

Social Audit Report for Yulin Subproject

Project Number: 49084-001
December 2016

PRC: Small and Medium-Sized Enterprise Industrial Wastewater and Sludge Treatment Project

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**Small and Medium-Sized Enterprise Industrial
Wastewater and Sludge Treatment Project**

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Abbreviations

AAOV	Annual Average Output Value
ADB	Asian Development Bank
AESPR	Annual Environment and Social Performance Report
AHs	Affected Households
APs	Affected Persons
CTEG	CT Environmental Group
DMS	Detailed Measurement Survey
EIA	Environment Impact Assessment
FSR	Feasibility Study Report
GRM	Grievance Redress Mechanism
HD	House Demolition
IWSP	Industrial Water Supply Plant
LA	Land Acquisition
LAO	Land Acquisition Office
LAR	Land Acquisition and Resettlement
LRAB	Land Resource Administration Bureau
PRC	People's Republic of China
SME	Small and Medium Enterprises
WWTP	Wastewater Treatment Plant

WEIGHTS AND MEASURES

km	kilometer
m ²	square meter
mu	Chinese land measuring unit (1 hectare = 15 mu) 1 mu = 666.7 m ²
ha	hectare (10,000 m ²)

1 Introduction

1. **Project Description.** The proposed project will support CT Environmental Group Limited (CTEG) to build, own, and operate a series of specialized small and medium enterprises (SME) industrial wastewater and sludge treatment plants in the designated areas determined by the local governments. The project will contribute to mitigating water pollution from SMEs, and will improve SME industrial wastewater and sludge management through increased treatment of wastewater and sludge. The project scope includes the installation and operation of SME industrial wastewater and sludge treatment plants at designed performance levels. By 2019, wastewater treatment capacity of 450,000 tons per day, sludge treatment capacity of 4,200 tons per day, and industrial water supply capacity of 240,000 tons per day will be developed. This social audit report covers the Yulin subproject (the Subproject), which is situated west of Nanliu River in Zhangmu Town, Fumian District of Yulin City.

2. **Objectives and Scope of the Report.** Land acquisition and resettlement activities of the Subproject have been completed by the local government (Fumian District Government) in 2016. ADB'S assistance to CTEG falls under the category of 'Corporate Finance' in Safeguards Requirements 4 (Special Requirements for Different Finance Modalities, section H) of the 2009 ADB Safeguards Policy Statement (SPS).¹ As required by the SPS, a Social Safeguards Compliance Audit was undertaken for CTEG's past and present performance with regard to managing social dimensions of the Subproject, particularly on land acquisition and involuntary resettlement, indigenous peoples/ethnic minority issues, labor and working conditions, stakeholder engagement, among other related issues.

3. The audit was performed in accordance with the SPS and other social requirements, as well as applicable local environmental, social, and occupational health and safety regulatory requirements in the PRC.

4. **Methodology.** In the course of conducting the social safeguards audit for the Subproject, the following was undertaken: (i) a desk review of the CTEG's existing environmental and social management system (ESMS); (ii) a review of relevant national laws, regulations and guidelines related to social impact assessment, land acquisition, ethnic minorities and consultation and participation, which are presented in Table 1; (iii) interviews with the CTEG's Management and key staff, representatives of Fumian District Government, local farmers affected by land acquisition in 2016, and the list of persons met is presented as appendix I; and (iv) site inspection of the Subproject. The documentary review and interviews were carried out during the course of the site visit with an aim to assess the labor and working conditions, land acquisition and involuntary resettlement, indigenous peoples, and gender and development aspects. The desk review also included a review of project documents and literature including project proposal, environment impact assessment report (EIA), land acquisition and compensation agreements and receipts of compensation.

¹ The Safeguards Policy Statement is available from <http://www.adb.org/Documents/Policies/Safeguards/default.asp>

Table 1- Relevant National Laws, Regulations and Guidelines

Type	Laws, Regulations and Guidelines
Involuntary Resettlement	<ul style="list-style-type: none"> ● Land Administration Law of the People's Republic of China (effective from January 1, 1999, amended on August 28, 2004); ● Law of the People's Republic of China on Administration of the urban Real Estate (1994); and ● The document 28: State Council's Decision to Deepen Reform and Strictly Enforce Land Administration Issued by State Council in October 2004. ● Regulations on the Protection of Basic Cultivated land (No.257 Decree of the State Council of The People's Republic of China on December 27, 1998); ● The Land Administration Law of People's Republic of China (effective as of January 1, 1999, latest version on August 28, 2004); ● The Implementation Rules for The Land Administration Law of People's Republic of China (Decree No.256 of the State Council, effective from January 1, 1999); ● Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28, effective from October 21, 2004); ● Guidelines on Improving the System of Land Compensation and Resettlement (the Ministry of Land and Resources [2004] no. 238); ● Real Property Rights Law of the People's Republic of China (No. 62 order of the President of People's Republic of China, and effective as of October 1, 2007); ● The Administrative Measures for the Pre-view of Land Use for Construction Projects of the local government (No.42 Order of The Ministry of Land and Resources, effective as of January 1, 2009); ● Regulations on the Expropriation of Houses on State-owned Land and Compensation (Decree No.590 of the State Council, effective from January 21, 2011); and ● Regulations on Appraisal of the Houses on State-owned Land (No.77 of the Ministry of Housing and Urban-rural Development effective as of June 3, 2011).
Indigenous Peoples	<ul style="list-style-type: none"> ● Ethnic Minority Autonomous Religion Law of PRC(effective from October 1, 1984, amended on February 28, 2001) ● Notice of State Council on the Establishment of Ethnic Minority Villages (1983); ● Regulation on the Work of Administrative Urban Ethnic Minority (effective from September 15, 1993)
Other social issues	<ul style="list-style-type: none"> ● Labor Law of the People's Republic of China (effective from January 1, 1995) ● Law of the People's Republic of China on the Protection of Rights and Interests of Women (effective from October 1, 1992)

2 Involuntary Resettlement

2.1 Project Description

5. On September 6, 2015, CTEG entered into an Investment Framework Agreement with Fumian District Government, Yulin City. On December 17, 2015, CTEG and Fumian District Government signed the Investment Agreement. On March 29 2016, the Supplemental Investment Agreement was signed. CTEG will provide investment to develop the Yulin (Fumian) Energy Conservation Environmental Protection Industrial Park (the Park). This is a new park, and construction commenced on May 30, 2016. Fumian District Government agreed to grant to CTEG the exclusive operation right to construct the wastewater treatment plant, industrial water supply plant, and municipal water supply plant facility and operate and manage the wastewater treatment services and water supply services in the Park. According to the Investment Agreement, the total planned area of the Park is 2,000 mu (133.33 hectares) and it will be developed in 3 phases as presented in Table 2.

