Draft Resettlement Due Diligence Report

Project Number: 54118-001

April 2022

People's Republic of China: Strengthening Public Health Institutions Building Project

— Draft Resettlement Due Diligence Report of

— Draft Resettlement Due Diligence Report of Fangchenggang Subproject

Prepared by Fangchenggang Project Management Office for the Asian Development Bank.

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Commitment Letter

To strengthen the health security of the country, Fangchenggang Municipal Government applied a proportion of ADB financing via Ministry of Finance to cover part of the project cost to conduct Fangchenggang International (ASEAN) Traditional Medicine Cooperation Centre Project. Accordingly, the project will be implemented in compliance with ADB safeguard policies. Fangchenggang Municipal Government has prepared the draft resettlement due diligence report(DDR) during project preparation stage. The resettlement DDR fully comply with requirements of the relevant laws, regulations and policies of People's Republic of China, Guangxi Zhuang Autonomous Region (GZAR) Government and Fangchenggang Municipal Government, as well as comply with the ADB's Safeguard Policy Statement (SPS, 2009), specially the policy requirements on involuntary resettlement. Fangchenggang Municipal Government hereby affirm the authenticity and validity of the contents of the Due Diligence Report.

The DDR has been developed based on the latest Feasibility Study Report, reflecting the latest scope of impacts, the latest socio-economic situation, the latest resettlement policies and the latest progress of the implementation, and remaining activities that have yet to be implemented. If there are additional households affected following completion of detailed design, an updated RP/DDR will be submitted to ADB for review and concurrence prior to award of civil works contract.



CURRENCY EQUIVALENTS

(as of 30 Mar 2022)

Currency unit – yuan (CNY)

\$1.00 = CNY 6.3566

ABBREVIATIONS

ADB - Asian Development Bank
AH - Affected Household
AP - Affected Person

CNY - Chinese Yuan

EID - Emerging Infectious Disease FSR - Feasibility Study Report

GRM - Grievance Redress Mechanism

IA - Implementing agencyLA - Land Acquisition

PMO - Project Management Office PRC - People's Republic of China

RBL - Result-based lending

PSSA - Program Safeguard Systems Assessment

SPS - Safeguard Policy Statement

MEASURES

1 hectare = $10,000 \text{ m}^2$ 1 mu = 666.67 m^2

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1 Project Background

1.1 Project overview

- 1. In 2020, the coronavirus disease (COVID-19) pandemic broke out in many places around the world, spread rapidly and continued to worsen, fully exposing the shortcomings and weaknesses of global public health security governance. Emerging infectious diseases (EIDs) continue to be a significant public health concern and cause of considerable socioeconomic disruption in the PRC. The Asian Development Bank (hereinafter referred to as "ADB") plans to roll out the "Strengthening Health Security in the People's Republic of China Project" (or the "Project") for the first time in China, with a total loan support of US \$300 million. The project will support the PRC in the development of an integrated system to strengthen the health security of the country.
- 2. The National Development and Reform Commission (NDRC) and the Ministry of Finance (MoF) have identified a number of public health service projects that could be included in the Project. In this context, Guangxi Zhuang Autonomous Region (GZAR) actively applied to the NDRC and the MoF for the "Fangchenggang International (ASEAN) Traditional Medicine Cooperation Centre Project " (the "Sub-project" in short).
- 3. The total loan amount utilized for this sub-project is US\$90.0 million, of which US\$20.0 million will be loaned by the central government and US\$70.0 million will be returned by the People's Government of Fangchenggang. The project implementation period is planned for 5 years from 2022 to 2026.

1.2 Construction Content

4. This project contains four sub-projects, namely the Special Medical Technology Building and Equipment Procurement Project, the Chinese Medicine Infectious Disease Control Centre Construction Project, the ASEAN Public Health Training Base Construction Project, and the ASEAN Public Health Institutions Capacity Building Project, as detailed in Table 1-1.

Table 1-1 sub-project activities and objectives

Component	Sub-project name	Construction content	Resettlemen t impacts and documentati on
1	Purchase of special medical and technical buildings and equipment	The new special medical and technical building, with a total construction area of 19,663.65m², of which 13,295.21m² above ground and 6,368.44m² underground, includes medical and technical rooms, testing and laboratory rooms, teleconference centre and medical office rooms, etc., and the purchase of special medical equipment and information technology equipment, etc.	LA, already acquired, without AP, DDR
2	Centre for the Control of Infectious Diseases in Chinese Medicine	The new infectious disease fever clinic, medical technology, wards and supporting rooms have a total construction area of 16,571.03m ² and a building area of 3,292.32m ² , of which 11,519.51m ² is above ground and 5,051.52m ² is underground, with 100 new beds.	Same as component 1
3	ASEAN Public Health Training Base	The new training building, trainees' dormitory, library, etc., with a total construction area of 42,338.54m², of which 34,117.95m² is above ground and 8,220.59m² is underground.	Same as component 1
4	ASEAN Public Health Institutions Capacity Building Project	 capacity building of project organisations; implementation of public health and health care staff training; international exchange training; subject research; Resident health training. 	N/A

1.3 Project Location

5. Fangchenggang is located in the south of Guangxi Zhuang Autonomous Region and at the southwest end of the Chinese mainland coastline, between 20°36'-22°22'N and 107°28'-108°36'E, south of the Tropic of Cancer. It is bordered by Yongning County of Nanning City and Fusui County of Chongzuo City to the north, Qinzhou City to the east, Ningming County to the west, Beibu Gulf to the south and the Democratic Republic of Vietnam to the southwest.



Figure 1-1 location of Fangchenggang City

6. Fangchenggang is the core city of the Beibu Gulf Economic Zone in Guangxi, and is located in the combination of the Southwest Economic Circle. It is an important port of departure for the "Maritime Silk Road", a major hub node of the new land and sea channel of West Road and a southward gateway city for ASEAN.

1.4 Basic economic and social situation of Fangchenggang

7. Fangchenggang City will achieve a gross regional product of 73.281 billion yuan in 2020, an increase of 5.1% over the previous year. Among them, the added value of the primary industry was 11.108 billion yuan, up 3.9%; the added value of the secondary industry was 34.807 billion yuan, up 6.8%; the added value of the tertiary industry was 27.366 billion yuan, up 3.2%. The contribution rates of the three industries to economic growth were 11.4%, 64.9% and 23.6% respectively, and the structure of the three industries was adjusted from 15.6:47.1:37.3 in 2019 to 15.2:47.5:37.3.

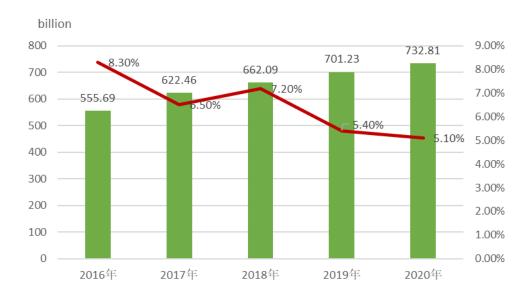


Figure 1-2 Growth Rate of GDP in Fangchenggang City, 2016 -2020 Year

- 8. In terms of consumer spending, the city's consumer prices rose by 2.6% in 2020 compared to the previous year. Five major categories of consumer prices in the eight categories of goods rose over the previous year, namely food, tobacco and alcohol prices rose 11.4%, clothing prices rose 1.9%, education, culture and entertainment prices rose 0.2%, health care prices rose 2.6%, other supplies and services prices rose 2.9%.
- 9. In terms of fixed asset investment, in 2020, the city's primary industry investment will grow by 64.8%, secondary industry investment by 16.8% and tertiary industry investment by 1.2%, with the proportion of investment in the three industries adjusted from 0.3:47.8:51.9 in the previous year to 0.5:51.3:48.2. By industry, the two fastest growing industries in 2020 are leasing and business services, health and social work, with fixed asset investment growth rates of 258.9% and 171.0% respectively.
- 10. At the end of 2020, there will be 661 medical and health institutions in the city. Among them, 16 are hospitals (8 are graded hospitals), 27 are health centres, 4 are maternal and child health centres, and 5 are disease prevention and control institutions. There were 6,620 health technicians in the city, including 2,260 practicing (assistant) physicians and 2,847 registered nurses. At the end of the year, there were 4,735 beds in hospitals and health centres (including maternal and child health centres), an increase of 553 beds, of which 3,245 were hospital beds and 1,195 were health centre beds.
- 11. Population. The seventh national census statistics, the city's resident population of 1046068 people, an average annual growth rate of 1.90%. Among them, 244,280 were in Port District, 390,961 in Fangcheng District, 194,774 in Shangsi County and 216,053 in Dongxing City. In terms of age composition, the population aged 15-59 was 646,792, accounting for

61.83%; the population aged 60 and above was 147,838, accounting for 14.13%, of whom 104,921 were aged 65 and above, accounting for 10.03%. Fangchenggang is a multi-ethnic area with a resident population of 438,656 people from various ethnic minorities, accounting for 41.93% of the population. Among them, the Zhuang population is 355,041, accounting for 33.94%; the Yao population is 48,011, accounting for 4.59%; and the Jing population is 25,973, accounting for 2.48%.

