

Resettlement Plan

February 2014

People's Republic of China: Hubei Huanggang Urban Environment Improvement Project

Prepared by Huanggang Municipal Government for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 27 February 2014)

Currency unit	–	Chinese Yuan (CNY)
CNY1.00	=	\$6.1241
\$1.00	=	CNY0.1632

ABBREVIATIONS

ADB	–	Asian Development Bank
AP	–	affected person
HH	–	household
IA	–	implementing agency
kilometer	–	km
LAR	–	land acquisition and resettlement
PMO	–	project management office
ROW	–	right of way
RP	–	resettlement plan

WEIGHTS AND MEASURES

<i>mu</i>	–	666.7 m ²
square meter	–	m ²

NOTE

In this report, "\$" refers to US dollars.

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**ADB-financed Hubei Huanggang Urban
Environment Improvement Project**

Draft Resettlement Plan of the Hubei Huanggang Urban Environment Improvement Project

**Huanggang Municipal Government
Huanggang PMO
27 February 2014**

Letter of Commitment

The Huanggang Municipal Government (HMG) in Hubei Province has applied for a loan from the Asian Development Bank (ADB) for the Hubei Huanggang Integrated Urban Environment Improvement Project (hereinafter, the "Project") through the Ministry of Finance of the People's Republic of China (the "PRC"). Therefore, the Project must be implemented in accordance with ADB's social safeguard policies. This resettlement plan (RP) represents a key requirement of ADB and becomes a basis of the land acquisition (LA), house demolition (HD) and resettlement work of the Project. This RP complies with the applicable laws of the PRC and local regulations. In order to complete resettlement more effectively, this RP includes some additional measures, and implementation and monitoring arrangements.

HMG hereby acknowledges the contents of this RP, and warrants that the budgetary funds under this RP will be included in the general budget of the Project and made available on time. HMG has discussed this RP with the agencies concerned through the Huanggang Project Management Office (Huanggang PMO), and obtained their consensus. HMG hereby authorizes the Huanggang PMO to implement the Project and the related resettlement work, and other governments in the project area to implement the Project and the related resettlement work within their jurisdictions.



Agency	Signature	Date
HMG		10/3-2014
Huanggang PMO		2014.3.6

承诺函

湖北省黄冈市人民政府通过国家财政部，申请亚洲开发银行贷款用于建设湖北黄冈城市环境综合治理项目。因此，本项目的实施必须满足亚洲开发银行的社会保障政策。本计划代表了亚洲开发银行的一个关键要求并成为本项目涉及征地拆迁、移民安置的依据。本计划遵守中华人民共和国的法律和当地的法规，为了更好地完成移民安置，计划还包括一些附加的措施、实施与监测安排。

黄冈市人民政府兹确认本移民安置的内容，承诺本计划中的预算资金列入项目总预算中，并及时到位。黄冈市人民政府已经通过黄冈市亚行贷款项目办就移民安置计划初稿与相关的单位进行了讨论并得到了他们的认可。黄冈市人民政府授权黄冈市亚行贷款项目管理办公室总体负责本项目的实施与相应的移民安置工作，各级项目区政府具体负责其辖区内的项目实施与相应的移民安置工作。

单位	签字	日期
黄冈市人民政府	 [Signature]	10/3-2014
黄冈市亚行贷款项目管理办公室	[Signature]	2014.3.6

Executive Summary

1. Introduction

HMG has applied for a loan of US\$100 million for the Project with ADB. The Project consists of: (1) urban lake and river improvement; and (2) capacity building and institutional enhancement. HMG is the executive agency, and Huanggang Urban Construction Investment Co., Ltd. the implementing agency (IA). The Project will have a construction period of 5 years, from September 2015 to December 2019.

The LA, HD, compensation and resettlement work of the Project will be implemented from May 2014 to June 2015, and the estimated resettlement budget is 183.8279 million yuan (prices of 2013).

2. Range and impacts of resettlement

The Project will affect Nanhu Farm, Lukou Town and Baitan Lake Fish Farm in Huangzhou District. 8,678.9 mu of state-owned land will be occupied, including 162.6 mu of non-irrigated land (1.87 %), 2,486.4 mu of state-owned fishpond (28.65%), 1.7 mu of garden land (0.02%), 141.5 mu of construction land (1.63 %) and 5,886.7 mu of water surface (67.83%), affecting 187 households with 727 persons; 798.6 mu of collective land will be acquired, including 120.3 mu of irrigated land (15.06%), 188.2 mu of non-irrigated land (23.56%), 418.2 mu of fishpond (52.36 %), 39 mu of woodland (4.88 %) and 33 mu of construction land (4.13%), affecting 129 households with 408 persons. 77.5 mu of land will be occupied temporarily, including 57.9 mu of collective land and 19.6 mu of state-owned land, affecting 42 households with 184 persons. Compensation for LA in Baitan Lake Fish Farm has been completed, and a resettlement due diligence report prepared therefor.

Rural residential houses totaling 4,736.5 m² will be demolished, including 3,886 m² in masonry concrete structure (82.04%), 782.5 m² in masonry timber structure (16.52%) and 68 m² in simple structure (1.44%), affecting 22 households with 79 persons; non-residential properties totaling 11,038 m² will be demolished, including 8,974 m² in frame structure (81.3%), 2,026 m² in masonry concrete structure (18.35%) and 38 m² in masonry timber structure (0.34%), affecting two entities with 5 persons. The Project will affect such ground attachments as toilets, wells, canals, cement roads, miscellaneous trees and landscaping trees. See details in Table 1.

Table 1: Summary Resettlement Impacts

Component Name				Lake rehabilitation	Half-Natural Strengthened Wetland	Lake-ring Road	Linglong Bay	Dongchang River	DongTai River	Jinshui River	Chushui River	Qingshui River	Canglang River	Channel Greening	lake greening	Dewater and consolidation Filed	Total	
Permanent land occupation (<i>mu</i>)		Total		5,035.5	1,200.3	201.2	100.5	48.2	64.1	121.7	241.5	73.8	14.3	610.9	1,765.7		9,477.7	
		-collective land			568.1	111.1	100.5			18.9							798.6	
		-state-owned land		5,035.5	632.2	90.1	0	48.2	64.1	102.8	241.5	73.8	14.3	610.9	1,765.7		8,679.1	
Temporary land occupation (<i>mu</i>)																77.5	77.5	
Demolition of residential houses (m ²)					4,736.5												4,736.5	
Demolition of non-residential house (m ²)					465									1,0573			11,038.0	
Affected population	Permanently affected population	LA of collective land	HHs	0	53	49	22			5							129	
			Population	0	170	127	100			11							408	
		LA of state owned land	HHs	0	0			13	5	25	23		10	111				187
			Population	0	0			49	16	107	85		50	420				727
		HD on collective land	HHs		22													22
			Population		79													79
		Both LA and HD	HHs		22													22
			Population		79													79
		Entities / stores	HHs		2													2
			Population		5													5
		Subtotal	HHs	0	55	49	22	13	5	30	23	0	10	111	0	0	0	318
			Population	0	175	127	100	49	16	118	85	0	50	420	0	0	0	1,140
	Temporarily affected population	Temporary land occupation	HHs														42	42
			Population														184	184
	Total		HHs	0	55	49	22	13	5	30	23	0	10	111	0	42	360	
			Population	0	175	127	100	49	16	118	85	0	50	420	0	184	1,324	

HD = house demolition, HH = household, LA = land acquisition, m² = square meter, *mu* = a Chinese unit of measurement (1 *mu* = 666.67 square meters).

3. Policy framework and entitlements

This RP is based on the Land Administration Law of the PRC (2004), the Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28), the applicable policies of Hubei Province, and ADB's Safeguard Policy Statement (2009). According to the above policies, and in consultation with local governments and affected persons (APs), the resettlement principles of the Project are: (1) Compensation and interest provided to APs should at least maintain the same living level before the project. (2) Compensation and resettlement should be given to all APs regardless their legal titles or entitlements. (3) In case per capita cultivated land is not sufficient to maintain APs' livelihood, adequate cash compensation or economic recovery methods should be provided to APs so that similar income could be maintained. (4) The APs should be fully informed about qualification materials, resettlement and compensation options and standards, living standard and income recovery plans, project implement schedule, and be involved in the implementation of the RP. (5) Land should not be acquired before the APs obtain the replaced land or sufficient compensation. (6) The implementation of compensation and RP should be monitored by both executing agency and the independent third party. (7) Special support and treatment should be given to members of disadvantaged groups to ensure their living conditions. The APs should be given opportunities to get benefits from the RP. (8) The RP should be combined with master plans of county, city and district. (9) The budgets of compensation and resettlement should be made completely and comprehensively, and the funds should be disbursed timely.