Table 2- Proposed Development Plan of the Park

Phase	Planning Period	Development Target	Planned Area (mu/ hectare)
I	2015-2020	Construction of infrastructure facilities including wastewater treatment plant, water supply facilities, combined heat and power facilities, water reuse system, and standard factory buildings. By the end of 2017, the existing 23 garment washing companies will be relocated to the water-consuming enterprises upgrading zone within the industrial park.	600mu/40ha 666.587 mu/ 44.44 ha ^a was acquired during implementation.
II	2020-2025	Has the reputation of being a well-developed denim garments and high-end textile fabric production base by year 2025, other qualified water-consuming industries such as leather, chemical and paper making companies in Yulin area will be relocated to the industrial park.	1,000 mu /66.67 ha
III	2025-2030	Develop a solid waste treatment facility and resources recovery center, support the development of environmental products and energy saving environmental equipment manufacturing industries. The GDP of the industrial park could reach RMB1.4 billion by 2030.	400 mu /26.67 ha

^a CTEG subproject using ADB finance will construct the infrastructure facilities including wastewater treatment plant, industrial water supply plant, and municipal water supply plant in an 11.03 hectare allocated inside the phase I of the Industrial Park .

6. Under phase I of the Park, a wastewater treatment plant (WWTP) with capacity of 50,000 m³/day (phase I), an industrial water supply plant (IWSP) with capacity of 50,000 m³/day (phase I) and a municipal water supply plant (MWSP) with capacity of 20,000 m³/day will be developed, and ADB loan will be used for these three components. The design capacity of the WWTP and the IWSP is 100,000 m³/day respectively. Phase I of the proposed WWTP will be mainly used for industrial wastewater collection and treatment. Figure 1 is the layout of the Subproject in the Park. Local government totally acquired 666.587 mu (44.44 hectares) for phase I of the Park, and 165.446 mu (11.03 hectares) land was allocated for the proposed ADB financed components. Land for

phase II of WWTP and IWSP has been reserved and included in the 165.446 mu (11.03 hectares) land. Table 3 presents the components of the Subproject.

Figure 1- Layout of the Subproject

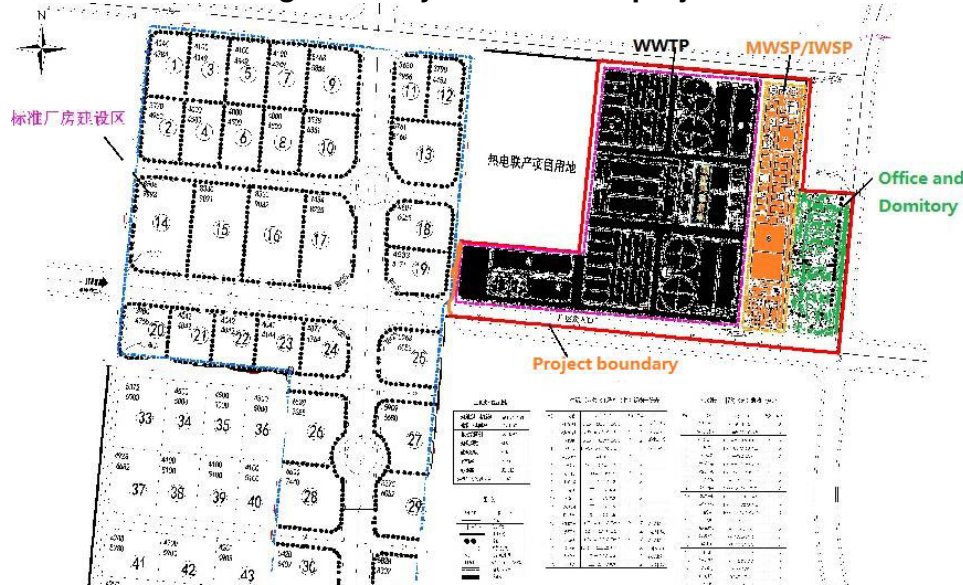


Table 3- Components of the Subproject

Number	Components	Description
1	IWSP	
1.1	Plant	50,000 m ³
1.2	water supply intake pump station	100 m ²
1.3	Transmission pipeline from the water supply intake to the plant (DN1200)	750 m
1.4	Water supply distribution pipeline network	
	≤DN300	962m
	DN400	310m
	≥DN500	2,520m
	Subtotal	3,792m
2	MWSP	20,000 m³
2.1	Transmission pipeline (DN500)	
2.2	Water supply distribution pipeline	
	DN300	1,730m
	DN400	1,340m
	≥DN500	1,120m
	Subtotal	4,190 m
3	WWTP	
3.1	Plant	50,000 m ³
3.2	Waste water collection pipeline network	
	DN300	962m
	DN400	310m
	≥DN500	2,520m
	Subtotal	3,792m
3.3	Effluent discharge pipeline (DN1800)	950 m

7. Figure 2 is the location of the Subproject. The nearest community is Shiqiling Village, which is 165 meters away. According to the EIA, the buffer zone is 150 meters. There is no residential household and other sensitive receptor within the buffer zone. At present, within the buffer zone, there are some industrial factories, roads, and some forest land, which are not environmental sensitive receptors. The operation of the subproject will not result to physical or economic displacement of any of the land users. According to the EIA, within the buffer zone, residential houses, school, hospital, food processing factory and medicine factory can't be constructed in the future. Figure 3 is the layout of the water distribution pipeline Network. Figure 4 presents the layout of the sewer network.