- 12. Overview of economic development in Fangcheng District
- 13. Fangchengcheng District is located in the heart of Fangchenggang City and is connected to the north of Nanning city, the Gulf of Tonkin to the south, the city of Qinzhou. It is connected to Vietnam by mountains and water, and has the advantages of border, mountain and sea. It has 5 windows open to the outside world, namely Dongzhong Port, Lihuo Port, Jiangshan Border Trade Port, Tansan Mutual Trade Point and Maoling Customs Supervision and Unloading Point, and is only 20 km away from Fangcheng Port, the largest seaport in the west, which is an important border crossing in the southwest.
- 14. The district has a total area of 2,427 square kilometres, with 10 towns and 3 streets, 145 administrative villages and 20 communities.
- 15. In 2020, the gross domestic product of Fangcheng District was 12.346 billion yuan, down 5.3% year-on-year. Among them, the value added of the primary industry was 3.863 billion yuan, up 4.9%; the value added of the secondary industry was 2.641 billion yuan, down 25.2%; the value added of the tertiary industry was 5.842 billion yuan, up 0.4%. The added value of the primary, secondary and tertiary industries accounted for 31.29%, 21.39% and 47.32% of the regional GDP respectively.

1.5 Purpose of this Due Diligence

16. The purpose of this due diligence review for the land acquisition and existing facilities is to check if the land acquisition and resettlement of the affected people (Aps) are in compliance with the laws and regulations of the State, GZAR and Fangchenggang City, and whether they conform to the social safeguard policies of ADB as described in the Safeguard Policy Statement (2009), identify outstanding issues arising from resettlement, and propose mitigation measures, if necessary.

1.6 Methodology

- 17. The information used in this report has been identified from the following 2 sources:
 - a) Literature review: collecting and compiling Sub-project information and survey data from local authorities and Sub-project agencies
 - Collected literature: the land acquisition policy, agreements, compensation records etc.

- > Existing public participation information related to resettlement, land acquisition notices etc.
- b) The list of existing facilities for this Sub-project are determined by environmental experts with input from the resettlement specialist.

2 Resettlement Impacts

18. This project is located on the southwest side of the intersection of Xiwan Huanhai Avenue and Lizitan First-Class Highway in Fangchenggang City. The total land area of the project is 196,167.88 square meters (equivalent to 294.25 mu). It involves the Moyugang Group Dawangjiang Village, Office of Shuiying Sub-district, Fangcheng District. Among which, 260.44 mu is collective forest land owned by Dawangjiang village. Other 33.81 mu land are state-owned green belt land. There is no person will be affected by the project.

Table 2-1 land use and project impacts

No.	Village		Land type	Area (mu)	APs	Status
1	Dawangjiang o Sub-district	f Shuiying	collective forest land	260.44	0	Acquired in 2021
2			State-owned green belt	33.81	0	Will be free used
Total				294.25	0	



Figure 2-1 Project Location

3 Land acquisition Process

- 19. On July 12, 2021, Fangchenggang City issued the Pre-announcement of land acquisition. See Annex 1.
- 20. On Oct 8, 2021, Suiying LA Headquarter of Fangchenggang Land Acquisition and Reserve Center in Fangcheng District signed the LA agreement with Suiying sub-district. See Annex 2.



Figure 3-1 the LA agreement signing

- 21. On December 9, 2021, the Fangchenggang Land Acquisition and Reserve Center in Fangcheng District paid the LA compensation to Moyugang group of Dawangjiang village. See Annex 3.
- 22. In January 2022, Fangchenggang Zelin Forestry Survey and Design Co., Ltd finished the feasibility study report of forest land use of the project.

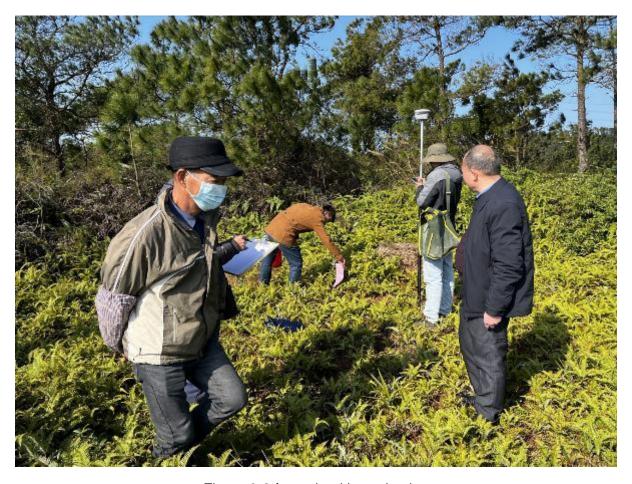


Figure 3-2 forest land investigation

- 23. On Janary 25, 2022, the Suiying LA Headquarter of Fangchenggang Land Acquisition and Reserve Center in Fangcheng District signed the tree compensation agreement with Suiying sub-district. See Annex 4.
- 24. Fangcheng District paid the tree compensation fee to the Moyugang group of Dawangjiang village. See Annex 5.

4 Land Use & Compensation Policy and resettlement cost

- 25. The compensation policy of this project follows the "Notice of Fangchenggang Municipal People's Government on Printing and Distributing Compensation and Resettlement Measures for Collective Land Expropriation and Relocation in Urban Areas of Fangchenggang City" (Fangzhenggui [2019] No. 5).
- 26. According to the notice, the compensation rate for rural forest land is 33,600.00 yuan per mu (including land compensation fees and resettlement subsidies). As the acquisitioned area is forest land belong to the collective, it has no income before land acquisition.
- 27. The trees were compensated according to "Notice of Fangchenggang Municipal People's Government on Printing and Distributing Compensation and Resettlement Measures for Collective Land Expropriation and Relocation in Urban Areas of Fangchenggang City" (Fangzhenggui [2019] No. 5).
- 28. The total resettlement cost is 10,052,984.00 yuan, including 8750784.00 yuan for the land acquisition, and 1302200.00 yuan for the forest on the ground. All of them have been paid off in February 2022. Please see Annex 5.
- 29. The affected village is satisfied with the compensation rates and the head of affected village confirmed that all have received full compensation.
- 30. Meanwhile, according to article 21 and article 37 of Forest Law issued in 2020(see Annex 7), the forest land to be changed to construction land still needs the approval the Forestry Bureau of GZAR. It is hoped the project can obtain the approval for changing the forest land to construction land by Forestry Bureau of GZAR by the end of June 2022.

5 Information Disclosure

31. Followed by the request of Land Administration, Fangchenggang government has disclosed the land acquisition notice and compensation policy within the village.



Figure 5-1 land acquisition notice in the project site

6 Grievance Redress Mechanism

32. According to related regulation, if the APs have complaints, they can contact Fangchenggang Land Acquisition and Reserve Center in Fangcheng District for initial consultation and negotiation. The contact tel. is 0770-3258702 which has disclosed on the LA notice and LA resettlement notice. If the AP are not satisfied with the result, they can contact mayor hot line for Fangchenggang Arbitration Commission. The hot line number is 12345. And if the APs are still unsatisfied with the outcome, they can file a suit in civil court. Up to April 19, 2022, there is no complaint received.

7 Resettlement Institution and Social Monitoring

Arrangement

- 33. The implementation agency of the project is Fangchenggang City Cultural Tourism Group Co. which as the main body of the project construction, Fangchenggang City Cultural Tourism Group Co., Ltd. is responsible for the management of the construction process, such as the preliminary preparation, construction, completion and acceptance, and delivery of the project. Ltd. sets up the project construction management office, equipped with engineers with corresponding qualifications, financial management personnel, etc.
- 34. As this project does not involve resettlement impact, there is no need to arrange special resettlement monitor for this project. Updates on obtaining approval in change of land use from forest land to construction land from Forestry Bureau of Guangxi Zhuang Autonomous Region (GZAR) will be covered in regular project progress reports.

8 Conclusion and Action Plan

8.1 Conclusion

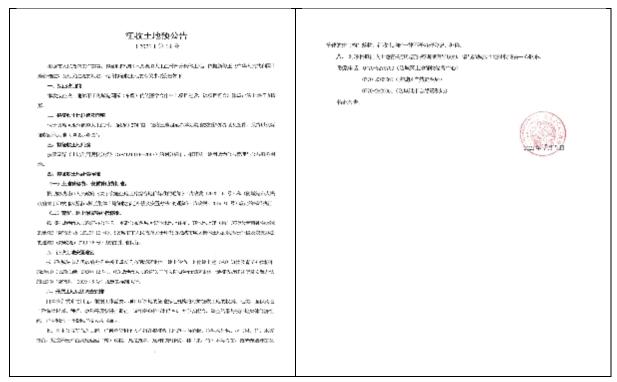
- 35. The total project is 294.25 mu, among which 260.44 mu is collective forest land and 33.81 mu is state-owned green belt land.
- 36. There is no affected person of this project.
- 37. All compensation has been paid off before land use.
- 38. The forest land use application has been submitted to Forest Bureau of Guanxi Autonomous Region.
- 39. There is only 1 existing facility related to this project which is Fangchenggang Medical Waste Disposal Center (existing facility). Related resettlement DDR has been conducted and there is no pending issue for it.