4. Resettlement strategy

Compensation for permanent land acquisition or occupation includes land compensation fees, resettlement subsidies and young crop compensation fees. The compensation rates for acquired collective land in Lukou Town are 27,000 yuan/mu for cultivated land, 29,700 yuan/mu for fishpond and garden land, 18,900 yuan/mu for woodland and 8,100 yuan/mu for unused land. Yong crops compensation for cultivated land is 1350 yuan/mu, and fry transfer and facility subsidy for fishpond is 2200 yuan/mu in Lukou Town. Land compensation fees will be paid to village groups to pay endowment insurance premiums for land-expropriated farmers (LEFs); resettlement subsidies and young crop compensation fees will be paid to LEFs. The compensation rates for occupied state-owned land in Nanhu Farm are 31,000 yuan/mu for cultivated land, 34,100 yuan/mu for fishpond and garden land, 21,700 yuan/mu for woodland and 9,300 yuan/mu for unused land; Yong crops compensation for cultivated land is 1550 yuan/mu, and fry transfer and facility subsidy for fishpond is 2200 yuan/mu in Nanhu Farm. Land compensation fees and resettlement subsidies will be paid to Nanhu Farm to pay a living subsidy of 260 yuan per capita to all members aged above 40 years for women or 50 years for men in the AHs for 10 consecutive years, and cover endowment insurance for farm workers; young crop compensation fees will be paid to proprietors. In addition to cash compensation, diversified livelihood restoration measures will be available to the population affected by LA, including crop restructuring, land and store replacement, nonagricultural employment, skills training and social security.

The compensation rates for temporary land occupation are 2,200 yuan/mu per annum for fishpond and 1,550 yuan/mu per annum for farmland.

Demolished residential houses will be subject to either cash compensation or property swap. In case of cash compensation, compensation will be based on market appraisal, but not less than the benchmark rates of the Project, i.e., 800 yuan/m² for reinforced concrete structure, 700 yuan/m² for masonry concrete structure and 550 yuan/m² for masonry timber structure. Transition subsidy will be 300 yuan per month per household, moving subsidy 500 yuan per time per household, and early moving reward 3 yuan/m² per day (usually up to

10,000 yuan for not more than 15 days). In case of property swap, each registered member of an AH will receive a building area of 40 m², and up to 60 m² for those widowed and destitute. If an AH is small and its acquired housing size exceeds resettlement housing size, resettlement housing will be offered at 50% of actual main building area, up to 240 m². (Any excess will be compensated for at 400 yuan/m² in addition to the compensation rate for former structure.) The difference between the purchase price of resettlement housing and the compensation for the acquired house will be settled between the AH and demolisher. Each AP will also receive a commercial space of 10 m².

Demolished non-residential properties will be compensated for in cash at a time at rates not less than the benchmark rates – 800 yuan/m² for reinforced concrete structure, 700 yuan/m² for masonry concrete structure and 550 yuan/m² for masonry timber structure. The PMO will assist the Shanhu Breeding Base to continue their business on re-leased land around the project area, and grant an equipment moving subsidy of 500 yuan per time per business entity.

The special facilities affected by the Project will be restored by their proprietors with compensation, or by the project owner to the former standard and size. Other ground attachments will be compensated for as specified herein.

5. Vulnerable groups and women

19 households with 38 persons affected by the Project fall into vulnerable groups, including old people living alone, minimum living security (MLS) households and the disabled. In addition to resettlement hereunder, an extra subsidy will be granted in accordance with specific conditions, and assistance measures such as employment support, MLS and medical assistance provided, so that they restore production and living conditions as soon as possible.

During project implementation, at least 30% of affected women will obtain unskilled jobs. In addition, women will receive equal pay for equal work like men do. However, employment of child labor is prohibited. Priority will be given to female labor in terms of skills training so as to ensure that their economic status and income. The compensation agreement must be signed by the couple. A special FGD for women will be held to introduce resettlement policies and improve their awareness.

6. Public participation and information disclosure

All APs (with 50% being women) have been informed of the key points of this RP by various means and involved in the Project, such as meeting, interview, FGD, public participation meeting and community consultation, and their opinions have been well incorporated into this RP. The Resettlement Information Booklet (RIB) will be distributed to the APs or groups in March 2014, and the first draft of this RP will be published on ADB's website in March 2014.

7. Grievances and appeals

An appeal procedure will be established to settle disputes over compensation and resettlement. The aim is to respond to appeals of the APs timely and transparently. Grievances about the Project may be from collective LA and HD. Correspondingly, the Huanggang Project Leading Group, Huanggang PMO, resettlement offices, and affected sub-district offices/township governments and community/village committees will coordinate and handle grievances and appeals arising from resettlement. The main receiving agencies includes 4 levels from village/community committee to related government department and APs can file an action in a civil court in accordance with the Civil Procedure Law of the PRC

in any stage . The APs may file appeals about any aspect of resettlement, including compensation rates. A grievance redress system will be established. All agencies will accept grievances and appeals from the APs for free, and costs so reasonably incurred will be disbursed from the contingencies.

8. Organizational structure

Huanggang Municipal Government is the **Executing Agency** of the Project, and the Huanggang Urban Construction Investment Co., Ltd is the Implementing agency. The Huanggang PMO will be responsible for the management and coordination of the Projcet. The Project Resettlement Office under the New Eastern District construction headquarter is the implementing agency of LAR, responsible for the implementation of this RP together with the affected sub-district offices/township governments and community/village committees.

9. Monitoring and evaluation

In order to ensure the successful implementation of this RP, resettlement implementation will be subject to internal and external monitoring. The internal monitoring agency is the Huanggang PMO, and an internal monitoring report will be submitted to ADB semiannually. The Huanggang PMO will appoint an independent agency to conduct external monitoring and evaluation (M&E) semiannually, and M&E costs will be included in the resettlement budget.

10. Estimated resettlement budget

All costs incurred during LA and resettlement will be included in the general budget of the Project. Based on prices of June 2013, the resettlement costs of the Project are 183.8279 million yuan (10.51% of the total project cost1749.06 million yuan), including basic LA and HD costs of 92.4853 million yuan or 50.31% of total costs; taxes and fees on LA and HD of 92.4853 million yuan or 36.62% of total costs; supporting fund for vulnerable groups, resettlement planning and monitoring costs, resettlement management costs, and training costs totaling 5.6416 million yuan or 3.07% of total costs; and contingencies of 18.3828 million yuan or 10% of total costs.

Glossary

Affected person (or household)	People (households) affected by project-related changes in use of land, water or other natural resources
Compensation	Money or payment in kind to which the people affected are entitled in order to replace the lost asset, resource or income
Entitlement	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base
Income restoration	Reestablishing income sources and livelihoods of people affected
Resettlement	Rebuilding housing, assets, including productive land, and public infrastructure in another location
Resettlement impact	Loss of physical and non-physical assets, including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms
Resettlement plan	A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation
Vulnerable group	Distinct groups of people who might suffer disproportionately from resettlement effects

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Abbreviations

AAOV	-	Average Annual Output Value
ADB	-	Asian Development Bank
AH	-	Affected Household
AP	-	Affected Person
DMS	-	Detailed Measurement Survey
FGD	-	Focus Group Discussion
HD	-	House Demolition
HMG	-	Huanggang Municipal Government
HUCIC	-	Huanggang Urban Construction Investment Co., Ltd.
LA	-	Land Acquisition
LEF	-	Land-expropriated Farmer
M&E	-	Monitoring and Evaluation
MLS	-	Minimum Living Security
NED	-	New Eastern District of Huanggang City
PMO	-	Project Management Office
PRC	-	People's Republic of China
RIB	-	Resettlement Information Booklet
RP	-	Resettlement Plan

Units

Currency unit	=	Yuan (CNY)
1.00 yuan	=	\$0.163
1 hectare	=	15 mu

1 Overview of the Project

1.1 Background of the Project

In order to promote the improvement of the urban environment and development of Huanggang City, HMG has applied for a loan of US\$100 million for the Project with ADB. HMG is the executive agency, and Huanggang Urban Construction Investment Co., Ltd. (HUCIC) is the IA.

1.2 Components and Resettlement Impacts

The development potential of Huanggang has been constrained by various urban development challenges. The existing central urban area is extremely dense and cannot accommodate a growing urban population and increasing economic activities. Limited urban space and inadequate urban infrastructure has slowed down economic development, which has in turn slowed down urbanization process, resulting in Huanggang lagging behind other cities and sidelined from mainstream developments in the province. The Huanggang Municipal Master Plan (2012-2030), which was approved by the Hubei Provincial Government in August 2013, recognized this fundamental constraint to urban and economic development and initiated eastward urban expansion by developing a new urban district (the New Eastern District), with adequate urban space, infrastructure and services, together with environment-friendly and socially inclusive urban design to support a sustainable rural-urban transition.

The project aims to promote environmentally sustainable and socially inclusive urbanization in Huanggang Municipality (especially in NED) through improvements in urban environmental infrastructure and management. The project will support strategic enhancement works in Baitan and Chiye lakes and associated rivers, key infrastructure for the solid waste management system that serves Baitan and Chiye lakes and their surrounding area, and strengthening institutional capacity for sustainable urban development and urban management services. Project benefits include: (i) improved water quality of urban surface water, (ii) social and economic development, (iii) improved quality of life for the people living in the project area; and (iv) poverty alleviation.