Figure 2- Location of the Subproject

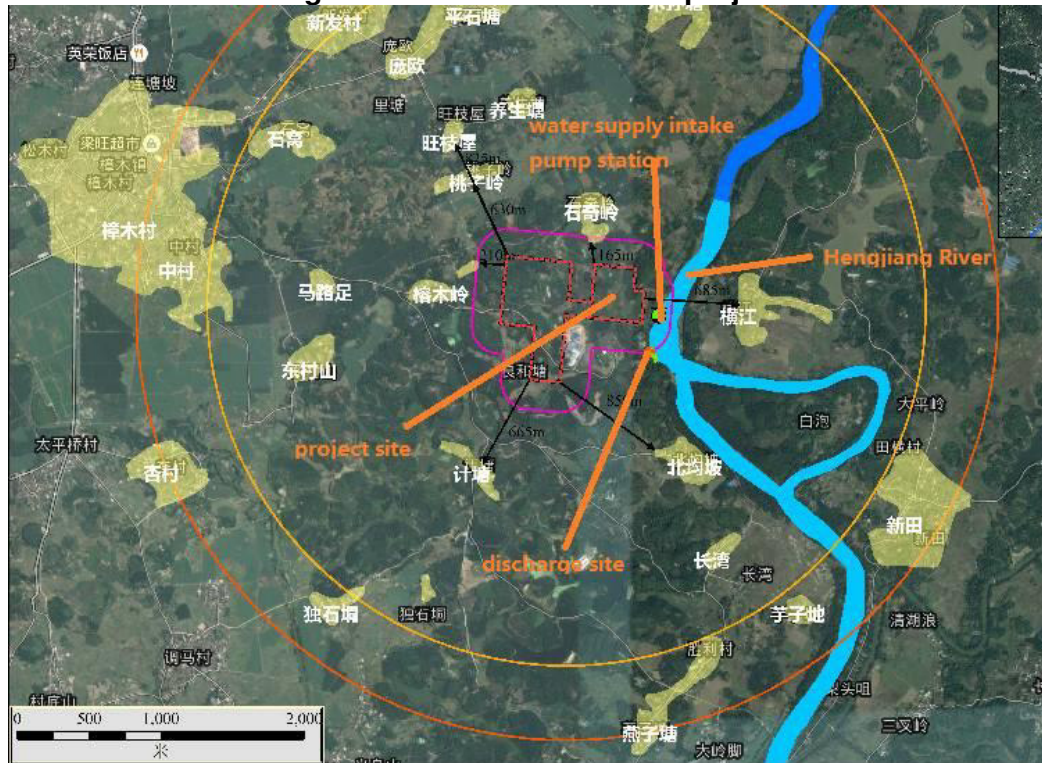


Figure 3- Layout of the Water Distribution Pipeline Network

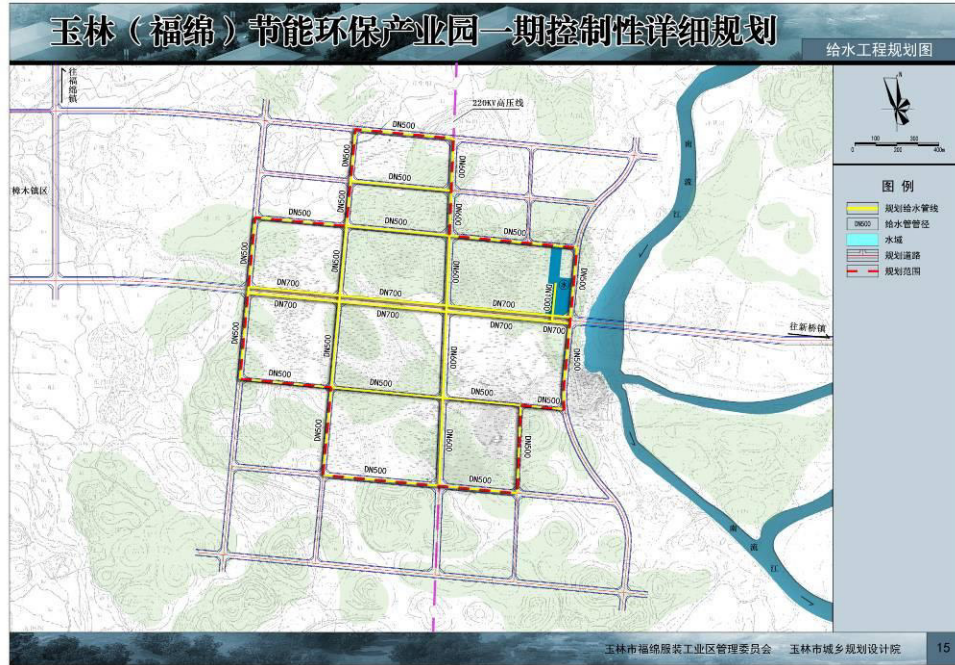
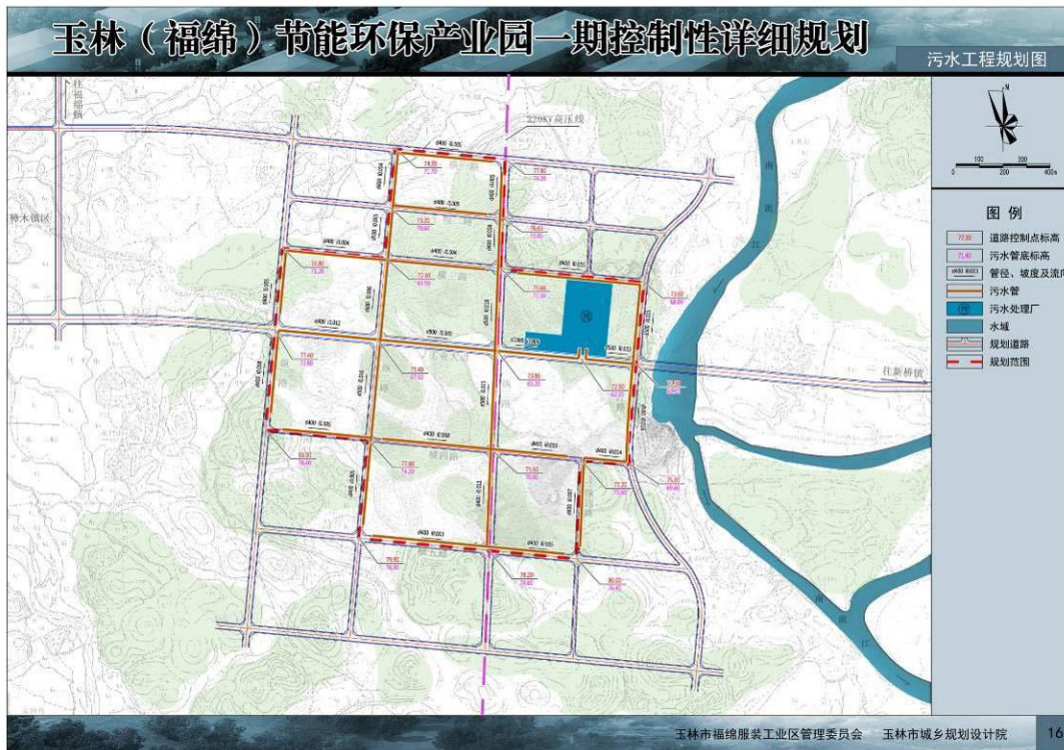


Figure 4- Sewer Network



- Civil work of the plant commenced from May 30, 2016 and is expected to be completed by March 2017. Construction of pipelines is planned to be commenced from December 2016 and completed by March 2017.

2.2 Location and Socio-economic Profile

9. **Location.** The proposed subproject is situated west of Nanliu River in Zhangmu Town, Fumian District of Yulin City. Yulin city (22°19'-23°01' N, 109°39'-110°18' E) lies in the southeastern part of Guangxi Zhuang Autonomous Region, covering an area of 12,838 km². The area of Yulin consists of 5 counties and 2 districts. According to the 6th national census, by 2013, the total registered population and residential population of Yulin City is 6.91 million and 5.49 million, respectively.