8.2 Action Plan

Table 8-1 Action plan

Item	Responsible agency	Budget (yuan)	Deadline
Obtain the approval of converting forest	0 00 0 7	0	By June 2022
land to construction	Group Co. which is the		
land from Forest Bureau of Guanxi	main body of the		
Autonomous Region	p. 5,550 55		

Annex 1 Pre-announcement of land acquisition



Pre-announcement of land acquisition

[2021) No. 14

According to the work arrangement of the Municipal People's Government, it is planned to expropriate part of the collective land in Dawangjiang Village, Shuijing Street, Fangcheng District. The announcement of the matter is as follows:

- 1. Purpose of expropriation The proposed land expropriation is planned to be used for the construction of the Fangchenggang International (ASEAN) Traditional Medicine Cooperation Center project, which complies with the land expropriation conditions stipulated by law.
- 2. The location and area of the land to be requisitioned is located in Dawangjiang Village, Shuijing Street, Fangcheng District, with an area of about 274 mu. For the four boundaries of the requisitioned land, please refer to the site and the drawings for the boundary of the pile shovel. The actual requisitioned area shall prevail (see the schematic diagram for details).).
- 3. The land use to be requisitioned is based on the national standard "Classification of Current Land Use Status" (GB/T21010-2017), and the land use to be developed is land for public management and public services.
- 4. Compensation standard for proposed land acquisition
- (1) Land compensation fees and resettlement subsidy rates.

According to Fangchenggang Municipal People's Government's "Notice on Implementing Comprehensive Land Price Standards for Expropriated Areas" (Fangzhengfa (2020) No. 6) and "Fangchenggang Municipal People's Government's Notice on Printing and Distributing Compensation and Resettlement Measures for Collective Land Expropriation, Demolition and Resettlement in Urban

Areas of Fangchenggang City" (Fangzheng Regulation [2019) No. 5) stipulated in the implementation of the standards.

(2) Compensation standard for young crops and ground attachments.

According to the "Notice of Fangchenggang Municipal People's Government Office on Reannouncement of Compensation Standards for Housing, Other Above-ground Buildings (Structures) and Young Crops on Collective Land in Two Urban Areas" (Fangzheng Ban Han [2020) No. 12), "Fangchenggang Municipal People's Government on Circular on Compensation and Resettlement Measures for Collective Land Expropriation, Demolition and Resettlement in Fangchenggang Urban Area (Fangzheng Regulation (2019) No. 5) shall be implemented according to the standards.

- V. The resettlement approach for land acquisition is in accordance with the "Notice of Fangchenggang Municipal People's Government Office on Re-announcement of Compensation Standards for Residences, Other Above-ground Buildings (Structures) and Young Crops on Collective Land in Two Urban Areas" (Fangzheng Ban Han [2020) No. 12), The standards stipulated in the "Notice of Fangchenggang Municipal People's Government on Printing and Distributing Compensation and Resettlement Measures for Collective Land Expropriation, Demolition and Resettlement in Fangchenggang City" (Fangzheng Regulation [2019) No. 5) shall be implemented.
- 6. Arrangements to carry out the investigation of the current situation of the land From the date of this announcement, according to the needs of the work, the land acquisition and demolition agency where the project is located will review the current status of the ownership, land type, area and the ownership, type and quantity of the land to be acquired. To carry out the investigation, please inform each other of relevant units and cooperate with each other, and the investigation results shall be confirmed with the collective economic organization of the land expropriated, the head of the household and the property owner of the attachments on the ground.
- 7. From the date of this announcement, no unit or individual may rush to plant, rush to plant crops, forest (fruit, bamboo) trees and other young crops, rush to release breeding seedlings, or rush to build (construction) within the scope of the proposed land acquisition. For all the crops planted and planted, young crops such as forest (fruit, bamboo) and trees, and buildings (structures) that have been rushed to release and cultivated seedlings, no registration and compensation will be applied when the land is expropriated.
- 8. If you need to consult or have any objection on matters related to the land acquisition planned for the project, please contact the Fangcheng District Land Acquisition and Reserve Center.

Tel: 0770-3276763 (Fangcheng District Land Acquisition and Reserve Center) 0770-2065665 (Fangcheng District Natural Resources Bureau) 0770-2820051 (Fangchenggang Natural Resources Bureau) Special announcement.

Annex 2 LA agreement

此复印件与原件一致

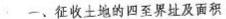
协议编号:

征收土地协议

甲方: 防城港市防城区土地征收储备中心 乙方: 防城区水营街道大王江村墨鱼港组 (以下简称甲方)

(以下简称乙方)

因<u>防城港市中医医院迁建(防城港国际(东盟)传统医学合作中心)</u>項目建设需要,市人民政府决定征收乙方位于<u>防城区水营街道大王江村墨鱼港组</u>的集体土地。根据《中华人民共和国土地管理法》《广西壮族自治区实施(中华人民共和国土地管理法》办法》和《防城港市人民政府关于印发防城港市城区集体土地征收拆迁补偿及安置办法的通知》(防政规[2019]5号)的规定,经甲、乙双方充分协商,并达成一致意见,签订如下征收土地协议,供双方共同遵守履行。



经甲、乙双方及与乙方相邻的周边生产组(集体)现场勘界, 由<u>广西华皓测绘有限公司</u>测绘征地红线图后向乙方及其相邻的周边 生产组(集体)进行公示。经公示无异议,征收乙方集体土地共 260.440亩,四至界址详见征地红线图。

二、征收土地的补偿标准及金额

征收乙方集体土地 260.440 亩,按每亩 33600.00 元(含土地补偿费、安置补助费)补偿,补偿总金额为人民币零仟遗佰建拾 在万零仟建佰捌拾建元整(¥:8750784.00元)。

三、征地补偿款支付方式

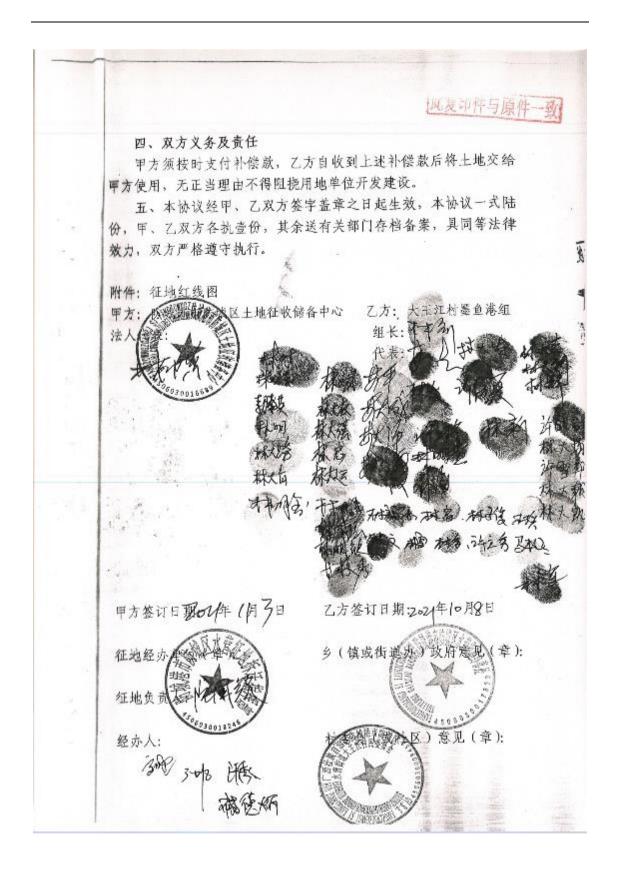
甲方于协议生效后<u>30</u>个工作日内将上述补偿款项通过银行 转帐方式支付至乙方指定的银行账户:

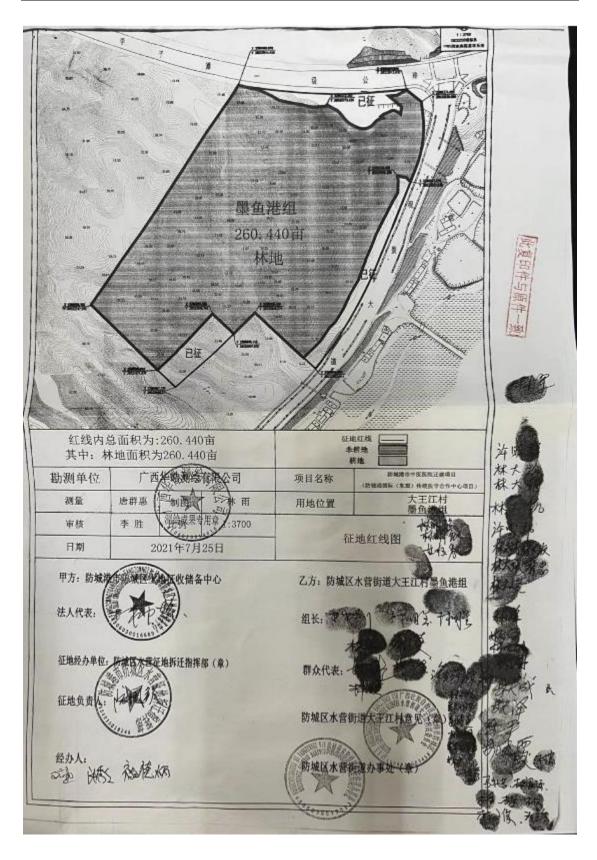
户名: 附根患者防我区水量有面大五江村区委会墨鱼港组

开户行: 的成德的城园及特领银行有限表任公司

账号: 6121010/3020140/5







Party A of the Land Acquisition Agreement: Fangchenggang Land Acquisition and Reserve Center in Fangcheng District (Hereinafter referred to as Party A)

Party B: Moyugang Group, Dawangjiang Village, Suiying Street, Fangcheng District

(hereinafter referred to as Party B)

Due to the construction needs of Fangchenggang Traditional Chinese Medicine Hospital (Fangchenggang International (ASEAN) Traditional Medicine Cooperation Center) project, the Municipal People's Government has decided to expropriate Party B's collective land located in the Moyugang Group, Dawangjiang Village, Shuiying Street, Fangcheng District. According to the "Land Administration Law of the People's Republic of China", "Guangxi Zhuang Autonomous Region Implementing the "Land Administration Law of the People's Republic of China" and "Notice of Fangchenggang Municipal People's Government on Printing and Distributing Compensation and Resettlement Measures for Collective Land Expropriation, Demolition and Resettlement in (Fangchenggang Fangchenggang Urban Area" Municipal Government Regulation [2019] No. 5), after full consultation between parties A and B, and reached a consensus, the following land acquisition agreement was signed for both parties to abide by and perform.