The Project consists of: (1) urban lake and river improvement; (2) solid waste management; and (3) capacity building and institutional enhancement, in which only component 1 involves resettlement. See **Error! Reference source not found.** and Figure 1-1.

Table 1-1 Summary of the Components

No.	Component	Scope of construction		Resettlement impacts	Document
1	Urban lake and river improvement a. Lake improvement	<ul style="list-style-type: none">Dredging 539,405 m³ of sludge of Baitan and Chiye Lakes, and rebuilding the natural water circulation among lakes	Dredging of Baitan and Chiye Lakes, and ecological dikes	Resettlement and compensation completed	Due diligence report
		<ul style="list-style-type: none">Constructing a 14km ecological dike, including a vegetation buffer belt of 89 hectares, and 2.8km of dike reinforcement for Baitan and Chiye Lakes	Natural wetlands	Involving LA and HD	RP
		<ul style="list-style-type: none">Constructing 80 hectares of natural wetlands around Chiye Lake and Chushui River	Artificial wetlands and settling tank	Not involving resettlement	
		<ul style="list-style-type: none">Constructing 4 artificial wetlands with a total area of 3.8 hectares, and 4 settling tanks with a total area of 1.725 hectares around Baitan and Chiye Lakes	Round-the-lake road and green belts	Involving LA and HD	RP
		<ul style="list-style-type: none">Constructing non-motor vehicle lanes with a total length of 13.3km around Baitan LakePurchasing waste collection vessels and water quality monitoring equipment	Equipment procurement	Not involving resettlement	

No.	Component	Scope of construction		Resettlement impacts	Document
	Urban lake and river improvement b. River improvement	<ul style="list-style-type: none"> Dredging 201,000 m³ of sludge for 4 rivers, excavating 343,000 m³ of bank earth, broadening 7 rivers, and establishing natural water circulation among lakes and rivers Constructing a 24.3km ecological dike, a vegetable buffer belt of 47.7 hectares, and 17.7 hectares of aquatic vegetation, and strengthening 2.5km of dikes for 7 rivers Constructing and upgrading two sluices on the Linglong and Jinshui Rivers Constructing 3 pedestrian bridges on the Jinshui and Chushui Rivers 	<p>Improvement of Linglong Bay, Jinshui, Dongtai, Qingshui, Canglang, Dongchang and Chushui Rivers, and canal green spaces</p> <p>Regulating sluice: junction of Linglong Bay, Jinshui River and Santai River</p>	Involving LA	RP
2	solid waste management	<ul style="list-style-type: none"> Constructing a 30 tons/day waste transfer station Purchasing vehicles for waste collection and transport, and separated waste bins Community participation in trials on separate waste recycling 		Included in the land that was acquired by the Lake improvement component	
2	capacity building and institutional enhancement	<ul style="list-style-type: none"> Providing management support for successful and timely project implementation in accordance with ADB procedures and guidelines Providing enhanced institutional support to improve sectoral and operational performance, including sustainable development strategy, transition of economically and socially integrated rural areas to urban areas, and occupational training support; solid waste management strategic planning, integrated urban environmental management planning, operator capacity enhancement; and other technical support, to be reflected in the Draft Final Report (DFR) Publicity activities on lake ecosystem, environmental protection, public health, and solid waste separation and recycling Technical support for resettlement and external environmental monitoring 		Not involving LA	\

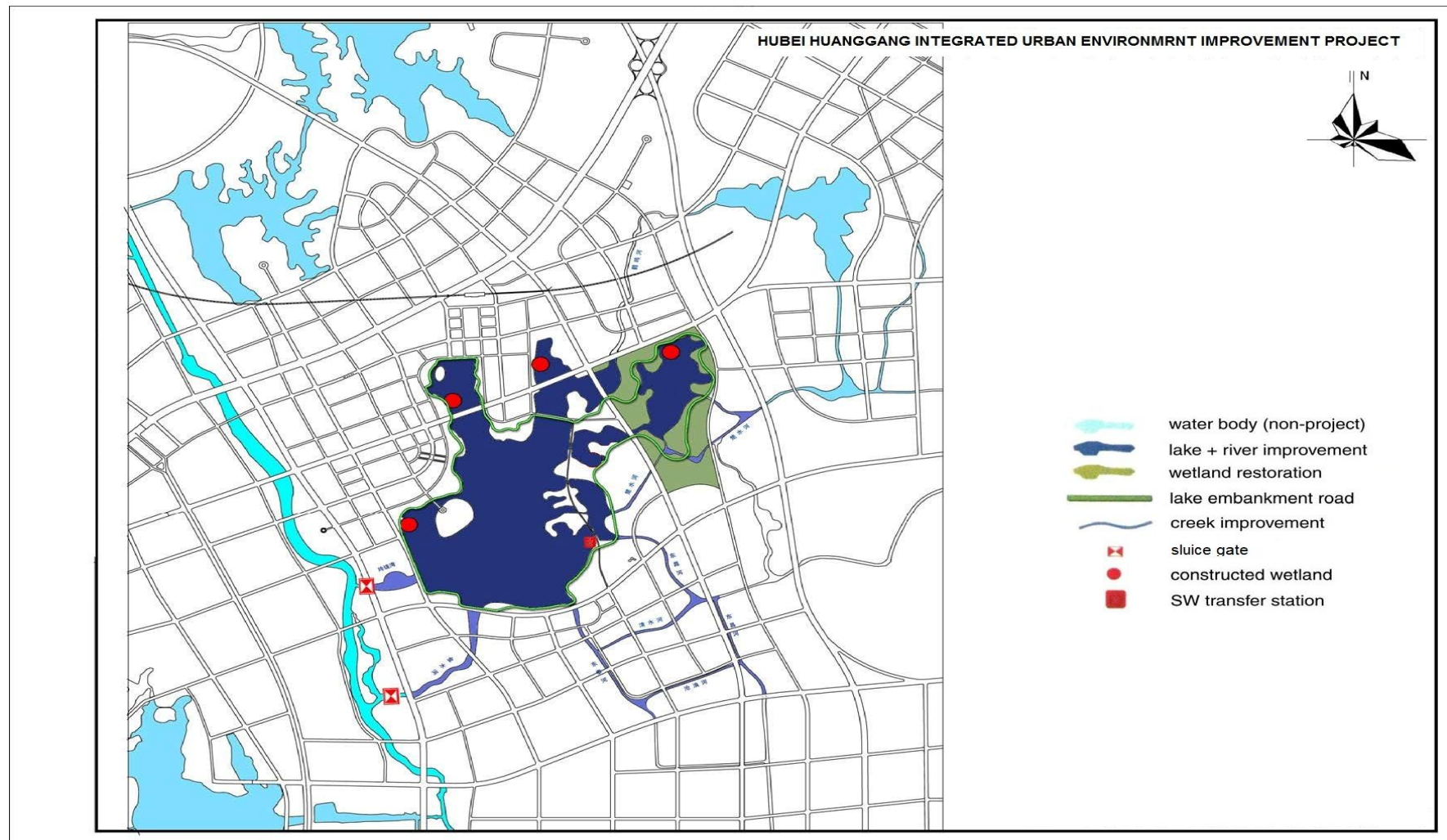


Figure 1-1 Schematic Map of the Project

1.3 Measures to Reduce Resettlement

At the project planning and design stage, the design agency and the owner of the Project took the following effective measures to reduce the local socioeconomic impacts of the Project:

- At the project planning stage, the local socioeconomic impacts of the Project were taken as a key factor for option optimization and comparison.
- When resettlement is unavoidable at the resettlement planning and implementation stage, the collection of basic information will be enhanced, and an in-depth analysis of local socioeconomic conditions and future development to develop a feasible RP to minimize resettlement impacts.
- Public participation will be encouraged to accept public supervision. Internal and external monitoring will be strengthened, an efficient and unobstructed feedback mechanism and channel established, and the information processing cycle shortened to ensure that issues arising from project implementation are solved timely.

During the preparation stage, the reduced impacts of LAR are presented in the table 1-2.

Table 1-2 Reduced impacts of LAR during preparation stage

NO.	Subcomponent	Option 1	Option 2	Preferred Option	The impacts reduced
1	Dongchang river	Acquire 52.3mu land, and demolish 850 m2 of residential houses	Acquire 48.15 mu land	Option 2	4.15mu land and 850 m2 residential houses
2	Channel Greening	Acquire 538.5 mu land,	Acquire 410.9 mu land	Option 2	127.6 mu land

1.4 Estimated Resettlement Budget and Implementation Plan

Based on prices of June 2013, the resettlement costs of the Project are 183.8306 million yuan, including basic land acquisition (occupation) costs, taxes and contingencies, all from domestic counterpart funds. The Project will have a construction period of 5 years, from September 2015 to December 2019. Consistent with the construction period of the Project, resettlement will be implemented from May 2014 to June 2015.

This RP is based on the latest FSR and preliminary surveys and consultations, and a final RP will be prepared based on detail design, the DMS and census and will be submitted to ADB for approval prior to commencement of land acquisition and resettlement activities and civil works contract awards.