10. In 2015, the GDP of Yulin City achieved CNY 145 billion by a growth rate of 9.8%. Farmers' average net income amounted to RMB 10,292, and the disposable income of urban residents was RMB 28,842. According to Table 4, the farmer's average net income of and disposable income of urban residents in Yulin City and Fumian District is higher than the provincial level.

Table 4- Comparison of Economic Indicators in 2015 (Unit: CNY)

	Fumian District	Yulin City	Guangxi Zhuang Autonomous Region
Farmers' average net income	10,016	10,292	8,246
Disposable income of urban residents	30,356	28,842	26,416

Data source: 2015 Yearbook

Figure 5- Subproject Location



2.3 Land Acquisition and Resettlement Impacts

11. According to the Investment Agreement, Fumian District Government will ensure the land comply with the local general land using plan. All land acquisition and resettlement activities for the Park (with a total area of 2,000 mu (133.33 hectares)) will be implemented by the local government. For the subproject land requirement for phase I located in the Industrial Park, CTEG will pay the land acquisition cost in advance to local government. Local government is responsible for three supplies and one leveling (supply of water, electricity and road and leveled ground). CTEG will buy the using right of state-owned construction land from the government and pay the land-transferring fees, and the land acquisition cost will be deduced from the land-transferring fees.

12. Table 4 summarizes the land acquisition impacts for all the components of the subproject. 165.446 mu (11.03 hectares) collective land have been acquired from Tianheng Village of Xinqiao Town and Zhong Village of Zhangmu Town since April to May 2016. There were agricultural activities on 15.246 mu farmland, affecting 19 HHs with 95 persons. There is no house demolition impact within the boundary of the plant. There is no residential household within the 150 meters buffer zone according to the EIA.

Table 5- LAR Impacts of the Subproject Components

Numb er	Compon ents	Locati on (village / county)	Land Area Requir ed (mu)	Date Acquired	Land Use	Impacts	AHs/ APs	Status of Acquisition / Resettlem ent Activities
1	WWTP/ IWSP/ MWSP	Tianhe ng Village of Xinqia o Town Zhong Village of Zhang mu Town	165.44 6	May 2016	There were agricultural activities on 15.246 mu farmland. 19 HHs with 95 persons were affected by economic displaceme nt.	165.446 mu collective land was acquired 5 graves were affected.	19/95 (2 HHs lost more than 10% of their contracted farmland) ^a	Completed
2	water supply intake pump station	-	0.15	provided by the governm ent in Decemb er 2016	-	100 m ² (0.15 mu) state- owned land within the river beach will be allocated to CTEG.	0/0	Completed
3	Pipeline network	-	0	-	-	Temporary state- owned land occupation.	0/0	NA
4	150- meter	-	0	-	-	No impacts	0/0	NA

	buffer zone ²							
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^a For these 2 households, although they lost more than 10% their farmland, their agricultural income before land acquisition was less than 10% of the total income as they don't mainly rely on land. Their main income came from working in the local clothes factories.

13. Nanliu River is the source for industrial raw water. The **water supply intake pump station** will be constructed within the right beach of Nanliu River. 0.15 mu (100 m²) state-owned land was allocated by local government to CTEG freely in December 2016. There is no person affected. Figure 6 is the proposed site.

14. Luotian Reservoir in Zhangmu Town is the source for domestic raw water. There is reserved interface on the raw water transmission line constructed by local government in 2012.

² According to the EIA, within the buffer zone, residential houses, school, hospital, food processing factory and medicine factory can't be constructed.

Figure 6- Proposed Site for Water Supply Intake Pump Station



15. Although the detailed design for the pipelines has not been finalized, all pipelines will be laid underground/overground along the existing road or planned road. During implementation of pipe laying, the contractor will set temporary access, so it will not cause any temporary disturbance to any business activities/people along the road. No privately owned fixed assets, either residential or commercial, will be affected. The contractors will be responsible for recovering the road.

16. For temporary land occupation, local government and the contractors will reduce all adverse impacts to the surrounding residents, including: (i) abandoned soil will be sprayed with water in the event of several days of fine weather or on windy days during the construction period. Project contractors will treat any waste soil promptly and dispose of it promptly, in a manner which prevents dispersal of soil on the roads. Wheels of construction vehicles will be cleaned using compressed water before the vehicles begin to work to keep the local environment clean. Meanwhile, construction units should clean the roads periodically if soil spills occur. (ii) all construction within 200 meters of residential housing will be prohibited between the hours of 11pm and 6am. Meanwhile, temporary noise interception devices should be set up around the building site or around residences to minimize noise pollution.

17. 165.446 mu (11.03 hectares) collective land have been acquired since April to May 2016. Detailed information is presented in table 6. 3.776 mu (0.25 hectare) contracted farmland was acquired from Tianheng Village of Xinqiao Town, affecting 8 HHs and 40 persons. 161.67 mu (10.78 hectares) collective land was acquired from Zhong Village of Zhangmu Town, including 150.2 mu (10.01 hectares) reserved village land and 11.47 mu (0.76 hectare) contracted farmland, affecting 11 HHs and 55 persons. Figure 7 is the project site.

Table 6- Collective Land Acquisition

No	Town	Village	Area (mu)	AHs/APs
1	Xinqiao	Tianheng	3.776	8/40
2	Zhangmu	Zhong	11.47	11/55
3	Zhangmu	Zhong	150.2	Village committee land, not contracted land
Subtotal			165.446	19/95

Figure 7-Project Site

18. It's confirmed by the LAO and village committee that there was no vulnerable group and ethnic minority group among the 19 AHs. The vulnerable groups include the disabled, five-guarantee households³, female-headed households, and rural minimum living security people.

2.4 Compensation Rates, Cost and Income Restoration

19. For land acquisition, the *Notice of New Integrated Land Acquisition Price of Yulin City (YZF[2016] No.4)* is the policy basis, which is effective on January 1, 2016. Compensation rates for collective land acquisition are presented in table 7. For cultivated land (paddy field and dry land), the compensation rate is 21 times of annual average output value (AAOV), and the compensation rate for standing crops is 50% of AAOV. For contracted farm land, the compensation was paid directly to the AHs, and the compensation for village reserved land was paid to the village committee.