- 1. The four boundary sites and areas of the acquired land have been demarcated on site by Party A, Party B and the surrounding production group (collective) adjacent to Party B. The surrounding production groups (collectives) will make public announcements. After public announcement, there is no objection, and the collective land of Party B is 260.440 mu. Please refer to the red line map of land acquisition for the four boundary sites.
- 2. Compensation standard and amount of land acquisition is CNY 8750784.00.
- 3. Payment method of compensation for land acquisition: Party A shall pay the above compensation by bank transfer to the bank account designated by Party B within 30 working days after the agreement takes effect:

Account name: E-Shuitang Hongshu Wangjiang Blanket Club Cuttlefish Pack Group

Account Bank:

- 4. Obligations and Responsibilities of Both Parties: Party A shall pay the compensation on time, and Party B shall hand over the land to Party A for use after receiving the above compensation, and shall not obstruct the development and construction of the land-use unit without justifiable reasons.
- 5. This agreement will take effect on the date of signing and stamping by both parties. This agreement is in one copy, each party A and B will hold one copy, and the rest will be sent to the relevant departments for archival filing, which has the same legal effect, and both parties strictly abide by and implement. Attachment: Red Line Map of Land Acquisition Party A:

Annex 3 Compensation Evidence for LA



Annex 4 Compensation agreement for the trees

协议编号:

青苗补偿协议书

甲方: 防城港市防城区土地征收储备中心 (以下简称甲方)

乙方: 防城区水营街道大王江村墨鱼港组 (以下简称乙方)

因防城港市中医医院迁建(防城港国际(东盟)传统医学合作中心)项目建设,需征收乙方位于 防城区水营街道大王江村墨鱼港组 的青苗。按照《防城港市人民政府关于印发防城港市城区集体土地征收拆迁补偿及安置办法的通知》(防政规 [2019] 5 号)的有关地上附着物补偿标准,甲方就 墨鱼港 组集体土地内的青苗补偿问题与乙方协商一致,签订如下协议:

一、征收乙方的青苗数量和补偿标准详见地上附着物(青苗)补偿清册,补偿金额共计壹佰叁拾万零或仟贰佰元整(¥:1302200.00元)。

二、甲方于协议生效后 30个工作日内将上述补偿款项通过银行转 帐的方式支付至乙方银行账户:

户 名: 防城港市防城区水营街道大王江村民委员会墨鱼港组

开户行: 防城港防城国民村鎮银行有限责任公司

账 号: 612 1010 13020 14015

三、乙方自收到上述补偿款之日起5天内自行清除地上的青苗及 附着物并将土地交给甲方使用。对不按时清除而影响甲方组织施工的, 由甲方组织清除,实行以料抵工。

四、本协议一式肆份,甲乙双方各执壹份,其余送有关部门备案, 各份具有同等法律效力,双方严格遵守执行。

附件: 1. 地上附着物(青苗)补偿清册 2. 身份证复印件、户口 簿复印件 3. 青苗红线图或照片; 甲方: 防城区土地征收储备中心 法人代表:

Young Crop Compensation Agreement

Party A: Fangchenggang Fangcheng District Land Expropriation Reserve Center (hereinafter referred to as Party A)

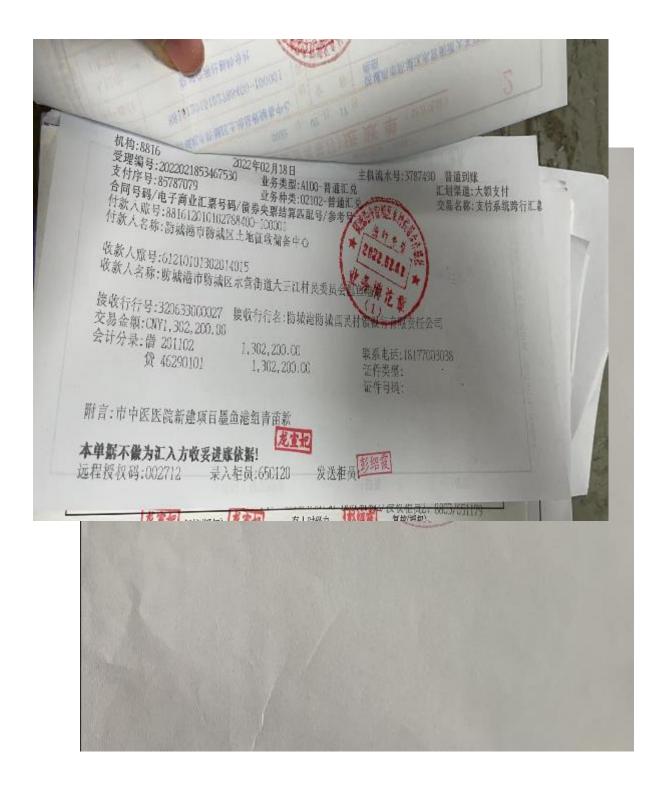
Party B: Moyugang Group, Dawangjiang Village, Suiying Street, Fangcheng District (hereinafter referred to as Party B)

Due to the construction of Fangchenggang Traditional Chinese Medicine Hospital (Fangchenggang International (ASEAN) Traditional Medicine Cooperation Center) project, Party B's young crops located in Cuttlefish Port Group, Dawangjiang Village, Shuying Street, Fangcheng District, need to be collected. In accordance with the "Fangchenggang Municipal People's Government on Printing and Distributing Collective Land Expropriation in the Urban Area of Fangchenggang City"

- ~ Notice on Compensation and Resettlement Measures for Demolition and Resettlement" (Fang Zhenggui [2019] No. 5) on the compensation standards for ground attachments, Party A has reached an agreement with Party B on the compensation for young crops in the collective land of the Cuttlefish Port Group, and signed the following agreement:
- 1. For the number of young crops and compensation standards of Party B, please refer to the Compensation List for Attachments (Young Crops) on the Ground.
- 2. Party A shall pay the above compensation amount to Party B's bank account by bank transfer within 30 working days after the agreement takes effect:

 Account Name: Cuttlefish Port Group, Dawangjiang Villagers Committee, Shuiying Street, Fangcheng District, Fangchenggang City Account Bank: Fangchenggang Fangcheng National Village Bank Co., Ltd. Account Number: 61210101302014015 Young crops and attachments and hand over the land to Party A for use. If it is not removed on time and affects the construction organized by Party A, Party A will organize the removal and implement the delivery of materials.
- 4. This agreement is in four copies, each party A and B shall hold one copy, and the rest shall be submitted to the relevant departments for the record. Each copy has the same legal effect, and both parties shall strictly abide by it.

Annex 4 Compensation Records for Trees



Annex 5 DDR for Fangchenggang Medical Waste Disposal Center(existing facility)

- 40. Fangchenggang Medical Waste Disposal Center is managed and operated by Fangcheng Fangchenggang Guanchen Environmental Protection Co., Ltd. The plant is located in Baisha Village, Wangfu Street Office, Ganggang District, Fangchenggang City, with an area of 5633.57 m2. The plant undertakes the task of medical waste disposal in two districts, one county, one city and each township in Fangchenggang City. Adopting high-temperature cooking and sterilization process to treat infectious waste and damaging waste. It was officially completed and put into production in 2012, with a total investment of 9.8319 million yuan and a designed disposal capacity of 3 tons per day.
- 41. The land was acquired in 2009 and all compensation has been paid off before 2009 which has been confirmed by Baisha village. Before land acquisition, the land is collective unutilized land. There is no affected person. The plant already obtained the state-owned certificate in 2010 and changed the owner name in 2021. Please see figure A5-1. There is no pending issue of the existing facility.

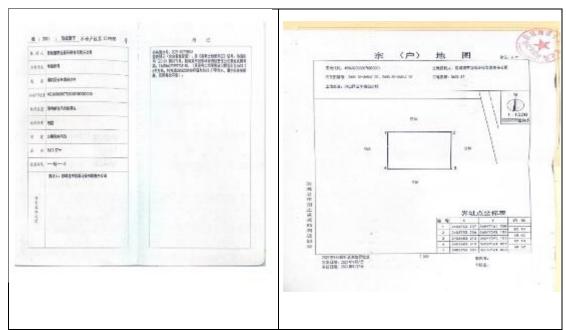


Figure A5-1 land certificate

Gui (2021)

Fangchenggang Real Estate Property No. 0019555

Owner: Fangchenggang Guanchen Environmental Protection Co., Ltd.

Business Serial Number: 2021-00778536

The original "State-owned Land Use Certificate" certificate number: Fanggang

Guoyong (2010) No. 0372.

The business license number of Fangchenggang Guanchen Environmental Protection Co., Ltd. has a total number of separate ownership codes: 91450602729773518E. (The original state-owned land use certificate recorded an area of 5,633.26 square meters, which is 5,633.57 square meters after conversion to 0G0S2000 coordinates, which is a coordinate conversion error, and the actual boundary remains unchanged).