2 Impacts of the Project

2.1 Scope of Impact Survey of LA and HD

In October 2012, Wuhan Municipal Engineering Design and Research Institute completed the first draft of the Feasibility Study Report of the ADB-financed Hubei Huanggang Integrated Urban Environment Improvement Project as appointed by the Huanggang PMO. The scope of the Project was adjusted based on the review opinion of ADB and in consultation with the Huanggang PMO, and the revised Feasibility Study Report was submitted in September 2013.

In mid-October 2012, on the basis of the Feasibility Study Report, Hohai University conducted a preliminary survey on the LA and HD impacts of the Project, and a sociological survey and public consultation in the project area using the methods of literature review, key informant interview, FGD and sampling survey, covering household population, land resources, housing conditions, household assets, household economic status, and expected resettlement modes. In early June 2013, a supplementary survey and more extensive public consultation were conducted in the project area based on ADB's memorandum and opinions of the PPTA experts, enriching and improving the resettlement programs.

According to the Feasibility Study Report and field survey, the Project will affect two sub-districts/townships and a state-owned fish farm in one district. See Table 2-1.

Table 2-1 Summary of the Project Area

No.	City	District	Township	Village	Group	Remarks
1	Huanggang	Huangzhou	Lukou Town	Baizhangzui Village	Groups 4 and 5	
2				Cigang Village	Group 12	
3				Lukou Village	Groups 10, 15, 16 and 17	
4				Wangjiawan Village	Groups 1, 2, 3, 6 and 7	
5				Xiahu Fish Farm		Affiliated directly to Lukou Town
6			Nanhu Farm	Group 4		State-owned
7				Group 5		
8				Zhaizhoujie Community		
9			Baitan Lake Fish Farm			Affiliated to the Huangzhou District Aquatic Products Bureau, state-owned

2.2 Permanent Occupation of State-owned Land

8,679.1 mu of state-owned land will be occupied, including 162.6 mu of non-irrigated land (1.87 %), 2,486.4 mu of state-owned fishpond (28.65%), 1.7 mu of garden land (0.02%), 141.6 mu of construction land (1.63 %) and 5,886.7 mu of water surface¹ (67.83%), affecting 187 households with 727 persons. See Tables 2-2, 2-3, 2-4, 2-5, 2-6, and 2-7 for details.

The permanent occupation of state-owned land will result in great land losses to Nanhu Group 4 and Zhaizhoujie Community, and great income losses to Nanhu Groups 4

¹ 7906.4 mu state-owned lands belong to Baitan Lake Fish Farm have been acquired before the commencement of the Project. See the Resettlement Due Diligence Report.

and 5. 153 households will be affected seriously with a land loss rate higher than 10%, accounting for 81.82% of all AHs. Specially, Nanhu Group 4 will lose 39.80% of their cultivated land, Zhaizhoujie Community will lose 69.45% of their cultivated land, APs of Nanhu Group 4 and 5 will averagely lose 21.5% of their annual incomes.

Table 2-2 Summary of State-owned Land Occupied Permanently for the Project (by Entity)

Affected entity	Non-irrigated land(mu)	Fishpond (mu)	Garden land(mu)	Construction land(mu)	Water surface(mu)	Total(mu)	Percent (%)	HHs	Population
Baitan Lake Fish Farm	2.0	1962.1	1.7	53.8	5886.8	7906.4	91.10	0	0
Group 4 of Nanhu Farm	24.5	314.6	0.0	42.9	0.0	382.0	4.40	50	175
Group 5 of Nanhu Farm	90.1	151.6	0.0	44.8	0.0	286.4	3.30	36	125
Zhaizhoujie Community, Nanhu Farm	46.0	58.1	0.0	0.1	0.0	104.2	1.20	101	427
Total	162.6	2486.4	1.7	141.6	5886.8	8679.1	100	187	727
Percent (%)	1.87	28.65	0.02	1.63	67.83	100			

Table 2-3 Summary of State-owned Land Occupied Permanently for the Project (by Component)

Subcomponent	Non-irrigated land(mu)	Fishpond (mu)	Garden land(mu)	Construction land(mu)	Water surface(mu)	Total (mu)	HHs	Population
Lake dredging and ecological rehabilitation	0.0	0.0	0.0	0.0	5035.5	5035.5	0	0
Round-the-lake road	0.8	89.3	0.0	0.0	0.0	90.1	0	0
Natural wetlands	1.1	575.5	1.7	53.9	0.0	632.2	0	0
Canglang River	1.5	12.8	0.0	0.0	0.0	14.3	10	50
Chushui River	0.0	205.5	0.0	36.0	0.0	241.5	23	85
Dongchang River	8.3	39.9	0.0	0.0	0.0	48.2	13	49
Dongtai River	0.0	28.9	0.0	16.4	18.8	64.1	5	16
Jinshui River	0.0	0.0	0.0	0.0	102.8	102.8	0	0
Qingshui River	48.0	25.8	0.0	0.0	0.0	73.8	25	107
Lakeside green spaces	0.0	1236.0	0.0	0.0	529.7	1765.7	0	0
Canal green spaces	102.9	272.7	0.0	35.3	200.0	610.9	111	420
Total	162.6	2486.4	1.7	141.6	5886.8	8679.1	187	727

Notes:1. The water surfaces belong to BLFF and have been acquired already;

2. The fishponds affected by the subcomponent of Round-the-lake road , Natural wetlands and Lakeside green spaces belong to BLFF and have been acquired already.

Table 2-4 Acquisition of State-owned Farmland and Income Impact Analysis

Group	Before LA				After LA			Per capita cultivated area after LA (mu)	Land losses per group			Income losses per household (yuan)			
	HHs	Population	Cultivated land / fishpond (mu)	Per capita cultivated land / fishpond (mu)	AHs	APs	Cultivated land / fishpond (mu)		Percent of HHs (%)	Percent of APs (%)	Land loss rate (%)	Annual loss (yuan)	Average loss per HH (yuan)	Average loss per capita (yuan)	Percent to per capita income (%)
Nanhu Group 4	167	494	852	1.72	50	175	339.1	1.04	29.94	35.43	39.80	315333.5	6306.7	1801.9	21.5
Nanhu Group 5	215	631	1809	2.87	36	125	241.7	2.48	16.74	19.81	13.36	224816.7	6244.9	1798.5	21.2
Zhaizhoujie Community	428	2628	150	0.06	101	427	104.2	0.02	23.60	16.25	69.45	96887.4	959.3	226.9	2.6

Table 2-5 Land Loss Analysis of Acquisition of State-owned Farmland

Group	Land loss rate per household												Total	
	<10%		11-29%		30-49%		50-69%		70-89%		90-100%			
	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population
Group 4 of Nanhu Farm	15	50	16	61	14	47	5	17					50	175
Group 5 of Nanhu Farm	19	66	17	59									36	125
Zhaizhoujie Community, Nanhu Farm					4	19	22	95	70	289	5	24	101	427
Total	34	116	33	120	18	66	27	112	70	289	5	24	187	727
Percent	18.18		17.65		9.63		14.44		37.43		2.67		100	

Table 2-6 Income Loss Analysis of Acquisition of State-owned Farmland

Group	Income loss rate per household												Total	
	<10%		11-29%		30-49%		50-69%		70-89%		90-100%			
	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population
Group 4 of Nanhu Farm	15	50	35	125	0	0	0	0	0	0	0	0	50	175
Group 5 of Nanhu Farm	29	102	7	23	0	0	0	0	0	0	0	0	36	125
Zhaizhoujie Community, Nanhu Farm	96	403	5	24	0	0	0	0	0	0	0	0	101	427
Total	140	555	47	172	0	0	0	0	0	0	0	0	187	727
Percent (%)	74.87		25.13		0		0		0		0		100	

Table 2-7 Summary of Households Affected Seriously by Acquisition of State-owned Farmland

Group	Number of all AHs	Seriously affected households								
		Per capita cultivated area less than 0.3 mu after acquisition			Land loss rate $\geq 10\%$			Total		
		HHs	Population	Percent to all AHs (%)	HHs	Population	Percent to all AHs (%)	HHs	Population	Percent to all AHs (%)
Group 4 of Nanhu Farm	50	3	11	6	35	125	70	37	132	74
Group 5 of Nanhu Farm	36	2	7	5.56	17	59	47.22	17	59	47.22
Zhaizhoujie Community, Nanhu Farm	101	101	427	100	101	427	100	101	427	100
Total	187	106	445	56.68	153	611	81.81	155	618	82.89

Note: The households with a per capita cultivated area of less than 0.3 mu after LA and those losing 10% or more of land overlap.

2.3 Permanent Acquisition of Collective Land

798.6 mu of collective land will be acquired for the Project, including 120.3 mu of irrigated land (15.06%), 188.2 mu of non-irrigated land (23.56%), 418.2 mu of fishpond (52.36 %), 39 mu of woodland (4.88 %) and 33 mu of construction land (4.13%), affecting 129 households with 408 persons. The acquisition of collective land will affect Baizhangzui, Lukou and Wangjiawan Villages, and Xiahu Fish Farm in Lukou Town. See Tables 2-8, 2-9, 2-10, 2-11, 2-12 and 2-13.

