local economic construction undertakings.
- 3) Article 22 of the Law on Regional Ethnic Autonomy, PRC. stipulates that the organs of self-government of the ethnic autonomous areas may adopt special measures to provide preferential treatment and encouragement to specialized personnel joining in the various kinds of construction in these areas.
- 4) Article 23 of the Law on Regional Ethnic Autonomy, PRC. stipulates that when recruiting personnel in accordance with State regulation, enterprises and institutions in ethnic autonomous areas shall give priority to the minority nationalities and may enlist them from the population of minority nationalities in rural and pastoral areas.
- 5) Article 64 of the Law on Regional Ethnic Autonomy, PRC stipulates that while exploiting resources and undertaking construction in ethnic autonomous areas, the State shall give consideration to the interests of these areas, make arrangements favorable to the economic development thee and pay proper attention to the productive pursuits and the life of the minority nationalities there. The State shall take measures to give due benefit compensation to the ethnic autonomous areas from which the natural resources are transported out.

- 6) Article 64 of the Law on Regional Ethnic Autonomy, PRC stipulates that the upper State Organs should organize, support and encourage of economy in the ethnic autonomous area by means of geared aid in the fields of education, science and technology, culture, public health and physical education.
- 7) Article 66 of the Law of Regional Ethnic Autonomy, PRC. Stipulates that where ethnic autonomous areas make contribution to the ecological balance and environmental protection of the State, the State shall give them due benefit compensation. While exploiting resources and undertaking construction in ethnic autonomous areas, the organizations or individuals shall take effective measures to protect and improve local living and ecological environment and to prevent and control pollution and other public hazards.
- 8) Article 67 of the Law on Regional Ethnic Autonomy, PRC. stipulates that enterprises and institutions in ethnic autonomous areas shall respect the power of autonomy of local organs of self-government, observe the local regulations on the exercise of autonomy and separate regulations as well as the local rules and regulations, and subject themselves to supervision by such organs.
- 9) Article 67 of the Law on Regional Ethnic Autonomy, PRC. stipulates that The State and people's governments at higher levels shall provide greater support to the poverty stricken areas in ethnic autonomous areas in the financial, monetary, material, technological and trained personnel fields so as to help the poor populations thee to shake off poverty as soon as possible and to be come well off.
- 10) Article 11 of the Gansu Provincial Regulations for Implementing the Law on Regional Ethnic Autonomy stipulates that enterprises affiliated to State organs at higher levels but located in the ethnic autonomous areas should respect the power of autonomy of local organs of self-government, observe the local regulations on the exercise of autonomy and separate regulations as well as the local rules and regulations, subject themselves to supervision by such organs and take care of the interests of the local residents. When recruiting employees, they should recruit from the local residents and give priority to ethnic minority.

Enterprises affiliated to State organs at higher levels but located in the ethnic autonomous areas, in submitting their profits or income tax, should return 9% to the ethnic autonomous area as the earmarked fund for developing local and township enterprises. The fund is not included the basic financial budget of the autonomous area and is not to offset the financial allowance from the higher authority.

11) Article 19 of the Autonomous Regulation of the Sunan Yugur Autonomous County stipulated that enterprises affiliated to State organs or other places but located in the County, in submitting their profits or income tax, should return 9% to this County. The returned sum...shall be used as the earmarked fund for the economic construction of this Autonomous County and be arranged autonomously by this Autonomous County.

Land Acquisition and Resettlement

19. Land Acquisition. The social assessment report confirms that the process of land acquisition and compensation is strictly in accordance with the Land Law of the PRC and the Sunan County Method of Compensation for Grassland Acquisition. The survey of the area is reasonable and the compensation is sufficient, with the participation of the herdsmen, the local official and the XHC.

20. XHC has reached agreement with 6 affected households to purchase spring grass (equal to their loss) for them every year until 2012 when the current land contract expires and village will re-distribute land to every family.

Environment

21. XHC has promised to carry out all the protection and compensation measures prescribed in the EMP. It has also promised the following 2 actions:

- 1) Maintaining and watering the access road. Although in the future there will be no less than 6 enterprises to use the only road in the Xishui Township, XHC agrees to take responsibility of road maintenance during construction period and watering the road twice every dry day.
- 2) Strengthening enforcement of EMP. XHC agrees to strengthen monitoring the construction work, especially the behavior of the transporting vehicles on the road. It has installed a monitoring telephone (0936-6390006) and has promised to reward the impeacher, punish the violator and compensate the suffered (see appendix II).

Cultural, education and health issues

22. To respect the Tibetan ethnic culture and ensure road safety, XHC agrees to establish more traffic signs in both Han and Tibetan. It also agrees to train its employees and construction teams with local ethnic cultural knowledge, at the expense of XHC. In the case when the construction has to disturb the local gods, the Company will invite local Lamas to perform the appeasing ceremonies. Meanwhile, XHC agrees to sponsor the upgrading of the local elemental school

and to support development of Tibetan-Han Chinese bilingual education, and to help maintain the Dharma Wheel Monastery as a local religious center.

23. To reduce the inconvenience created by the heavy traffic due to the construction of the Project and to enhance the safety on the road, XHC, beside the fulfillment the EMP requirements, it will also spread the knowledge of road safety and it will supervise the construction team to store up materials beforehand, so that the traffic load will be reduced in the season when local herds shifting the grassland.