Located in Baisha Village, Gongche Town, Port District, Real Estate Unit No. 450602008007GB00001W00000000

Type of rights: State-owned construction land

The nature of the right to use the right: allotment

Use: public utility land

Area: 5633.57 m²

Expiry date: never

Licensee: Fangchenggang Guanchen Environmental Protection Co., Ltd.

Annex 6 DDR of 33.812 mu land acquired in 2010

说明

亚洲开发银行:

防城港国际(东盟)传统医学合作中心项目总征迁用地位于防城港市防城区水营街道大王江村墨鱼港组,总征用集体土地面积 294.252亩,其中33.812亩于2010年已完成征收,剩余260.44亩(详见本项目移民尽职调查报告)于2021年征收完成。

关于该项目 2010 年完成征收的 33.812 亩土地系"一桥两路"(即针鱼岭大桥、西湾环海景观大道一标、李子潭一级公路)项目所征收用地,位于防城港市防城区水营街道大王江村墨鱼港组,属该组集体土地,该土地、青苗及地上附着物已作补偿,各补偿款项已支付给生产组和个人。此外该用地涉及的安置工作也已全部完成,不存在任何遗智纠纷问题。

特此说明

防城港市防城区水营征地拆迁指挥部 2022年4月21日

Translation Statement

Asian Development Bank:

Fangchenggang International (ASEAN) Traditional Medicine Cooperation Center Project is located in Cuttlefish Port Group, Dawangjiang Village, Shuiying Street, Fangcheng District, Fangchenggang City. The total occupied collective land area is 294.252 mu, of which 33.812 mu has been expropriated in 2010, and the remaining 260.44 mu was expropriated in 2021 (For details, please refer to the resettlement due diligence report of this project).

The 33.812 mu land requisitioned in 2010 was for this project of "One Bridge and Two Roads" (namely Zhenyulin Bridge, contract package 1 of the ring landscape avenue, and the Lizitan First-Class Highway), which was belonged to Moyu Group, Dawangjiang Village, Suiying Sub-district, Fangcheng District, Fangchenggang City. Compensation has been made for the land, young crops and ground attachments, and the compensation cost has been paid to the collective community and affected farmers. In addition, the resettlement work involved in the land use has also been completed, and there are no remaining disputes.

It is hereby stated by Shuiying Land Acquisition and Relocation Headquarters

21 April 2022

Annex 7 Forest Law of the People's Republic of China

(Adopted at the 7th Meeting of the Standing Committee of the Sixth National People's Congress on September 20, 1984; amended for the first time in accordance with the Decision on Amending the Forest Law of the People's Republic of China adopted at the 2nd Meeting of the Standing Committee of the Ninth National People's Congress on April 29, 1998; amended for the second time according to the Decision on Amending Certain Laws adopted at the 10th Meeting of the Standing Committee of the Eleventh National People's Congress on August 27, 2009; and revised at the 15th Meeting of the Standing Committee of the Thirteenth National People's Congress on December 28, 2019)

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Chapter I

General Provisions

Article 1 This Law is enacted for the purposes of implementing the ideal that lucid waters and lush mountains are invaluable assets, protecting, cultivating, and rationally utilizing forest resources, accelerating land greening, safeguarding forest ecological security, constructing ecological civilization, and achieving the harmonious coexistence of human and nature.

Article 2 This Law applies to the protection, cultivation, and utilization activities of forests, woods, and the management and administration activities of forests, woods and forest lands conducted in the territory of the People's Republic of China.

Article 3 The protection, cultivation and utilization of forest resources shall respect and conform with nature, in adherence to the principles of prioritizing the ecology and protection, combining protection with cultivation, and sustainable development.

Article 4 The State shall adopt target-oriented responsibility and performance evaluation system for the protection and development of forest resources. People's governments at next higher level shall evaluate the performance of people's

governments at next lower level in achieving the targets of the protection and development of forest resources, forest fire prevention, and major forest pest control, and disclose the evaluation results.

Local people's governments may establish forest director system based on needs for the protection and development of forest resources in their respective administrative areas.

Article 5 The State shall take fiscal, tax, financial, and other measures to support the protection and development of forest resources. The people's governments at all levels shall guarantee investments in the protection and restoration of the forest ecology, and promote forestry development.

Article 6 With the objective of fostering a stable, healthy, high-quality, and efficient forest ecosystem, the State shall implement categorized management and administration system of public welfare forests and commercial forests, highlight leading functions, exert multiple functions, and achieve the sustainable utilization of forest resources.

Article 7 The State shall establish a compensation system for ecological benefit of forests, increase the support for the protection of public welfare forests, improve the transfer payment policy for key ecological functional zones, and guide the people's governments in beneficiary areas and forest ecological protection areas in providing compensation for ecological benefits through consultation or other means.

Article 8 The State Council and the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government may, in accordance with the provisions on the rights to autonomy of national autonomous areas stipulated by the State, implement preferential policies for forest protection and forestry development in national autonomous areas.

Article 9 The competent authority of forestry of the State Council shall be in charge of the forestry work nationwide. The competent authorities of forestry of local people's governments at or above the county level shall be in charge of the forestry work in their respective administrative areas.

The people's governments at the village and township level may designate relevant institutions or appoint full-time and part-time personnel to undertake forestry-related work.

Article 10 Afforestation and forest protection is the obligation that citizens shall fulfill. People's governments at all levels shall organize and conduct tree-planting activities by all citizens.

Tree Planting Day is on March 12 every year.

Article 11 The State shall take measures to encourage and support scientific research on forestry, to popularize advanced and applicable forestry technologies, and to upgrade the scientific and technological level in forestry.

Article 12 The people's governments at all levels shall strengthen publicity, education, and dissemination of knowledge of the protection of forest resources, and encourage and support autonomous grassroot organizations, news media, forestry enterprises and institutions, and volunteers, among others, in conducting publicity campaigns on forest resources protection.

Competent authorities of education and schools shall educate students on the protection of forest resources.

Article 13 Any organization or individual that has made remarkable achievements in afforestation and land greening, forest protection, forest management and administration and forestry scientific research shall be commended and rewarded in accordance with the relevant provisions stipulated by the State.

Chapter II

Forest Rights

Article 14 Forest resources are owned by the State, except those that shall be collectively owned as prescribed by law.

The ownership of state-owned forest resources shall be exercised by the State Council on behalf of the state. The State Council may authorize the competent authority of natural resources of the State Council to uniformly perform the duties as the owner of state-owned forest resources.

Article 15 The ownership and usufructuary rights of forest lands and forests and woods thereon, shall be uniformly registered and compiled and granted with certificates by the real property registration institutions. The competent authority of natural resources of the State Council shall be in charge of registering forests, woods and forest lands of the key state forest regions designated by the State Council (hereinafter referred to as "key forest regions").

The lawful rights and interests of the owners and users of forests, woods and forest lands shall be protected by law, and shall not be infringed by any organization or individual.

The owners and users of forests, woods and forest lands shall protect and rationally utilize forests, woods and forest lands in accordance with law, and shall not illegally change the use of forest lands or destruct forests, woods and forest lands.

Article 16 State-owned forest lands and the forests and woods thereon may be designated in accordance with law to forest managers for uses. Usufructuary rights to state-owned forest lands and the forests and woods thereon acquired by forest managers in accordance with law may be transferred, leased, and contributed to capital at appraised value, among others, with approval. Specific measures shall be formulated by the State Council.

Forest managers shall perform their obligations to protect and cultivate forest resources, ensure the stable increase of state-owned forest resources, and improve the ecological functions of forests.

Article 17 Where collective-owned forest lands and state-owned forest lands used by collective farmers in accordance with law (hereinafter referred to as the "collective forest lands") are contracted out to individuals, the contractor shall be entitled to the rights of contractual management of forest lands and the ownership of the woods on the forest lands subject to the contractual management, unless otherwise provided by contract. The contractor may circulate in accordance with law his or her right to management of the forest lands and ownership and usufructuary rights of the woods by leasing (subcontracting), in payment for shares, transfer, and other means.

Article 18 Collective forest lands not contracted out to individuals and the woods thereon, shall be managed in a unified manner by the rural collective economic organization. With consent of over two-thirds majority vote of the villagers' committee or over two-thirds of villagers' representatives and subsequent public notification, the right to management of the forest lands and ownership and usufructuary rights of the woods may be circulated in accordance with law by bidding, auction, public consultation, and other means.

Article 19 For the circulation of the right to management of the collective forest lands, a written contract shall be signed. The contract for the circulation of the right to management of the forest lands generally contains the rights and obligations of both parties to the circulation, period of circulation, price of circulation and methods of payment, disposition of woods and fixed production facilities on the forest lands upon the expiration of the period of the circulation, liability for breach of contract.

Where a transferee violates the laws or the contract, causing serious damage to the forests, woods, or forest lands, the contractee or contractor shall be entitled to withdraw the right to management of the forest lands.

Article 20 For the woods planted by state-owned enterprises, public institutions, government agencies, groups, and the military, the planting organizations shall conduct tending of woods, and dispose the benefits generated from the woods in accordance with the provisions issued by the State.

The woods planted by rural residents at house sides and on plots of cropland and hilly lands allotted for private use are owned by the individuals. The woods planted by urban residents in the courtyards of their own houses are owned by the individuals.

The woods planted in state-owned or collective-owned barren hills, lands, and beaches suitable for forests under a contract awarded to a collective or an individual, are owned by the collective or individual, unless otherwise provided by contract.