Table 2-8 Summary of Collective Land Acquired for the Project (by Village Group)

Affected entity		Irrigated land (mu)	Non- irrigated land (mu)	Fishpond (mu)	Woodland (mu)	Constructio n land (mu)	Total (mu)	Percent (%)	HHs	Population
Baizhangzui Village	Group 4	59.9	17.1	100.0	21.0	26.1	224.0	28.05	22	79
	Group 5	25.7	5.3	86.0	18.0	0.0	134.9	16.89	16	52
	Collective	8.2	109.6	13.9	0.0	6.0	137.7	17.24	6	18
Cigang Village	Group 12	15.0	51.9	44.4	0.0	0.9	112.2	14.04	19	49
Lukou Village	Group 10	0.0	0.0	6.4	0.0	0.0	6.4	0.80	4	7
	Group 15	0.0	0.0	2.2	0.0	0.0	2.2	0.28	2	3
	Group 16	0.0	0.0	5.4	0.0	0.0	5.4	0.68	5	10
	Group 17	0.0	0.0	2.9	0.0	0.0	2.9	0.36	3	6
Xiahu Fish Farm	Xiahu Fish Farm	0.0	0.0	20.2	0.0	0.0	20.2	2.53	7	15
Wangjiawan Village	Group 1	0.6	0.4	3.4	0.0	0.0	4.4	0.55	2	5
	Group 2	0.0	0.5	7.2	0.0	0.0	7.6	0.95	4	12
	Group 3	0.0	0.4	11.4	0.0	0.0	11.8	1.48	5	15
	Group 6	1.2	0.1	9.2	0.0	0.0	10.5	1.31	4	13
	Group 7	9.9	3.1	105.8	0.0	0.0	118.7	14.86	30	124
Total		120.3	188.2	418.2	39.0	33.0	798.6	100	129	408
Percent (%)		15.06	23.56	52.36	4.88	4.13	100			

Table 2-9 Summary of Collective Land Acquired for the Project (by Component)

Subcomponent	Irrigated land (mu)	Non-irrigate d land (mu)	Fishpond (mu)	Woodland (mu)	Construction land (mu)	Total (mu)	Percent (%)	HHs	Popula tion
Round-the-lake road	12.2	17.9	81.1	0.0	0.0	111.1	13.91	49	127
Natural wetlands	100.5	167.6	228.0	39.0	33.0	568.1	71.13	53	170
Jinshui River	0.0	0.0	18.9	0.0	0.0	18.9	2.37	5	11
Linglong Bay	7.6	2.7	90.2	0.0	0.0	100.5	12.59	22	100
Total	120.3	188.2	418.2	39.0	33.0	798.6	100	129	408

According to the above analysis, the acquisition of collective land will result in great land and income losses to Groups 4 and 5 of Baizhuang Village, Group 12 of Cigang Village and Group 7 of Wangjiawan Village. 66 households with 230 persons will be affected seriously with a land loss rate higher than 10%, accounting for 53.66% of all AHs. Group 4 of Baizhuang Village will lose 54.07% of their cultivated land/ fishponds, and the land loss rate for Group 5 of Baizhuang Village is 39.68%, the rate for Group 12 of Cigang Village is 41.2%, the rate of Group 7 of Wangjiawan Village is 39.56%.

Table 2-10 Acquisition of Collective Farmland and Income Impact Analysis

Town	Village	Group	Before LA				After LA			Per capita cultivated area after LA (mu)	Land losses per group			Income losses per household (yuan)			
			HHs	Population	Cultivated land / fishpond (mu)	Per capita cultivated land / fishpond (mu)	AHs	APs	Cultivated land / fishpond (mu)		Percent of HHs (%)	Percent of APs (%)	Land loss rate (%)	Annual loss (yuan)	Average loss per HH (yuan)	Average loss per capita (yuan)	Percent to per capita income (%)
Lukou	Baizhangzui Village	Group 4	24	91	366	4.02	22	79	197.9	1.85	91.67	86.81	54.07	184047	8365.8	2329.7	36.5
Lukou	Baizhangzui Village	Group 5	23	76	340	4.47	16	52	134.9	2.70	69.57	68.42	39.68	125457	7841.1	2412.6	37.8
Lukou	Cigang Village	Group 12	40	105	270	2.57	19	49	111.25	1.51	47.50	46.67	41.20	103462.5	5445.4	2111.5	26.5
Lukou	Lukou Village	Group 10	50	142	260	1.83	4	7	6.4	1.79	8.00	4.93	2.46	5952	1488.0	850.3	9.9
Lukou	Lukou Village	Group 15	80	170	230	1.35	2	3	2.2	1.34	2.50	1.76	0.93	1999.5	999.8	666.5	7.7
Lukou	Lukou Village	Group 16	270	450	500	1.11	5	10	5.4	1.10	1.85	2.22	1.07	4975.5	995.1	497.6	5.8
Lukou	Lukou Village	Group 17	130	270	300	1.11	3	6	2.9	1.10	2.31	2.22	0.95	2650.5	883.5	441.8	5.1
Lukou	Xiahu Fish Farm	Xiahu Fish Farm	63	151	607	4.02	7	15	20.23	3.89	11.11	9.93	3.33	18813.9	2687.7	1254.3	17.6
Lukou	Wangjiawan Village	Group 1	70	240	300	1.25	2	5	4.4	1.23	2.86	2.08	1.45	4045.5	2022.8	809.1	11.4
Lukou	Wangjiawan Village	Group 2	75	260	320	1.23	4	12	7.6	1.20	5.33	4.62	2.38	7068	1767.0	589.0	8.3
Lukou	Wangjiawan Village	Group 3	60	180	280	1.56	5	15	11.8	1.49	8.33	8.33	4.21	10950.75	2190.2	730.1	10.3
Lukou	Wangjiawan Village	Group 6	50	160	260	1.63	4	13	10.5	1.56	8.00	8.13	4.02	9718.5	2429.6	747.6	10.5
Lukou	Wangjiawan Village	Group 7	65	200	300	1.50	30	124	118.68	0.91	46.15	62.00	39.56	110367.8	3678.9	890.1	12.5

Note: 131.7 mu of collective land in Baizhangzui Village is leased to non-locals and not contracted to households, and is therefore not included in the analysis.

Table 2-11 Land Loss Analysis of Acquisition of Collective Farmland

Town	Village	Group	Land loss rate per household												Total	
			<10%		11-29%		30-49%		50-69%		70-89%		90-100%			
			HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population
Lukou	Baizhangzui Village	Group 4					4	12	15	57	3	10			22	79
Lukou	Baizhangzui Village	Group 5	2	7	5	16	3	7	3	11	3	11			16	52
Lukou	Cigang Village	Group 12	9	23	10	26									19	49
Lukou	Lukou Village	Group 10	4	7											4	7
Lukou	Lukou Village	Group 15	2	3											2	3
Lukou	Lukou Village	Group 16	3	7	2	3									5	10
Lukou	Lukou Village	Group 17	3	6											3	6
Lukou	Xiahu Fish Farm	Xiahu Fish Farm	7	15											7	15
Lukou	Wangjiawan Village	Group 1	2	5											2	5
Lukou	Wangjiawan Village	Group 2	4	12											4	12
Lukou	Wangjiawan Village	Group 3	5	15											5	15
Lukou	Wangjiawan Village	Group 6	4	13											4	13
Lukou	Wangjiawan Village	Group 7	12	47	8	30	6	25	4	22					30	124
Total			57	160	25	75	13	44	22	90	6	21	0	0	123	390
Percent			46.34%		20.33%		10.57%		17.89%		4.88%		0.00%			

Table 2-12 Income Loss Analysis of Acquisition of Collective Farmland

Town	Village	Group	Income loss rate												Total	
			<10%		11-29%		30-49%		50-69%		70-89%		90-100%			
			HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population	HHs	Population
Lukou	Baizhangzui Village	Group 4			9	34	10	35	3	10					22	79
Lukou	Baizhangzui Village	Group 5	7	23	3	7	3	11	3	11					16	52
Lukou	Cigang Village	Group 12	13	34	6	15									19	49
Lukou	Lukou Village	Group 10	4	7											4	7
Lukou	Lukou Village	Group 15	2	3											2	3
Lukou	Lukou Village	Group 16	3	7	2	3									5	10
Lukou	Lukou Village	Group 17	3	6											3	6
Lukou	Xiahu Fish Farm	Xiahu Fish Farm	5	10	2	5									7	15
Lukou	Wangjiawan Village	Group 1	1	2	1	3									2	5
Lukou	Wangjiawan Village	Group 2	4	12											4	12
Lukou	Wangjiawan Village	Group 3	4	11	1	4									5	15
Lukou	Wangjiawan Village	Group 6	3	10	1	3									4	13
Lukou	Wangjiawan Village	Group 7	18	70	8	32	4	22							30	124
Total			67	195	33	106	17	68	6	21	0	0	0	0	123	390
Percent			54.47%		26.83%		13.82%		4.88%		0.00%		0.00%			