Table 7- Compensation Rates for Collective Land Acquisition (Unit: yuan/mu)

	Type of land		Land compensation	Resettlement subsidy	Subtotal	AAOV	Compensation for standing crops
1	Farmland	Paddy field	19,520	29,280	48,800	2,324	1,162
		Dry land	17,813	29,687	47,500	2,260	1,130

³ For elderly, weak, widowed and disabled members who are unable to work and have no means of living, or whose households lack labor, a rural production cooperative would provide production and living assistance, including daily supplies, education for the young and burial for the elderly.

		Forest land	27708	10792	47,500		Based on types and quantity of the crops on the land
		Others	17,813	29,687	47,500		
2	Construction land	Housing plot	-	-	48,800		
		Others	-	-	47,500		
3	Unused land				19,520		

20. In addition to cash compensation for land acquisition, local government also provided other 2 options to the AHs: (i) providing construction land to the AHs, and the area is 8% of the acquired cultivated land. But the AH needed to pay the cost of land acquisition for the construction land and the related taxes (25,000 yuan/mu); and (ii) if they don't want to get the construction land, they can get additional subsidy as 15,000 yuan/mu. Among the affected 19 HHs, 17 HHs selected to get the additional cash subsidy and 2 HHs selected the construction land. Construction land can be used legally to construct houses, shops, factories and other permanent buildings. For all 19 AHs signed the agreements within the specified period, they got award of 5,000 yuan/mu.

21. According to the *Compensation Rates for Standing Crops in Fumian District*, compensation for the crops on the forest land is based on type and quantity. The compensation rates in this document were based on market value. The interviews verified that the AHs were satisfied with the compensation rates. Also, the farmers were responsible for removing the crops, and they sold them and got additional money.

Table 8- Compensation Rates for Standing Crops on Forest Land

Type	diameter at breast height (cm)	Compensation rate (Unit: yuan/tree)
Litchi Longan	$\Phi \leq 3$	15
	$3 < \Phi \leq 4$	30
	$4 < \Phi \leq 6$	70
	$6 < \Phi \leq 8$	100
	$8 < \Phi \leq 10$	155
	$10 < \Phi \leq 13$	210
	$13 < \Phi \leq 17$	250
	$17 < \Phi \leq 20$	300
	$\Phi > 20$, for each over 1cm	Increase 20
Eucalyptus	$\Phi \leq 4$	13
	$4 < \Phi \leq 8$	21
	$8 < \Phi \leq 14$	32
	$14 < \Phi \leq 18$	42
	$\Phi > 18$	47

22. Totally 15.246 mu farmland was acquired by the Fumian District Government from 19 HHs. Before land acquisition, AHs mainly planted rice, litchi and longan on the land. In the affected village, as most areas of China, the young people prefer to go out to work in the coast provinces or Yulin City/Fumian District, and only the older people are farming on the land. In 2015, the net disposable income of farmers in affected two

villages is around 12,000 yuan per capita annually. Based on the yearbook, averagely the agricultural income before land acquisition was less than 10% of the total income. According to interviews, net income from planting rice is less than 1,000 yuan/mu annually. As the cost for fertilizer, pesticides, and labor has been increased year by year, the income from planting litchi was also very limited. Some local farmers lease their contracted farm land to other HHs and get the rent of only 50 yuan/mu/year.

23. Table 9 presents the collective land acquisition impacts. The figures of acquired farmland were provided by LAO. As introduced by the local village leaders, the per capita registered farmland holding before land acquisition is 2.3 mu, and it's equally distributed among the AHs, so the registered farmland before LA per HH is estimated as 11.5 mu. In the villages, local farmers also reclaimed some wasteland and forest land, but these land has not been included in the area of registered land. So the actual land loss rates are lower than in the table 9. The highest income loss rate is only 3.31%. The land acquisition impact was very limited. For HH 12 and 16, although they lost more than 10% their farmland, they don't rely on land. Agricultural income before land acquisition was less than 10% of the total income, and the main income came from working in the local clothes factories.

Table 9- Collective Land Acquisition Impacts

No of AH	Acquired farmland (mu)	Total farmland before LA (mu)	Land loss rate	Income loss rate	Total compensation Received (yuan)
1	0.04	11.5	0.35%	0.03%	2,798
2	0.23	11.5	2.00%	0.20%	16,091
3	0.2	11.5	1.74%	0.17%	13,992
4	0.949	11.5	8.25%	0.83%	66,394
5	0.507	11.5	4.41%	0.44%	35,470
6	0.35	11.5	3.04%	0.30%	24,487
7	0.51	11.5	4.43%	0.44%	35,680
8	0.99	11.5	8.61%	0.86%	69,262
9	0.92	11.5	8.00%	0.80%	63,296
10	0.52	11.5	4.52%	0.45%	47,447.24
11	0.18	11.5	1.57%	0.16%	12,384
12	2.38	11.5	20.70%	2.07%	112,282.48
13	1.11	11.5	9.65%	0.97%	59,141.38
14	0.25	11.5	2.17%	0.22%	17,490.5
15	0.31	11.5	2.70%	0.27%	22,454.22
16	3.81	11.5	33.13%	3.31%	186,910.98
17	0.09	11.5	0.78%	0.08%	6,176.7
18	0.83	11.5	7.22%	0.72%	42,551.68
19	1.07	11.5	9.30%	0.93%	77,915.34
	15.246				

Note: For HH No12, the original total compensation was 126,126 yuan, as they selected to get the construction land, 13843.52 yuan was deduced. For HH No13, the original total compensation was 65,694.82 yuan, as they selected to get the construction land, 6553.44 yuan was deduced.

24. After land acquisition, young people are released from the land and can get higher income from their jobs in the city; they don't need to go back home to help the older people and the women during the harvest time. The compensation rate is regarded as relatively high. For example, if the affected farmers deposit the compensation fund in the bank in 2016, the annual interest is CNY 1,204 yuan, which is higher than the net income from the land. According to the interviews, the AHs used the compensation to build new houses, buy private car, buy apartment in the city, or start some small business.

Table 10- Interest Generated by the Compensation

Compensation rate	Annual interest rate	Annual interest (YUAN)	Net income from land (YUAN)
68,800 yuan/mu	1.75%	1,204	1,000

25. **Skill training.** Free skill trainings to the farmers have been arranged by the government. Skill training with order form has been developed. The labor bureau collected the labor requirements from the factories and then organized necessary training. The cost of the trainings was paid by the government. This is part of the resettlement program based on the requirements of the local policies and regulations. Fumian District Government is implementing a training program called “one industrial worker in one family”. Among the 19 AHs, based on the AH's requirements, 11 APs participated in the training, which makes them increase their salaries in the factories. When the Park commenced operation, more factories will come, and more job opportunities will be generated. More information on training and employment will be provided in the Annual Environment and Social Performance Report (AESPR).

26. Fumian District is famous for the clothes industry in China. At present, there are around 1,600 clothes factories/companies and 400 supporting enterprises, and each year 80,000 job opportunities can be provided. The labor bureau provided related trainings to the farmers.