The woods planted by any other organization or individual are owned by the planter in accordance with law, and the planter shall be entitled for the benefits gained from the woods, unless otherwise provided by contract.

Article 21 Where the expropriation or requisition of forest lands and woods are compellingly entailed by the public interest such as ecological protection and infrastructure construction, approval procedures shall be completed in accordance with the laws and administrative regulations such as the Land Administration Law of the

People's Republic of China, and equitable and reasonable compensation shall be made.

Article 22 Any dispute over ownership and usufructuary rights of forest lands and woods between organizations shall be settled by the people's government at or above the county level in accordance with law.

Any dispute over ownership of woods and usufructuary rights of forest lands between individuals or between individuals and organizations shall be settled by the people's government at village or township level or the people's government at or above the county level in accordance with law.

Any party dissatisfied with the settlement decisions of the relevant people's government may file a litigation before people's court within 30 days of receiving the notice of the settlement decision.

Before dispute over the rights to woods and forest lands is settled, neither party may fell the woods in dispute or change the status of the forest lands, except for the need of forest fire prevention, forest pest control, and major national infrastructure construction, among others.

Chapter III

Development Plans

Article 23 The people's governments at or above the county level shall integrate forest resources protection and forestry development into their national economic and social development plans.

Article 24 The people's governments at or above the county level shall implement the requirements for spatial development and protection, rationally plan the structure and pattern of the protection and utilization of forest resources, formulate objectives of the protection and development of forest resources, increase forest coverage and forest stock volume, and improve the quality and stability of forest ecosystem.

Article 25 The competent authorities of forestry of people's governments at or above the county level shall formulate forestry development plans in accordance with the objectives of the protection and development of forest resources. A forestry development plan at the lower level shall be prepared in accordance with a forestry development plan at the higher level.

Article 26 The competent authorities of forestry of people's governments at or above the county level may, in light of local actual circumstances, formulate special plans in relation to the protection and utilization of forest lands, afforestation and land greening, forest management, protection of natural forests.

Article 27 The State shall establish a forest resources survey and monitoring system to survey, monitor, assess the current status and changes of forest resources nationwide, and publish the results regularly.

Chapter IV

Forest Protection

Article 28 The State shall strengthen the protection of forest resources and exert the various functions of forests such as water and soil conservation, climate regulation, environmental improvement, biodiversity conservation, and forest products supply.

Article 29 Central and local finance authorities shall respectively arrange funds for the planting, tending, protection, and management of public welfare forests and for the financial compensation payable to right holders of non-state owned public welfare forests, and the funds must be used exclusively for the specified purpose. The specific measures shall be formulated by the finance department of the State Council in conjunction with the competent authority of forestry.

Article 30 The State shall support the transformation and development of key forest regions and the protection and restoration of forest resources, improve production and living conditions, and promote the economic and social development of the regions where they are located. Key forest regions shall be entitled for policies such as transfer payments for key national ecological functional areas according to relevant provisions.

Article 31 The State shall establish natural reserve system with national parks as its main body in typical forest ecological regions, forest regions wherein rare and precious animals and plants grow and breed, natural tropical rain forest regions and other natural forest regions with special values of protection in different natural zones, so as to strengthen protection and management.

The State shall support the protection and restoration of forest resources in ecologically fragile areas.

People's governments at or above the county level shall take measures to protect wildlife resources with special values.

Article 32 The state shall implement comprehensive protection system for natural forests, strictly limit the felling of natural forests, strengthen the capability-building of managing and protecting natural forests, protect and restore natural forest resources, and gradually improve the ecological functions of natural forests. Specific measures shall be formulated by the State Council.

Article 33 Local people's governments at all levels shall arrange their relevant competent authorities to establish forest protection organizations responsible for forest protection; construct forest protection facilities based on actual needs and strengthen protection of forest resources; and supervise and urge relevant organizations to make a forest protection covenant, organize mass forest protection, designate forest protection responsibility areas and assign full-time or part-time forest rangers.

The people's governments at the county level or at the village or township level may employ forest rangers whose main responsibilities are to patrol and protect forests, and, upon detecting forest fires, forest pests or activities destructing forest resources, to promptly handle the situation and report to local forestry and other relevant authorities.

Article 34 Local people's governments at all levels shall be responsible for forest fire prevention in their respective administrative areas and bring mass prevention into play; and people's governments at or above the county level shall arrange for and lead emergency management, forestry, public security, and other competent authorities to closely cooperate in prevention, fighting, and disposal of forest fires in a scientific manner in accordance with their respective responsibilities:

- (1) Organizing publicity campaigns of forest fire prevention to disseminate knowledge of forest fire prevention;
- (2) Designating forest fire prevention zones and prescribing forest fire prevention periods;
- (3) Installing fire prevention facilities and setting up firefight equipment and materials;
- (4) Establishing forest fire monitoring and early warning system to eliminate hidden risks in a timely manner;
- (5) Developing emergency plans for forest fires so as to immediately organize a fire fighting in case a forest fire occurs; and
- (6) Guaranteeing funds required to prevent and fight forest fires.

The national comprehensive fire prevention and fighting and rescue force shall be responsible for the forest fire fighting and rescue tasks and prevention-related works as prescribed by the State.

Article 35 The competent authorities of forestry of people's governments at or above the county level shall be responsible for the monitoring, quarantine, and prevention and control of forest pests in their respective administrative areas.

The competent authorities of forestry of people's governments at or above the provincial level shall be responsible for the determination of quarantine pests of forest plants and their products, and designating epidemic areas and protected areas.

Local people's governments shall be responsible for the prevention and control of major forestry pest disasters. In the event of an explosive, hazardous, or other major forestry pest disasters, local people's government shall promptly organize the eradication of the disasters.

Forestry managers shall, with the supports and guidance of the government, prevent and control forestry pests within the scope of their management.

Article 36 The State shall protect forest lands, strictly control the conversion of forest lands to non-forest lands, exercise control over the total amount of forest land occupation, so as to ensure that the amount of forest lands is not to decline. The forest lands occupied by various construction projects shall not exceed the quota of total amount of forest land occupation control in the administrative area.

Article 37 Mineral exploration, mining, and other project constructions shall occupy no or minimum forest lands; and where occupying forest lands is indeed necessary, the approval of the competent authorities of forestry of the people's government at or

above the county level shall be obtained, and the approval procedures for construction land shall be completed in accordance with law.

Entities occupying forest lands shall pay the fees for forest vegetation restoration. Measures for the administration of the collection and use of forest restoration fees shall be formulated by the finance department of the State Council in conjunction with the competent authority of forestry.

The competent authorities of forestry of people's governments at or above the county level shall arrange afforestation to restore the forest vegetation in accordance with regulations, and the area of afforestation shall be no less than the reduced area due to the occupation of forest lands. Competent authorities of forestry at the higher level shall regularly supervise and urge competent authorities of forestry at the lower level to organize afforestation and forest vegetation restoration, and conduct inspections.

Article 38 Where the temporary use of forest lands is required, the approval of the competent authorities of forestry of the people's government at or above the county level shall be obtained; and the period of temporary use of forest lands shall generally not exceed two years, and no permanent building be constructed on the forest lands in temporary use.

Within one year after the expiration of the temporary use of forest lands, the organization or individual using the lands shall restore the vegetation and forestry production conditions.

Article 39 Deforestation and reclamation, stone quarrying, sand quarrying, soil excavation, and other acts of destructing woods and forest lands are prohibited.

Discharging into forest lands sewage and sludge containing heavy metals or other toxic and hazardous substances in excess of standards and dredged sediment, tailings, slag, and the like that may pollute the forest lands are prohibited.

The harvest of firewood, destruction of seedlings, and grazing in young forest lands are prohibited.

Relocation or destruction of forest protection signs without authorization is prohibited.

Article 40 The State shall protect ancient, famous, rare and precious woods. Destructing ancient, famous, and rare and precious woods and their natural environment is prohibited.

Article 41 The people's governments at all levels shall strengthen the construction of forestry infrastructures and apply advanced and applicable scientific and technological means, so as to improve their capabilities for forest fire prevention, forest pest prevention and control, and other capabilities for forest management and protection.

All relevant organizations shall strengthen forest management and protection. Stateowned forestry enterprises and public institutions shall increase investments, strengthen forest fire prevention and forest pest prevention and control, and prevent and stop destruction activities to forest resources.

Chapter V

Afforestation and Land Greening

Article 42 The State shall coordinate urban and rural afforestation and land greening, carry out large-scale land greening campaigns, green and beautify urban and rural areas, promote construction of forest cities, facilitate rural revitalization, and build a beautiful homeland.

Article 43 The people's governments at all levels shall organize all sectors of industry, and urban and rural residents to engage in afforestation and land greening.

State-owned barren hills, lands, and beaches suitable for forests shall be afforested and greened as organized by the competent authorities of forestry and others of the people's governments at or above the county level; while those collective-owned, by collective economic organizations.

For the planned urban areas, both sides of railways and highways, banks of rivers, and the vicinity of lakes and reservoirs, the relevant competent authorities shall organize afforestation and land greening according to the relevant provisions, in the light of local conditions; and for industrial and mining areas, industrial parks, government agencies, lands for school use, barracks, farms, ranches, and fisheries, the respective organizations shall be responsible for afforestation and land greening. Specific measures for organizing urban afforestation and land greening shall be formulated by the State Council.