Table 2-13 Summary of Households Affected Seriously by Acquisition of Collective Farmland

Town	Group	Number of all AHs	Seriously affected households								
			Per capita cultivated area less than 0.3 mu after acquisition			Land loss rate >=10%			Total		
			HHs	Population	Percent to all AHs (%)	HHs	Population	Percent to all AHs (%)	HHs	Population	Percent to all AHs (%)
Lukou	Group 4	22	3	10	13.64	22	79	100%	22	79	100%
	Group 5	16	3	11	18.75	14	45	87.50%	14	45	87.50%
	Group 12	19				10	26	52.63%	10	26	52.63%
	Group 10	4				0	0	0%	0	0	0%
	Group 15	2				0	0	0 %	0	0	0 %
	Group 16	5				2	3	40%	2	3	40%
	Group 17	3				0	0	0%	0	0	0%
	Xiahu Fish Farm	7				0	0	0%	0	0	0%
	Group 1	2				0	0	0%	0	0	0%
	Group 2	4				0	0	0%	0	0	0%
	Group 3	5				0	0	0 %	0	0	0 %
	Group 6	4				0	0	0%	0	0	0%
	Group 7	30				18	77	60%	18	77	60%
Total		123	6	21	4.87	66	230	53.66%	66	230	53.66%

Note: All households with a per capita cultivated area of less than 0.3 mu after LA have land loss rates of over 10%.

2.4 Temporary Land Occupation

The dehydration and solidification yard used for lake and river sludge dredging and disposal in the Project will occupy 77.5 mu of land temporarily, including 57.9 mu of collective land and 19.6 mu of state-owned land, affecting 42 households with 184 persons. The expected period of occupation is 12 months. If the occupation time is extended, APs will receive additional compensation correspondingly. See Table 2-14.

Table 2-1 Summary of Temporarily Occupied Land

No.	Subcomponent	Affected entity	Nature of land	Non-irrigated land(mu)	Fishpond (mu)	Total (mu)	AHs	APs	Occupation period (month)
1	Dehydration & solidification yard	Group 3 of Wangjiawan Village	Collective	38.3		38.3	8	30	
2		Group 7 of Wangjiawan Village	Collective	9.8		9.8	3	7	12
3		Xiahu Fish Farm	Collective		9.8	9.8	2	5	12
4		Group 5 of Nanhu Farm	State-owned		19.6	19.6	2	7	12
	Total			48.1	29.4	77.5	42	184	12

Note: The construction land for the dehydration and solidification yard in Baitan Lake Fish Farm has been acquired. See the Resettlement Due Diligence Report.

2.5 Demolition of Residential Houses

All residential houses to be demolished for the Project are rural residential houses on collective land in Group 4 of Baizhuangzui Village, Lukou Town. Residential houses totaling 4,736.5 m² will be demolished, including 3,886 m² in masonry concrete structure (82.04%), 782.5 m² in masonry timber structure (16.52%) and 68 m² in simple structure (1.44%), affecting 22 households with 79 persons, who will also be affected by LA. See Table 2-15.

Table 2-2 Summary of Demolished Residential Houses

Sub-component	Town	Village	Group	Demolition area (m ²)				AHs	APs	Remarks
				Masonry concrete	Masonry timber	Simple	Total			
Natural wetlands	Lukou	Baizhuangzui	Group 4	3886	782.5	68	4736.5	22	79	Also affected by LA
Percent (%)				82.04	16.52	1.44	100			

2.6 Demolition of Non-residential Properties

The non-residential properties to be demolished for the Project are the Shanhu Breeding Base in Group 4 of Baizhuangzui Village, and Baitan Lake Hotel (laid idle for many years, not put into operation) funded by the Huangzhou District River Sand Mining Bureau. Non-residential properties totaling 11,038 m² will be demolished, including 8,974 m² in frame structure (81.3%), 2,026 m² in masonry concrete structure (18.35%) and 38 m² in masonry timber structure (0.34%), affecting the livelihood of 5 persons. See Table 2-16.

Table 2-3 Demolition of Non-residential Properties

Sub-component	Town	Village	Nature of land	Entity	Frame (m ²)	Masonry concrete(m ²)	Masonry timber(m ²)	Total (m ²)	APs	Remarks
Natural wetlands	Lukou	Baizhangzui	Collective	Shanhu Breeding Base	0	427	38	465	5	Poultry breeding on leased land
Lakeside green spaces	Huangzhou District	River Sand Mining Bureau	State-owned	Baitan Lake Hotel	8974	1599	0	10573	0	Laid idle for many years, not put into operation
Total					8974	2026	38	11038	5	
Percent (%)					81.30	18.35	0.34	100		

2.7 Ground Attachments

The Project will affect such ground attachments as toilets, wells, canals, cement roads, weed trees and landscaping trees. See Table 2-17.

Table 2-4 Affected Ground Attachments

Subcomponent	Group	Toilets (m ²)	Simple pumped wells(set)	Deep wells(set)	Canals (m)	Cement roads (m ²)	Miscellaneous trees				Landscaping trees			
							Breast height diameter <5cm	Breast height diameter 5-8cm	Breast height diameter 8-10cm	Breast height diameter 10-15cm	Breast height diameter 8-10cm	Breast height diameter 10-15cm	Breast height diameter 15-20cm	Breast height diameter >=20cm
Round-the-lake road	Lukou Village	0	0	0	320	580	80	36	26	12	5	5	6	2
Round-the-lake road	Wangjiawan Village	0	0	0	240	0	35	8	4	5	4	5	2	3
Round-the-lake road	Xiahu Fish Farm	0	0	0	620	0	47	26	17	12	3	4	2	2
Canal green spaces	Nanhu Group 4	0	0	0	380	610	75	23	19	10	6	7	3	2
Canal green spaces	Nanhu Group 5	0	0	0	420	670	87	33	24	17	7	6	6	3
Canal green spaces	Zhaizhoujie Community, Nanhu Farm	0	0	0	150	320	29	15	12	6	4	2	3	1
Natural wetlands	Baizhangzui Village	68	7	2	1650	3800	565	210	135	103	50	43	35	12
Natural wetlands	Cigang Village	0	0	0	80	0	32	13	9	7	3	3	2	3
Total		68	7	2	3860	5980	950	364	246	172	82	75	59	28

2.8 Affected Population

2.8.1 Summary

360 households with 1,324 persons will be affected by the Project, including 318 households with 1,140 persons affected permanently and 42 households with 184 persons affected temporarily. In the permanently affected population, 187 households with 727 persons will be affected by the occupation of state-owned land, 129 households with 408 persons by the acquisition of collective land, 22 households with 79 persons by the demolition of residential houses, 22 households with 79 persons by both LA and HD, and two households with 5 persons by the demolition of non-residential properties. No ethnic minority

will be affected. See Table 2-18.

Table 2-5 Summary of the Affected Population (by Village Group)

Type of impact			Occupation of state-owned land		LA		HD		Both LA and HD		Demolition of non-residential properties		Permanently affected		Temporarily affected		Total	
Town	Village	Group	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population
Lukou	Baizhangzui Village	Group 4			22	79	22	79	22	79	2	5	24	84			24	84
	Baizhangzui Village	Group 5			16	52							16	52			16	52
	Baizhangzui Village	Collective			6	18							6	18			6	18
	Cigang Village	Group 12			19	49							19	49			19	49
	Lukou Village	Group 10			4	7							4	7			4	7
	Lukou Village	Group 15			2	3							2	3			2	3
	Lukou Village	Group 16			5	10							5	10			5	10
	Lukou Village	Group 17			3	6							3	6			3	6
	Xiahu Fish Farm	Xiahu Fish Farm			7	15							7	15	2	5	9	20
	Wangjiawan Village	Group 1			2	5							2	5			2	5
	Wangjiawan Village	Group 2			4	12							4	12			4	12
	Wangjiawan Village	Group 3			5	15							5	15	8	30	13	45
	Wangjiawan Village	Group 6			4	13							4	13			4	13
	Wangjiawan Village	Group 7			30	124							30	124	3	7	33	131
	Subtotal				129	408	22	79	22	79	2	5	131	413	13	42	144	455
Nanhu	Group 4		50	175									50	175			50	175
	Group 5		36	125									36	125	2	7	38	132
	Zhaizhoujie		101	427									101	427	27	135	128	562
	Subtotal		187	727									187	727	29	142	216	869
Total			187	727	129	408	22	79	22	79	2	5	318	1140	42	184	360	1324

Table 2-6 Summary of the Affected Population (by Component)

Subcomponent	Occupation of state-owned land		LA		HD		Both LA and HD		Demolition of non-residential properties		Permanently affected		Temporarily affected		Total	
	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population	HHS	Population
Round-the-lake road			49	127							49	127			49	127
Natural wetlands			53	170	22	79	22	79	2	5	55	175			55	175
Canals	76	307	27	111							103	418			103	418
Canal green spaces	111	420									111	420			111	420
Dehydration & solidification yard											0	0	42	184	42	184
Total	187	727	129	408	22	79	22	79			318	1140	42	184	360	1324

2.8.2 Affected Vulnerable Groups

19 households with 38 persons affected by the Project fall into vulnerable groups, including 5 households of old people living alone, 10 MLS households and 4 households affected by disability. See Table 2-7 for their details, and Appendix 4 for their identification criteria.