27. For the acquired 150.2 mu village reserved land, totally 8,489,985.18 yuan was paid to the bank account of the Zhong Village Committee. According to the Village Autonomous Law, the village committee will have village to discuss how to utilize the fund. It will be used for village roads, irrigation system and other village affairs.

2.5 Implementation Procedures

28. Since August 2015, Fumian District Land Acquisition Office (LAO) started the initial consultations with the affected villages. Information of the proposed project and the related policies and regulation related to LAR were introduced to APs.

29. Detailed measurement survey (DMS) was commenced since April 19, 2016, and compensation was paid to AHs by May 31 2016. The affected farmers, representatives of village committees, and officials from LAO participated in the DMS. The results of the DMS which include the type/area of land, applied compensation rates, and total compensation, were confirmed and signed by the farmers, and the representatives from the LAO also endorsed and signed. The compensation was paid within 30 days after DMS, and the farmers were responsible for removing the crops within 30 days.

30. An example of the DMS registration table of one AH is presented in Figure 8 and 9. For land acquisition, the total compensation was 74,859.34 yuan and the compensation for eucalyptus trees was 3,056 yuan. The DMS was conducted on 27 April 2016. Totally, the AH (Wang Quqiu) received 77,915.34 yuan on 13 May 2017, as showed in Figure 10.

Figure 8- Scanned DMS Registration Table I

purpose for LA:
CTEG project

玉林市 201 年第 批次城（市、镇）建设项目（中滔环保产业园）征收土地补偿安置方案

玉林市福绵区樟木镇中村 第 17 组 王武球 户 Wang Wugu, Zhong Village, Zhangmu Town

编号: 025

经玉林市人民政府玉政土【2016】 号文批准, 玉林市 2016 年第 批次（城市、镇）建设项目需征收该户所使用的建设用地。根据批准的《征收土地方案》规定, 经现场调查勘测, 现核实确认该集体经济组织被征土地地类、面积以及补偿安置方案如下:

被征土地			货币补偿安置							留地置货币补偿	award 奖励	total compensation
地 类 type of land		面积 (亩) area (mu)	land compensation 土地补偿费		resettlement subsidy 安置补助费		standing crops 常规青苗补偿费		subtotal 金额合计	subsidy for no provision of construction land 15000元/亩	5000/ (亩)	实支金额 (元)
			标准 rate	金额	标准	金额	标准	金额	(元)			
			(元/亩) yuan/mu	(元)	(元/亩)	(元)	(元/亩)	(元)				
农 用 地	水田 arable land	1.070	19520	20886.4	29280	31329.6	1162	1243.34	53459.34	16050.00	5350	74859.34
	鱼塘 fishing pond	0.000	30585	0	19115	0	3823	0	0	0.00	0	0.00
	旱地 dry land	0.000	17813	0	29687	0	1130	0	0	0.00	0	0.00
	林地 forest land	0.000	27708	0	19792	0			0	0.00	0	0.00
	园地	0.000	27708	0	19792	0			0	0.00	0	0.00
	未利用地 unused land	0.000	19520	0					0		0	0.00
建 设 用 地	农村宅基地 housing plot	0.000	48800	0					0		0	0.00
	其他建设用地 other construction land	0.000	47500	0					0		0	0.00
	合计 subtotal	0.000		20886.4		31329.6		1243.34	53459.34	16050.00	5350.00	74859.34
开户银行: 中国邮政储蓄银行 name of the bank			, 帐号: 6217996100042428308 bank account 帐户名: 王武球 name of the account									

注: ①征地区域及范围详见征地界线图; ②本方案经批准生效后 个月内支清各项补偿补助费, 由被征地集体经济组织统一领取, 在领款的同时扣缴清其应承担的留置地相应费用; 经通知, 不供其账户领款的, 办理提存公证手续并通知受领人; ③支清款项或办理提存公证后 天内, 被征地集体经济组织清理、腾空地上青苗及附着物, 交出土地; 清理搬迁过程中确保人身及财物安全, 自行承担全部安全责任; ④在完成安置区征地拆迁后 个月内, 完成安置区内道路、给水、排水、供电等主干配套设施建设并按规划安排落实留置地, 办理供地手续, 安排面积算至周边规划道路中心线; ⑤征收各农户依法使用的宅基地及其地上附着物、特殊青苗, 另行拟订补偿方案, 直接补偿相关农户; ⑥被征土地的原权属存在争议的, 由当事人协商解决, 协商不成的, 依法处理; 给予补偿安置后才发现争议的, 先将补偿安置退还, 待最终确权后再给予权属人补偿安置; ⑦本方案一式六份, 双方及相关部门各执一份。

经办人: 梁祥

复核人: 王武球

审核人: 王武球

审定人: 王武球

被征地户签字: 王武球
signature of AH
农村集体经济组织法人代表 (盖章): 谢天初
representative of the village
committee

玉林市福绵区征地办公室
LAO
2016年4月27日

Figure 9- Scanned DMS Registration Table II

玉林市____年第____批次(城市、镇)建设(中滔环保产业园)项目
征收地上特殊青苗补偿方案

玉林市福绵区樟木镇中村 第 17 组 王武球 户 编号: 012

经自治区人民政府桂政土批函[2016]____号文批准, 玉林市20____年第____批次(城市、镇)建设(中滔环保产业园)项目需征收位于____村(社区)的集体土地并清除地上青苗。经现场调查清点, 现核实确认该户需清除的青苗种类、规格、数量及补偿方案如下:

品种	种(养)规格	diameter at breast height (cm)	number 数量	unit 单位	compensation rate 补偿标准	补偿费(元)
桉树		$\Phi \leq 4\text{cm}$	122	株	13元/株	1586
桉树		$4\text{cm} < \Phi \leq 8\text{cm}$	70	株	21元/株	1470
eucalyptus	合 计					3056

注: ①能移栽的, 给予移栽人工费和本苗损失费, 不予补偿; 不能移栽, 须清除的, 给予补偿; 征地区间抢栽抢种的, 不予补偿; ②零星种植的以株计补; 成片种植的按面积计补; ③按规范密度成片种植的, 按标准足额计补; 低密度内, 按比例折算计补; 超密度的, 超密度部分不予补偿; ④多品种规范混种的, 分别计补, 超密度插种的, 不予补偿; ⑤本方案经批准生效后____个月内支清补偿款; 经通知, 不提供其账户领款的, 办理提存公证手续并通知受领人; ⑥支清补偿款或办理提存公证后十日内, 清理、清空被征青苗, 不得在征地区域内重新种养; 清理过程中确保人身及财物安全, 自行承担全部安全责任; ⑦本方案一式五份, 双方及相关部门机构各执一份。