State-owned and collective-owned barren hills, lands, and beaches suitable for forests may be afforested and greened by organizations or individuals on a contract basis.

Article 44 The State encourages citizens to participate in afforestation and land greening by planting trees, tending and protecting, funding and donating afforestation and cultivation, or other means.

Article 45 The people's governments at all levels, when organizing afforestation and land greening, shall make scientific plans, adapt to local conditions, optimize the compositions of forest types and species, encourage the use of native tree species and fine breed tree varieties, grow mixed forests, and enhance the quality of afforestation and land greening.

Afforestation and land greening projects invested by the state or mainly invested by the State shall use fine breed tree varieties in accordance with State regulations.

Article 46 The people's governments at all levels shall adopt measures focusing on natural restoration, combining natural restoration with artificial restoration, and scientifically protect and restore forest ecosystems. Newly planted young forests lands and other places where mountain closure is needed, shall be so closed by the local people's governments.

People's governments at all levels shall, in a planned way, organize the restoration of cultivated land to forest or grass for the cultivated land that needs ecological restoration, in the forms of sloping land, heavily desertification land, severely rocky desertification land and heavily polluted land, as determined by the State Council.

The people's governments at all levels shall implement forest ecological restoration projects to restore vegetation in respect of natural factors-induced deserted and damaged mountains, degraded forest lands, and barren hills, lands, and beaches suitable for forests, in light of local conditions.

Chapter VI

Management and Administration

Article 47 The State shall designate, according to the needs for ecological protection, the forest lands and the forests thereon with important ecological location or in ecologically fragile conditions, for the main purpose of ecological benefits, as the public welfare forests. Forest lands and the forests thereon not so designated are commercial forests.

Article 48 The public welfare forests shall be designated and promulgated by the State Council and the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

Forest lands and the forests thereon in the following areas shall be designated as public welfare forests:

- (1) The catchment areas of the origins of important rivers;
- (2) The riverbanks areas of main stream and tributaries of important rivers and drinking water sources reserve areas:
- (3) The vicinities of important wetlands and reservoirs;
- (4) Nature reserves for forests and terrestrial wildlife;
- (5) The backbone forest belts of windbreak and sand-fixation forests in areas subject to severe desertification and soil erosion;
- (6) The backbone forest belts of coastal shelterbelt forests;
- (7) Undeveloped primeval forest areas; and
- (8) Other areas required to be designated.

Where the designation of public welfare forests involves non-state owned forest lands, a written agreement shall be concluded with right holders, with reasonable compensation to the right holders.

Any adjustment to the designation of public welfare forests shall be subject to the approval of the original designating competent authorities, and be publicly announced.

Measures for the designation and administration of public welfare forests at national level shall be formulated by the State Council; and measures for the designation and administration of public welfare forests at local level shall be formulated by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 49 The State shall provide strict protection for the public welfare forests.

The competent authorities of forestry of people's governments at or above the county level shall, in a planned way, arrange public welfare forest managers for adopting forest stand improvement, forest tending, and other measures in relation to low-quality and low-benefit public welfare forests with trivial ecological functions such as sparse forests and defective forests, so as to improve the quality and ecological protection functions of the public welfare forests.

Under the premise of meeting the requirements for the importance of ecological location and not affecting the ecological functions of the public welfare forests, forest land resources and landscape resources of the public welfare forests may, upon scientific justification, be rationally utilized, to moderately develop forest-floor economy and forest tourism. The utilizing of public welfare forests of the above activities shall be in strict accordance with the relevant regulations of the State.

Article 50 The State shall encourage the development of the following commercial forests:

- (1) Forests with timber production as the main purpose;
- (2) Forests for the main purpose of forest produce, including fruits, oils, beverages, food ingredients, industrial raw materials, medicines;
- (3) Forests with production of fuels and other biomass energy as the main purpose; and
- (4) Other forests with economic benefits as the main purpose.

The State, under the premise of ensuring ecological security, shall encourage the development of timber forests of fast-growing and high-yield, precious species and large-diameter trees so as to increase timber reserves and ensure the security of timber supply.

Article 51 Commercial forests shall be independently managed by forest managers in accordance with law. On the premise of not damaging the ecology, intensive management measures may be taken for the rational utilization of forests, woods and forest lands and the improvement of the economic benefits of commercial forests.

Article 52 For the construction of any of the following engineering facilities providing direct serves for forestry production and management on forest lands, where the standards required by the relevant competent authorities of State are met, the approval of the competent authorities of forestry of the people's government at or above the county level shall be obtained, and the approval procedures for construction land are waived; and where forest lands are occupied in excess of the standards, the approval procedures for construction land shall be completed in accordance with law:

- (1) Facilities for the breeding or production of seeds or nursery stock;
- (2) Facilities for the storage of seeds, nursery stock, or timbers;
- (3) Skidding trails, logging trails, fire break patrol trails, and forest trails;
- (4) Facilities for forestry scientific research and popular science education;

- (5) Facilities for wild fauna and flora protection, forest protection, prevention and control of forest pests, forest fire prevention, and timber quarantine;
- (6) infrastructures of supplying water, power, heat and gas, and of communication; and
- (7) Other engineering facilities providing direct serves for forestry production.

Article 53 State-owned forestry enterprises and public institutions shall prepare forest management plans, specify measures for the cultivation, management, and protection of forests, and implement the measures with the approval of the competent authorities of forestry of people's governments at or above the county level. The forest management plans for key forest areas shall be implemented with the approval of the competent authority of forestry of the State Council.

The State shall support and guide other forest managers on preparing forest management plans.

Specific measures for the preparation of forest management plans shall be formulated by the competent authority of forestry of the State Council.

Article 54 The state shall strictly control annual quota of forest felling. The competent authorities of forestry of people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall prepare annual felling quotas for their respective administrative areas based on the principles of consumption lower than growth and of management and administration by forest categories, solicit comments from the competent authorities of forestry of the State Council, announce publicly and implement the quotas upon the approval by the people's governments at the same level, and submit the quotas to the State Council for the record. The annual felling quotas for the key forest areas shall be prepared by the competent authority of forestry of the State Council, and announced publicly and implemented upon the approval of the State Council.

Article 55 Felling of forests and woods shall be in accordance with the following provisions:

- (1) Public welfare forests may be felled only for tending, regeneration, and improvement of low-quality and low-benefit forests. Exceptionally, public welfare forests may be felled for the purposes of scientific researches or experiments, prevention and control of forest pests, construction of forest fire prevention facilities, construction of biological firebreaks, and natural disasters, among others.
- (2) For commercial forests, different felling methods shall be adopted based on different circumstances, the area of clear-cutting shall be strictly controlled, and felling and tending shall be concurrently planned and implemented.
- (3) The felling of woods in nature reserves shall be prohibited. An exception is made for woods that must be felled because of special circumstances such as prevention and control of forest pests, forest fire prevention, maintenance of the living environment of main protected objects, and under natural disasters, and for bamboo forests that are located in experimental zones.

The competent authorities of forestry of people's governments at or above the provincial level shall formulate corresponding technical protocols on tree felling, in accordance with the provisions of the preceding paragraph, in the light of principles such as management and administration by forest categories, prioritizing protection, and emphasis on efficiency and benefits, among others.

Article 56 For the felling of the woods on forest lands, a felling license shall be applied for, and the felling shall be conducted in accordance with the specifications of the felling license; and for the felling of bamboo forests outside nature reserves, a felling license is not required, but the technical protocols on tree felling shall be met.

Rural residents that are to fell the scattered trees on plots of cropland allotted for private use and at house sides, are not required to apply for a felling license.

The regeneration felling of farmland protection forests, windbreak and sand fixation forests, road protection forests, riverbank and dike protection forests, and urban forests, among others, on non-forest lands shall be administrated by relevant competent authorities in accordance with relevant provisions.

Digging and transplantation of woods shall be administrated as the felling of woods. Specific measures shall be formulated by the competent authority of forestry of the State Council.

Forging, altering, trading, and leasing felling licenses are prohibited.

Article 57 Felling licenses shall be issued by the competent authorities of forestry of people's governments at or above the county level.

The competent authorities of forestry of the people's governments at or above the county level shall take measures to facilitate applicants in applying for felling licenses.

For rural residents to fell the woods on their plots of hilly lands allotted for private use and on contracted collective land, felling licenses shall be issued from the competent forestry authorities of the people's governments at county level, or people's governments at village and township level entrusted by them.

Article 58 When applying for a felling license, documents concerning felling locations, forest types, tree species, area, stock volume, methods, regeneration measures, forest rights, and other contents shall be submitted. Where the area or volume exceeds those specified by the competent authorities of forestry of the people's government at or above the provincial level, survey and design documents for the felling zone shall also be submitted.

Article 59 Where the technical protocols on tree felling are met, the competent authorities in charge of approval and issuance of felling licenses shall issue a felling license in a timely manner. However, the competent authorities in charge of approval and issuance of felling licenses shall not issue felling licenses exceeding the annual felling quota.

Article 60 Under any of the following circumstances, no felling license may be issued:

- (1) Felling woods during the periods of mountain closures or within the areas of mountain closures:
- (2) The tasks of forest regeneration have not been completed as required after the felling in the previous year;
- (3) No measures have been taken for prevention and improvement since a major deforestation case, forest fire, or forest pest disaster took place in the previous year; and
- (4) Other circumstances prohibiting felling as specified by laws and regulations, and by the competent authority of forestry of the State Council.