Table 2-7 Summary of the Affected Vulnerable Groups

Village	Vulnerable households	Including			Vulnerable population	Household population			Type of impact	
		HHs of old people living alone	MLS HHs	HHs affected by disability		Sub total	Male	Female	LA	HD
Baizhangzui Village	3	1	1	1	6	6	2	4	0	3
Wangjiawan Village	3	1	2	0	6	6	3	3	3	0
Lukou Village	4	1	2	1	7	7	4	3	4	0
Cigang Village	4	1	2	1	7	7	4	3	4	0
Nanhu Group 4	1	0	0	1	2	2	1	1	1	0
Nanhu Group 5	1	0	1	0	4	4	2	2	1	0
Zhaizhoujie Community, Nanhu Farm	3	1	2	0	6	6	3	3	3	0
Total	19	5	10	4	38	38	19	19	16	3

2.8.3 Gender impact

According to the sampling survey of AHs in the project area, female populations account for 50.8% to 51.3% of APs in Nanhu Farm and Lukou Town. As the members of HHs, the females will be affected by LA and HD of the Project. The details of Gender analysis is included in section 3.3, and a Gender Action Plan was prepared for this Project, see details in the Social Assessment Report for this Project.

3 Socioeconomic Profile

3.1 Socioeconomic Profile of the Project Area

3.1.1 Socioeconomic Profile of Huanggang City

Huanggang City is located in eastern Hubei Province, the south piedmont of the Dabie Mountain and north of the middle Yangtze River, bordered by Henan Province on the north, Anhui Province on the east, and Ezhou, Huangshi and Jiujiang Cities on the south, with a land area of 17,452 km² and a population of 7.46 million (2011). The city boasts rich mineral and water resources, and an advantaged climate. Secondary and tertiary industries are the main body of the city's economy, and the city has a well-established industrial system, including commerce, logistics, finance, insurance, communication, petroleum, tobacco and real estate. See **Error! Reference source not found.**

Table 3-1 Socioeconomic Profile of Huanggang City (2011)

No.	Item	Unit	Huanggang City
1	Land area	km ²	17453
2	Cultivated area	0,000 mu	353.94
3	Population	0,000	746
4	Agricultural population	0,000	556
5	Nonagricultural population	0,000	190
6	Minority population	/	2825
7	GDP	00 million yuan	1045.11
8	Primary industries	0,000 yuan	290
9	Secondary industries	0,000 yuan	406.86
10	Tertiary industries	0,000 yuan	348.25
11	Per capita GDP	yuan	16908
12	Per capita disposable income of urban residents	yuan	14659
13	Per capita net income of farmers	yuan	5375

Source: 2012 statistical yearbooks

3.1.2 Socioeconomic Profile of the Affected Townships

State-owned Nanhu Farm is located in the southeast of the urban area of Huangzhou District, with a land area of 18.3 km², a population of 26,000, a cultivated area of 15,000 mu and an aquaculture water surface area of 8,000 mu, governing 9 administrative villages (groups) and two communities. All 29,000 mu of land of Nanhu Farm is state-owned, with advantaged leisure tourism resources. There are 3 farm product bases in the farm, producing aquatic products and green vegetables mainly.

Lukou Town is in the east suburb of Huangzhou District, with a land area of 64 km², a cultivated area of 30,000 mu, an aquaculture water surface area of 30,000 mu and a population of 25,000. The new urban area of Huangzhou District is located in the town, with a built-up area of 5 km². The town has rich sand and aquatic products, and over 10 lakes with a total area of over 30,000 mu. The pillar industries of the town are stone products, sand, building materials, flowers and seedlings, and aquatic products.

Table 3-2 Socioeconomic Profile of the Affected Townships (2011)

District	Town	HHs	Population (0,000)	Agricultural population(0,000)	Cultivated area (0,000 mu)	Fish ponds area(mu)	Average population per household	Per capita cultivated area (mu)	Per capita fish ponds area(mu)	Per capita net income of farmers (yuan)
Huangzhou	Nanhu Farm	8712	2.6	0.8	1.5	8380	2.98	0.58	0.32	8610
	Lukou Town	6816	2.5	0.8	3	3403	3.67	2.2	0.14	7521

Source: 2012 statistical reports

3.1.3 Socioeconomic Profile of the Affected Villages/Townships

The one community and two groups of Nanhu Farm affected by the Project have household populations of 2.93-6.14, per capita cultivated areas of 0.06-2.87 mu and per capita income of 8,370-8,800 yuan; the main crops are paddy rice, cotton and fruit trees, and fish are bred mainly. Cultivation and aquaculture income accounts for 13.79%-26.87% of gross income. The 4 villages of Lukou Town affected by the Project have household populations of 3.31-3.76, per capita cultivated areas of 0.33-3.00 mu and per capita income of 6,380-8,608 yuan; the main crops are paddy rice, cotton, fruit trees and rape, and fish are bred mainly. Cultivation and aquaculture income accounts for 8.48%-29.09% of gross income, of which aquaculture accounts about 40-60% of the agriculture income. See **Error! Reference source not found.**

Table 3-3 Socioeconomic Profile of the Affected Villages

Town	Village	HHs	Population (0,000)	Agricultural population	Cultivated area (0,000 mu)	Average population per household	Per capita cultivated area (mu)	Per capita cultivation & aquaculture income (yuan)	Per capita net income of farmers (yuan)	Percent of agricultural income (%)
Nanhu Farm	Group 4	167	494	210	852	2.96	1.72	2180	8370	26.05
	Group 5	215	631	263	1809	2.93	2.87	2284	8500	26.87
	Zhaizhoujie Community	428	2628	120	150	6.14	0.06	1200	8700	13.79
Lukou Town	Cigang Village	577	2170	1070	1734	3.76	3.00	2320	7976	29.09
	Wangjiawan Village	425	1408	1200	988.5	3.31	0.70	1300	7120	18.26
	Lukou Village	857	3124	1620	1032	3.65	0.33	730	8608	8.48
	Baizhangzui Village	390	1344	723	1117.5	3.45	0.83	1430	6380	22.41

3.2 Socioeconomic Profile of the Affected Population

3.2.1 Basic Information

In order to learn the basic information of the APs, the survey team conducted a sampling survey on the AHs in October 2012 and June 2013. Among the 318 households with 1,140 persons permanently affected by the Project, there are 131 households with 413 persons in Lukou Town and 187 households with 727 persons in Nanhu Farm. 86 households

with 296 persons were sampled (sampling rate 27%), including 38 households with 113 persons in Lukou Town, with a sampling rate of 29%, and 48 households with 183 persons in Nanhu Farm, with a sampling rate of 26%.

1) Ethnic and gender analysis

The 38 sample households in Lukou Town have 113 persons, 82 laborers and 58 women, accounting for 51.3%, and average family size is 2.97; women deal with cultivation, aquaculture and housework mainly. The 48 sample households in Nanhu Farm have 183 persons, 130 laborers and 93 women, accounting for 50.8% and average family size is 3.81; women deal with cultivation, aquaculture and housework mainly. Neither ethnic minority nor vulnerable group is involved.

2) Age

Among the 38 sample households in Lukou Town, 26 persons are aged below 16 years, accounting for 23.01%; 44 aged 16-39 years, accounting for 38.94%; 31 aged 40-59 years, accounting for 27.43%; and 12 aged 60 years or above, accounting for 10.62%. Among the 48 sample households in Nanhu Farm, 44 persons are aged below 16 years, accounting for 24.04%; 64 aged 16-39 years, accounting for 34.97%; 46 aged 40-59 years, accounting for 25.14%; and 29 aged 60 years or above, accounting for 15.85%.

3) Educational level

Among the 87 adults in the 38 sample households in Lukou Town, 13 persons have received primary school or below education, accounting for 14.94%; 39 persons have received junior high school education, accounting for 44.83%; 25 persons have received senior high school/secondary technical school education, accounting for 28.74%; and 10 persons have received junior college or above education, accounting for 11.49%. Among the 139 adults in the 48 sample households in Nanhu Farm, 19 persons have received primary school or below education, accounting for 13.67%; 56 persons have received junior high school education, accounting for 40.29%; 44 persons senior high school/secondary technical school education, accounting for 31.65%; and 20 persons have received junior college or above education, accounting for 14.39%. See Table 3-4.