经办人: 郑祥 复核人: 王武球 审核人: 王武球 审定人: 王武球
青苗所有权人: 王武球 征收地办公室
2016年4月27日

Figure 10- Record of Bank Transfer of the Compensation

(回单) 银行 电汇凭证(回单) 1

委托日期 2016年5月13日

汇款人	全 称 玉林市福绵区征地办公室 账 号 509512010101348820 汇出地点 广西省 玉林市/县 福绵	收款人	全 称 王武球 账 号 6217996100042428308 汇入地点 广西省 玉林市/县 福绵																												
汇出行名称	信用社	汇入行名称	邮政银行																												
金 额 人民币 (大写) 柒万柒仟玖佰壹拾伍元叁角肆分	<table border="1"> <tr> <td>亿</td> <td>千</td> <td>百</td> <td>十</td> <td>元</td> <td>角</td> <td>分</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>7</td> <td>7</td> <td>9</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td>5</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>4</td> <td></td> </tr> </table>			亿	千	百	十	元	角	分					7	7	9					1	5	3						4	
亿	千	百	十	元	角	分																									
				7	7	9																									
				1	5	3																									
					4																										
支付密码		附加信息及用途:																													
支付2016年中滔环保产业园项目补		收款																													
汇出行签章		复核 记账																													

此联汇出行给收款人

2.6 Relocation of Graves

31. 5 graves were affected, which were Tang Dibin's family graves. Based on local policies and consultation, totally 27,001 yuan compensation was paid for the 5 graves. According to local culture, the AH preferred to ask the geomancer to select the dates for removing and relocation the graves. The LAO paid the compensation firstly, and the AH built the new graves in advance on their own land. On 15 August, the graves were removed and relocated to the new site. CTEG Yulin Company provided vehicles to help them. Interview with the AH verified that they were satisfied with the compensation, and they built new and better graves with the sufficient compensation.

Figure 11- New Graves



2.7 Information Disclosure, Consultation and Participation

32. During implementation, great importance was paid to the public participation, and consultation meeting was organized with the lessee farmers. Public participation had made good achievements, and the needs of the villagers were incorporated into implementation.

33. Hard copy of *Notice of New Integrated Land Acquisition Price of Yulin City (YZF[2016] No.4)* was distributed to the affected farmers before land acquisition.

34. In August 2015 and March 2016, two consultation meetings were held. Table 11 summarizes the results of the meeting.

Table 11-Summaries of Consultation Meeting

Location	Date	Participants	Number of APs	Key concerns of APs	Solution measures
Village committee office	August 2015, March 2016	Officers from LAO, township government	42	APs should join the DMS.	Have done. The affected farmers, representatives of village committees, and officials from LAO participated in the DMS. The results of the DMS which include the type/area of land, applied compensation rates, and total compensation, were confirmed and signed by the farmers, and the representatives from the LAO also endorsed and signed.
				The compensation should be directly paid to the AH's bank account, not transferring through several government agencies.	Have done. Compensation was paid directly to the bank account of the AHs.
				Some AHs don't want to get the construction land.	Have done. 15000 yuan/mu subsidy was paid.
				Graves should be removed at the special day selected by the AH.	Have done. CTEG Yulin Company provided vehicles to help them.
				Job opportunities	Yes, priority will be provided to get the job opportunities during construction and operation.

2.8 Grievance Redress Mechanism

35. Complete appeal and grievance system was established to deal with the problems induced by land acquisition, so the APs could find relevant department for their appeal and grievance. Steps of appeal and grievance are shown as the following.

- If any AP was aggrieved by any aspect of the resettlement, he/she could state his/her grievance and appeal to village committee in oral or in written form. If an oral appeal was made, the village committee would record it on paper and process it. The village committee would make a decision on or resolve it in two weeks.
- If the aggrieved AP was not satisfied with the decision of the village committee, he/she could state the grievance and appeal to the Township Government in oral or in written form. The Township Government would decide on or resolve it in two weeks.
- If the aggrieved AP was not satisfied with the decision of the township government, he/she could appeal to the Fumian District LAO (as presented in Figure 12), which would reach a decision within two weeks.

Figure 12- Fumian District LAO



36. According to Administration Procedure Law of the People's Republic of China, the APs could appeal to administration departments who had administration rights for arbitration. If the APs were still dissatisfied at the decision of the arbitration, they could appeal to a people's court according to the civil procedural law after receiving the decision of the arbitration.

37. The contact information of the related agencies has been disclosed to the AHs during LAR. The related government agencies confirmed that up to now, those agencies had not received any appeal and grievance from the affected people.

38. The director of Yulin Company is responsible for addressing other social and environmental concerns from community and other stakeholders. The nearby village leaders know the contact information of the director. The villagers can state his/her grievance and appeal to village leaders firstly or directly go to the company. The director of Yulin Company would record it and make a decision on or resolve it in two weeks.

3 Indigenous Peoples

39. Yulin City is a Han City. The population of ethnic minority groups is 42,000, accounting for 0.77% of the total residential population. The main ethnic group is Zhuang. All villagers in the 2 affected villages are Han people. There is no ethnic minority staff in CTEG Yulin Company.

4 Other Social Issues

4.1 Employment and Labor

40. CTEG follows the China Labor Law (1994) strictly with particular attentions paid to the well-being of all staff in PRC. CTEG provides social benefits to staff members that include pension insurance, medical insurance, maternity insurance, unemployment insurance, work injury insurance and a social housing fund. The HR manager of CTEG Yulin Company confirms that the lowest wage of CNY 1,800 is higher than the minimum wage level of CNY 1,210 which is issued by the Yulin City Labour and Social Security Bureau. Free dormitory and shuttle bus is provided to the staff.

41. CTEG has guidelines of procedures and standards requirement and they are clearly documented. Every new staff will be given a job training and orientation via immediate supervisor. Further trainings would also be given via group discussion and learning activities.

42. CTEG gives local labor a priority. CTEG encourages the civil works contractors to hire workers from the local community. For the contractors, they also prefer to employ local people as this will save the cost, although there is no provision in the contract with the contractors. At present, among the 30 staff in Yulin Company, the number of local people is 24, accounting for 80%. For 8 months construction period, 500 job opportunities will be generated and at least 60% will be hired locally. During operation, the number of staff in Yulin company will be increased to 86, and 80% will be provided to local people. For local employment, even there is no agreement with the local government, CTEG will employ more for saving cost and can quickly adapt to the city.