Other Issues

24. Employment of local laborers. XHC is going to recruit local surplus laborers in priority based on real demand. After the construction, XHC will supply the local employee with technique and legal training to enhance their future employment.
25. The price of electricity. During the construction and operation of the Project, XHC will allow the local residents to share the power lines and to grant the local residents preferential electricity price.

Institutional Arrangements

26. In order to put the above-mentioned measures into action, XHC is going to establish Xishui Ethnic Minority Development Coordination Committee (XEMDCC). The Committee consists of 7 members, including 1 delegate from XHC, 1 from the Sunan Office of Poverty Alleviation, 2 from the Xishui Township Government (including 1 woman), and 3 from 3 villages(- one each from Bajiaowan, Louzhuangzi, Zhengnangou).
27. The XEMDCC will be seated in Xiaogushan Company and its function include coordinating and supervising the implementation of EMDP and fund allocation, hearing the complaints from the local residence, and coordinating measures for other relevant issues. The XEMDCC will hold at least one meeting every half year. The XEMDCC will also be responsible for keeping minutes of the committee meetings and disclose them to the local residents. The record is subjected to the inspection of the WB. The administrative cost is to be covered by the supervision budget proposed below.

The Development Projects and Budget

28. XHC agrees to provide funds to cover the following activities:
 - 1) **Maintaining and watering the access road.** The total costs for maintenance for the access road from Dayekou to construction site (56 km) and to water the road twice every dry day is 280,000RMB.

- 2) **Support to local education.** XHC agrees to offer 250,000RMB to Xishui Township Elemental School for: (1) “PCF Xiaogushan Scholarship” (50,000 RMB=500 RMB * 10 students * 10 years); (2) School facilities (150,000 RMB, a detailed plan needs to be proposed by the school and approved by XHC); (3) Support to bilingual education (including donating books, 50,000 RMB= 10 years * 5,000 RMB).
 - 3) **Support to local health care.** XHC agrees to provide Xishui Clinic with 100,000 RMB for: (1) upgrading its facilities, 40,000 RMB (a detailed plan needs to be proposed by the Clinic and approved by XHC); (2) improving its daily operation (including outreach activities and first-aid medicines), 60,000 RMB = 6,000 RMB * 10 years.
 - 4) **Dharma Wheel Monastery Rehabilitation and Appeasing Ceremonies.** 220,000 RMB, including 200,000RMB for Monastery Rehabilitation, and 20,000 RMB for ceremonies (5 years * 4,000RMB).
 - 5) **Training on Tibetan culture renovation and local economic development.** 100,000RMB (20,000 RMB every year for the first 5 years) (a detailed training program will be prepared by XHC every year, based on consultations with local ethnic minorities.)
 - 6) **Information disclosure and communication with local people.** Activities will include the bilingual traffic signs and posters, regular cultural communication with the local residents, etc. Total costs are 50,000RMB(= 10 years * 5,000 RMB).
 - 7) **Supervising cost:** 10 Years * 20,000RMB=200,000RMB.
29. The total estimated costs for the above activities amount to a budget of 1.2 million RMB. It is proposed that 1 million RMB from PCF fund should be reserved for EMDP and the rest 0.2 million will come from the annual tax paid to the Sunan County by the XHC (- According to Article 11 of the Gansu Provincial Regulations for Implementing the Law of Ethnic Regional Autonomy, PRC should guarantee a 9% return of the annual profits and tax from the Project to the Xishui Township before its handing over to the Sunan county.)
30. The budget for EMDP will be under a special account managed by XHC. XHC will be also responsible for implementation of this EMDP. The budget and the implementation of the EMDP will be supervised and monitored by the independent monitoring consultant, XEMDCC, and the World Bank.

Supervision and Appealing Procedures

31. The monitoring procedure for the resettlement and environment impacts has been embodied in the RAP and EMP. The Supervision and Monitoring for the EMDP implementation will follow the following procedure.
- 1) The independent monitoring consultant will regularly visit the project site and submit a monitoring report to XHC and the World Bank. (The report will be submitted once every half year for the first two years and then once every year for eight years.)
 - 2) The XEMDCC will regularly submit an evaluation report to XHC and the WB, after reviewing the monitoring report and consulting with local people. (The report will be submitted once every half year for the first two years and then once every year for eight years.)
 - 3) XHC will regularly submit a progress report to the World Bank. The report will be submitted once every half year for the first two years and then once every year for eight years.

All the reports mentioned above will be bilingual, i.e. in English as well as in Chinese.

32. XHC will timely adjust its contracts of independent monitoring for EMP and RAP to reflect progress of the EMDP and to address additional contents of cultural sensitivity whenever necessary.
33. This plan is under the protection of the Constitution of PRC, the Law on Regional Ethnic Autonomy of PRC, the Gansu Provincial Regulations for Implementing the LREA and the WB OD4.20. Local residents may load their complaints to the EMDP Office for the solution concerning the implementing of this EMDP. They can also bring their case to the EMDP Committee, to the Beijing Representative Office of the WB, to the People's Governments at all levels. If their complaint is not properly responded, they can the case to People's Court at all levels.

Appendix I

Appendix II

(The end)