Article 61 Organizations and individuals that fell woods shall complete forest regeneration in accordance with relevant provisions. The area of forest regeneration shall not be less than the area of felling, and the forest regeneration shall meet the standards as set forth in the relevant technical protocols.

Article 62 The State shall, through interest subsidies, subsidies for stockpiling forest rights as collateral, and other measures, encourage and guide financial institutions to conduct forest-related mortgage loans, fiduciary loans to forest farmers, and other credit business in line with the characteristics of forestry, and support forest rights stockpiling institutions in stockpiling forest rights as collateral in a market-oriented manner.

Article 63 The State shall support the development of forestry insurance. People's governments at or above the county level shall provide premium subsidies for forestry insurance in accordance with law.

Article 64 Forestry managers may voluntarily apply for forest certification to promote forest management level and sustainable management.

Article 65 Any timber operating or processing enterprise shall keep a standing book for entry and exit of raw materials and products of woods. No organization or individual may purchase, process, and transport woods in full awareness of their illegal origins such as illegal felling or wanton deforestation.

Chapter VII

Supervision and Inspection

Article 66 The competent authorities of forestry of people's governments at or above the county level shall, in accordance with the provisions of this Law, conduct supervision and inspection over the protection, restoration, utilization, and regeneration of forest resources and, in accordance with this Law, investigate and punish illegal acts such as destruction of forest resources.

Article 67 The competent authorities of forestry of people's governments at or above the county level are authorized to take the following measures when performing the duties of supervision and inspection of the protection of forest resources:

(1) Entering production and management premises for on-site inspection;

- (2) Inspecting and duplicating relevant documents and files, and sealing documents and files that may be transferred, destroyed, concealed, or tampered with;
- (3) Seizing and detaining woods from illegal sources proved with evidences, and tools, equipments, or property intended for activities that destroy forest resources; and
- (4) Sealing up sites related to activities that destroy forest resources.

For regions of ineffective protection and development of forest resources, with prominent problems, and intensive public complaints, the competent forestry authorities of the people's government at or above the provincial level may inquire the principals in charge of the people's governments at or above the county level in the region and their relevant competent authorities and require them to corrective actions in a timely manner. The information on the inquiry and corrective actions shall be disclosed to the public.

Article 68 Where the destruction of forest resources causes ecological and environmental damages, the competent authorities of natural resources and forestry of the people's government at or above the county level may sue in a people's court in accordance with law and claim damages from the tortfeasor.

Article 69 The competent authorities of audit shall conduct audit supervision over state-owned forest resource assets in accordance with the relevant provisions stipulated by the State.

Chapter VIII

Legal Liability

Article 70 Where the competent authorities of forestry or any other relevant institutions of the people's government at or above the county level fail to perform their duties in accordance with the provisions of this Law, administrative sanction shall be imposed on the executive staffs in direct charge and other directly liable persons in accordance with law.

In case of the failure to make a decision on administrative penalty in accordance with the provisions of this Law, the competent authorities at the higher level shall be authorized to order the competent authorities at the lower level to make the decision on the administrative penalty or directly impose the administrative penalty.

Article 71 Anyone who, in violation of the provisions of this Law, infringes upon the lawful rights and interests of an owner or user of forests, woods, or forest lands, shall be subject to tort liability in accordance with law.

Article 72 Any state-owned forestry enterprise or public institution who, in violation of the provisions of this Law, fails to perform its obligations to protect and cultivate forest resources, to prepare a forest management plan, or to conduct forest management activities in accordance with an approved forest management plan, shall be ordered by the competent authorities of forestry of the people's government at or above the county level to take corrective actions within a prescribed period, and administrative

sanction imposed on the executive staffs in direct charge and other directly liable persons in accordance with law.

Article 73 Anyone who, in violation of the provisions of this Law, changes the use of forest lands without the approval of the competent authorities of forestry of the people's government at or above the county level, shall be ordered by the competent authorities of forestry of the people's government at or above the county level to restore vegetation and forestry production conditions within a prescribed period, and may be imposed a fine of not more than three times the cost of the restoration.

Anyone who occupies forest lands without completing the approval procedures for construction land, even with approval of the competent authorities of forestry of the people's government at or above the county level, shall be punished in accordance with the relevant provisions of the Land Administration Law of the People's Republic of China.

Anyone who constructs permanent buildings on forest lands in temporary use, or fails to restore vegetation or forestry production conditions within one year after the expiration of the temporary use of the forest lands, shall be punished in accordance with paragraph 1 of this article.

Article 74 Anyone who, in violation of the provisions of this Law, causes damages to woods in the ways of conducting reclamation, quarrying, sand quarrying, soil excavation, or other activities, shall be ordered by the competent authority of forestry of the people's government at or above the county level to cease the illegal activities, replanted woods with one to three times of the damaged woods in the original or another places within a prescribed period, and may be imposed a fine of not more than five times the value of the woods damaged; and where damages are caused to forest lands, shall be ordered by the competent authority of forestry of the people's government at or above the county level to cease the illegal activities and to restore vegetation and forestry production conditions within a prescribed period, and may be imposed a fine of not more than three times the cost of the restoration.

Anyone who, in violation of the provisions of this Law, causes damages to woods by harvesting firewood, destroying seedlings, or grazing in young forest lands, shall be ordered by the competent authorities of forestry of the people's government at or above the county level to cease the illegal activities and to replant woods of one to three times of the damaged woods in the original or another place within a prescribed period.

Anyone who discharges sewage and sludge containing heavy metals or other toxic and hazardous substances in excess of standards and dredged sediment, tailings, slag, and the like that may cause pollution to forest lands, shall be punished in accordance with the relevant provisions of the Law of the People's Republic of China on Soil Pollution Prevention and Control.

Article 75 For the relocation or destruction, in violation of the provisions of this Law, of forest protection signs without authorization, the competent authorities of forestry of the people's government at or above the county level shall restore the forest protection signs at the expense of the violator.

Article 76 Anyone who fells woods illegally, shall be ordered by the competent authority of forestry of the people's government at or above the county level to replant woods with one to five times of illegally felled woods in the original or another place within the prescribed period, and be imposed a fine with five to ten times of the value of the woods illegally felled in addition.

Anyone who fells woods exceeding permitted amount, shall be ordered by the competent authorities of forestry of the people's government at or above the county level to replant woods with one to three times of the number of excessively felled woods in the original or another place within the prescribed period, and may be imposed a fine with three to five times of the value of the woods felled excessively.

Article 77 Anyone who, in violation of the provisions of this Law, forges, alters, trades, and leases felling licenses, shall be confiscated the license and illegal income by the competent authorities of forestry of the people's government at or above the county level, and shall be imposed a fine with one to three times of the illegal income in addition; when no illegal income generated, may be imposed a fine of not more than 20,000 yuan.

Article 78 Anyone who, in violation of the provisions of this Law, purchases, processes, and transports woods in full awareness of their illegal origins such as illegal felling or wanton deforestation, shall be ordered by the competent authorities of forestry of the people's government at or above the county level to cease the illegal activities and confiscated of the woods illegally purchased, processed, and transported or the income from sale, and may be imposed a fine with no more than three times of the price of the woods illegally purchased, processed, and transported.

Article 79 Anyone who, in violation of the provisions of this Law, fails to complete forest regeneration tasks, shall be ordered by the competent authorities of forestry of the people's government at or above the county level to complete the task within a prescribed period; in the case of failure to complete within the prescribed period, shall be imposed a fine of no more than two times of the expense necessary for the remaining task; and administrative sanctions shall be imposed on the principals in direct charge and other directly liable persons in accordance with law.

Article 80 Anyone who, in violation of the provisions of this Law, refuses or obstructs supervision and inspection by the competent authorities of forestry of any people's government at or above the county level in accordance with law, may be imposed a fine of not more than 50,000 yuan, and in serious cases, may be ordered to suspend production and business for rectification.

Article 81 In the case of any of the following circumstances in violation of the provisions of this Law, the competent authority of forestry of the people's government at or above the county level shall organize performance of obligations on behalf of the violator in accordance with law at the expense of the violator:

(1) Refusing to restore vegetation and forestry production conditions, or the restoration of vegetation and forestry production conditions does not conform with the relevant provisions of the State; or

(2) Refusing to replant trees, or the replanting does not conform with the relevant provisions of the State.

The standards for restoring vegetation and forestry production conditions and replanting woods shall be formulated by the competent authorities of forestry of the people's governments at or above the provincial level.

Article 82 The competent authorities of public security may, according to the relevant regulations of the State, exercise the power of administrative penalty prescribed in paragraph 1 of Article 74 and Articles 76, 77, and 78 of this Law.

Anyone whose violation of the provisions of this Law constitutes a violation of public security administration shall be imposed administrative penalty in accordance with law; and where a crime is constituted, the violator shall be held criminally liable in accordance with law.

Chapter IX

Supplementary Provisions

Article 83 For the purposes of this Law, the following terms have the following meanings:

- (1) "Forests" include arbor forests, bamboo forests, and shrub forests specified by the State. Forests may be classified according to their functions as protection forests, special-purpose forests, timber forests, economic forests, and energy forests.
- (2) "Woods" include trees and bamboo.
- (3) "Forest lands" refer to the lands for the development of forestry as designated by the plans of the people's government at or above the county level, including arbor forest lands with a canopy density of not less than 0.2 as well as bamboo forest lands, shrub forest lands, sparse forest lands, harvested lands, burned areas, non-mature forestation lands, and nursery lands.

Article 84 This Law shall enter into force on July 1, 2020.