43. CTEG also prefer to cooperate with the contractors who are in compliance with China Labor Law. During construction, CTEG will closely monitor their performance and check if minimum wages, hours worked, benefits, prohibition of child labor and forced labor complies with the national labor law and other regulations. For example, when the Labor Supervision Station of the Labor Bureau goes to the project site, CTEG will work closely with the government to check if the contractors are compliant. The identification card of each worker needs to be checked by the HR manager of CTEG if the age is more than 18 years old. In order to avoid the wage arrears for migrant rural workers, CTEG will check if the workers receive the wage on time.

44. The contractors always have the workers camps management rules. The manager of CTEG at the site will help and cooperate with inspectors from government bodies to conduct all survey, inspections and monitoring on the following issues:

- *If it's comply with the Fire Control Law, such as the gas and electricity should be used safely;*
- *If it's comply with the Environment Protection Law, such as the solid waste and waste water should be collected and treated;*
- *If it's comply with the Labor Law, such as separate toilet and bathroom should be set for female workers.*

Figure 13- Workers Camp



4.2 Protection of Women's Rights and Interests

45. The Human Resource Department of CTEG has appointed staff to be responsible for the women's affairs. CTEG upholds gender equality and provides equal employment opportunities for men and women during project design, construction supervision, and plant operation. CTEG is sensitive to the special needs and vulnerabilities of women. Priorities are provided to women if the jobs are more appropriate for female staff, such as in the financial and human resource department, technology research and development center. CTEG complies strictly with the Law of the People's Republic of China on the Protection of Rights and Interests of Women (1992). All women staffs have maternity insurance. Women are organized for tour and are given gifts during women's day.

46. Among the total 30 staff in CTEG's Yulin Company, there are 9 female staff, accounting for 30%. CTEG encourages the contractors to provide equal employment opportunities to women. CTEG prefers to have cooperation with the partners who don't have discrimination on women. Among the 500 jobs which will be generated during construction period, it's estimated that at least 20% can be provided to women. For the 86 job opportunities during operation, 30% will be provided to women, which are mainly laboratory, financial, and administration positions.

4.3 Community Relationships

47. The director of Yulin Company is responsible for addressing any complaint from the local communities. By now, there is no complaint received.

5 Conclusion

48. The site selection and design of the subproject has been optimized to minimize the LAR impacts. Resettlement and land acquisition were carried out by local government in conformity with government laws and regulations. The compensation for permanent land acquisition was in compliance with the PRC's Land Law, Implementation Regulations of Land Law, applicable regulations of Guangxi Zhuang Autonomous Region and Yulin City. The land acquisition impacts are minor. Cash compensation, skill training, and job opportunities are provided to restore the livelihood of the APs. Local government agencies have not received any complaints. All mitigating measures implemented complied with ADB SPS SR2 requirements, and there is no outstanding noncompliance issue.

49. The affected graves have been relocated well, and the government respected the local culture. CTEG Yulin Company provided vehicles during removing and relocation.

50. Laying out the pipelines will induce temporary land occupation on the state-owned land, and the mitigation measures such as temporary access to the business nearby and noise control have been developed and the contractor will be responsible for recovering the road.

51. An effective organizational system has been established for the Project at all levels. The responsibilities of the agencies concerned are well defined and their staff is well trained, thereby promoting the successful implementation of standing crops acquisition.

52. During project preparation and implementation, many public participation activities were conducted to address the concerns of the affected households, such as the detailed measurement survey, the compensation rates, and disbursement of the compensation fees.

53. The grievance redress channel for the APs is unobstructed and effective, and the APs know the appeal channels. The related government agencies confirmed that up to now, those agencies had not received any appeal and grievance.

54. The Project expects to bring non-discriminatory benefits to all residents as it improves the general environmental health and sanitation in the service areas. There is no ethnic minority population in the project area. So this project does not trigger ADB SPS SR 3 on Indigenous Peoples.

55. CTEG strictly follows the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, and other applicable laws and regulations. Protecting the rights and interests of labor and women are protected practically. Requirements under ADB's Social Protection Strategy (2001) with respect to core labor standards are being complied and this will be monitored continuously and included in the regular monitoring reports to ADB.

6 Corrective Action Plan

56. There is no outstanding noncompliance issue with respect to the land acquisition and compensation. No corrective action is required.

57. There are some remaining procedural issues which need to be addressed by CTEG and local government. The existing general land using plan of Yulin City is being updated for development of the Park. On September 19, 2016, the Land Resource Department of Guangxi Zhuang Autonomous Region issued the expert's examination opinion, which include: (i) development of the Park complies with the national industry policies and land using policies; (ii) updating the existing general land using plan meets the requirements of the Government of Guangxi Zhuang Autonomous Region; (iii) no basic farmland is affected; and (iv) the revised general land using plan is accepted. It will be finally approved by Land Resource Department of Guangxi Zhuang Autonomous Region by June 2017. Then CTEG will sign the land granting agreement with Yulin City Government and pay the land transfer fee. Accordingly, Yulin City Government will issue the Certificate of State-owned Land Using Right to CTEG. The Annual Environment and Social Performance Report (AESPR) needs to present the progress of the land domestic procedures, and copies of the documents include approval issued by Land Resource Department of Guangxi Zhuang Autonomous Region, land granting agreement signed between Yulin City Government and CTEG, and Certificate of State-owned Land Using Right needs to be presented. In addition, AESPR needs to cover employment generated by the subproject and labor compliance, and any gender measures implemented.

58. The detailed design for the pipelines has not been finalized, and all pipelines will be laid underground/overground along the existing road or planned road. However, during implementation, if any fixed assets are affected and compensation is required, CTEG will inform ADB and will also report in the Annual Environment and Social Performance Report needs to include the following information:

- Description of changes of impacts
- Compensation rates
- Livelihood restoration activities (types of training, number of APs participate the training, types and numbers of job opportunities during construction and operation, and other livelihood activities)
- Utilization of the compensation paid to the village committee
- Consultations conducted
- Grievance received and addressed measures

Appendix I: List of Persons Met

Number	Name	Agency	Title
1	Du Daohong	CTEG	General Manager
2	Zhao Keqing	CTEG	Deputy General Manager
3	Xu Huanbo	CTEG	ESMS manager
4	Yang Xianjie	CTEG Yulin Company	Project manager
5	Xiong Jian	CTEG Yulin Company	Project manager
6	Ning Wen	Fumian District Land Acquisition Office	Director
7	Ou Jian	Fumian District Land Acquisition Office	Deputy Director
8	Pang Xiongwei	Zhong Village Committee	Director
9	Wang Jiaan	Tianheng Village Committee	Director
10	Lin Fengkun	Zhong Village Committee	Farmer
11	Tang Dibin	Zhong Village	AP
12	Tang Jiabiao	Zhong Village	AP
13	Tang Jiazhong	Zhong Village	AP
14	Yang Shuying	Zhong Village	AP