Table 3-4 Demographics of the Sample Population

Item	Lukou Town						Nanhu Farm					
	Male		Female		Total		Male		Female		Total	
	N	Percent (%)	N	Percent (%)	N	Percent (%)	N	Percent (%)	N	Percent (%)	N	Percent (%)
Age												
≤16 years	14	24.14	12	21.82	26	23.01	23	24.73	21	23.33	44	24.04
16-39 years	22	37.93	22	40.00	44	38.94	33	35.48	31	34.44	64	34.97
40-59 years	16	27.59	15	27.27	31	27.43	23	24.73	23	25.56	46	25.14
≥60 years	6	10.34	6	10.91	12	10.62	14	15.05	15	16.67	29	15.85
Subtotal	58	100	55	100	113	100	93	100	90	100	183	100
Educational level												
Primary school or below	5	11.11	8	19.05	13	14.94	8	11.27	11	16.18	19	13.67
Junior high school	19	42.22	20	47.62	39	44.83	26	36.62	30	44.12	56	40.29
Senior high school /secondary technical school	15	33.33	10	23.81	25	28.74	25	35.21	19	27.94	44	31.65
Junior college or above	6	13.33	4	9.52	10	11.49	12	16.90	8	11.76	20	14.39

Subtotal	45	100	42	100	87	100	71	100.00	68	100.00	139	100.00
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4) Housing size

The houses of the sample households are in masonry concrete structure mainly. Among the 38 sample households in Lukou Town, total housing size is 8,317.82 m², and average housing size 218.89 m² per household and 73.60 m² per capita. Among the 48 sample households in Nanhu Farm, total housing size is 12642.72 m², and average housing size 263.39 m² per household and 69.08 m² per capita.

5) Land resources

Among the 38 sample households in Lukou Town, total cultivated area is 267.81 mu and per capita cultivated area 2.37 mu. The cultivated land includes paddy fields and fishponds mainly, used for cultivation and aquaculture. Annual net income per mu is about 3,100 yuan. Among the 48 sample households in Nanhu Farm, total cultivated area is 204.96 mu and per capita cultivated area 1.12 mu. The cultivated land includes paddy fields and fishponds mainly, used for cultivation and aquaculture. Annual net income per mu is about 3,600 yuan.

6) Household properties

Among the 38 sample households in Lukou Town, an average household has 1.6 TV sets, 0.76 refrigerator/air-conditioner, 0.41 hi-fi, 3.63 fixed telephones/mobile phones, 1.45 bicycles/motorcycles and 0.07 tractor/water pump, indicating a medium/high living standard. Among the 48 sample households in Nanhu Farm, an average household has 1.36 TV sets, 0.8 refrigerator/air-conditioner, 0.32 hi-fi, 3.05 fixed telephones/mobile phones, 1.14 bicycles/motorcycles and 0.06 tractor/water pump, indicating a medium living standard.

7) Household income and expenditure

Among the 38 sample households in Lukou Town, per capita annual income is 8,315.85 yuan, per capita annual expenditure 2,278.28 yuan and per capita net income 7,756.2 yuan. Among the 48 sample households in Nanhu Farm, per capita annual income is 9,447.42 yuan, per capita annual expenditure 2,628.57 yuan and per capita net income 8,819.36 yuan. The income level of sample households is significantly higher than the state rural poverty line (2,300 yuan from 2011). See Table 3-5 and Table 3-6.

Table 3-5 Household Income and Expenditure of the APs in Lukou Town

Item		Average per household (yuan)	Per capita (yuan)	Percent (%)
Household income	Crop cultivation income	5732.72	1930.21	23.21%
	Forestry income	1564.51	526.77	6.33%
	Operating income	3732.43	1256.71	15.11%
	Stockbreeding income(aquaculture)	6608.46	2225.07	26.76%
	Employment income	6389.78	2151.44	25.87%
	Property income	670.18	225.65	2.71%
	Subtotal	24698.07	8315.85	100%
Household expenditure	Operating expenses	1662.16	559.65	24.56%
	Nonproductive expenses	4583.96	1543.42	67.74%
	Other	520.37	175.21	7.69%
	Subtotal	7044.84	2278.28	100%
Per capita net income			7756.2	

Source: results of socioeconomic survey by Hohai University

Table 3-6 Household Income and Expenditure of the APs in Nanhu Farm

Item		Average per household (yuan)	Per capita (yuan)	Percent (%)
Household income	Crop cultivation income	9075.08	2381.91	25.21%
	Forestry income	2549.73	669.22	7.08%
	Stockbreeding income(aquaculture)	10669.48	2800.39	29.64%
	Operating income	4542.02	1192.13	12.62%
	Employment income	8568.46	2248.94	23.80%
	Property income	589.9	154.83	1.64%
	Subtotal	35994.67	9447.42	100.00%
Household expenditure	Operating expenses	2392.91	628.06	23.89%
	Nonproductive expenses	7023.43	1843.42	70.13%
	Other	598.51	157.09	5.98%
	Subtotal	10014.85	2628.57	100.00%
Per capita net income			8819.36	

Source: results of socioeconomic survey by Hohai University

3.2.2 Resettlement Willingness Survey

1. Households affected by HD

1) Sampling resettlement willingness survey

In July-August 2012, the survey team conducted a sampling resettlement willingness survey on households affected by HD, involving 16 households, accounting for 72.72% all households affected by HD. See 3-7.

Table 3-7 Statistics of Expected Resettlement Modes of Households Affected by HD

District	Township	Village	Sampling information		
			All AHs	Sample HHs	Percent (%)
Huangzhou	Lukou Town	Baizhangzui	22	16	72.72

2) Willingness survey on households affected by HD

The survey findings are as follows:

- ① Awareness: All the respondents affected by HD are aware of the Project.
- ② Attitude: All respondents support the Project.
- ③ Resettlement: 100% of the respondents affected by HD choose property swap. 87.5% of the respondents prefer resettlement sites in the same village group, and 12.5% prefer resettlement sites in the same township.
- ④ Concerns: 100% of the respondents are concerned about the size, price, site, construction quality and supporting facilities of resettlement housing, and 50% about preferences for vulnerable groups in housing selection.

2. Households affected by LA

1) Sampling resettlement willingness survey

In July-August 2012, the survey team conducted a sampling resettlement willingness survey on affected households, involving 32 households in Lukou Town, accounting for 24.8% all households affected in Lukou Town, and 47 households in Nanhu Farm, accounting for 25.1% all households affected in Nanhu Farm, totaling 79 households, accounting for 25% of all households affected. See Table 3-8.

Table 3-8 Statistics of Expected Resettlement Modes of Households Affected by LA

District	Township	Village	Sampling information		
			All AHs	Sample HHs	Percent (%)
Huangzhou	Lukou Town	Baizhangzui Village	129	32	24.8
	Nanhu Farm		187	47	25.13
Subtotal			316	79	25

2) Willingness survey on households affected by LA

According to the survey, all the 79 sample households choose cash compensation and social security. In addition, a) 21 households choose crop / aquaculture restructuring, accounting for 26.58%; b) 19 households choose investment in catering, merchandise and other tertiary operations, accounting for 24.05%; and c) 39 households choose training organized by the labor and social security department for outside employment, accounting for 49.37%. See **Error! Reference source not found.**

Table 3-9 Expected Resettlement Modes of Households Affected by LA²

Township	HHs	Expected mode(N)				
		Cash compensation	Social security	Crop restructuring	Tertiary operations	Skills training, employment
Lukou Town	32	32	32	10	10	12
Nanhu Farm	47	47	47	11	9	27
Total	79	79	79	21	19	39
Percent		100%	100%	26.58%	24.05%	49.37%

3.3 Gender analysis

The female population of Huanggang City was 2.983 million in 2010, accounting for 48.4% of gross population. According to the 6th national population census, the gender ratio of Huanggang City is 106.5. Statistics and survey results show that 56.8% of the female respondents have heard of the Project, lower than the male respondents by 12.3 percentage points. However, some 91.4% of the female respondents support the Project because it improves the public environment and residential life. Therefore, at the design stage, attention was paid to women's needs so that they can benefit more from these components. Public facilities or services, such as streetlamps, warning signs and green belts, safety and environment awareness education program, TEVT program, indemnificatory housing, should be designed with the needs of women in mind.

See details of the gender analysis in the following table:

Table 3-10 Gender Analysis

Part A—Gender analysis of rural women in the project area	
1. Legal rights of women	According to laws of the PRC, women have equal legal rights with men, though some women are not fully aware of this.
2. Social status of women	Women of the project area have relatively good social status. All key matters of a family are determined by the couple through discussion. Men are the backbone of families, and attend the important meetings of the village. However, women can influence men when they make decisions at meetings.

² In the project area, most villagers deal with other operations while farming to increase household income. For example, in most families, old people farm at home, and their children and their spouses work outside or deal with other nonagricultural operations, so the modes listed above may overlap.

Part A—Gender analysis of rural women in the project area			
3. Title to land and properties	Women have the same title as men. Like other parts of China, in the project area, when a daughter is married, her land will remain in her mother’s family and she can only share the land owned by her husband’s family since the household contract responsibility system was put into practice in 1982. However, if a second round of land contracting has been carried out at the affected village (around 1999), this situation has been corrected. If land acquisition, house demolition or resettlement is involved, women will have equal rights to compensation.		
4. Right to collective properties	Women have equal rights.		
5. Living and gender role	There is no restriction on gender role. However, women do housework and appropriate farm work mainly in Chinese rural areas, while men mostly do farm work or work outside. Generally, the working hours of women are 1.2 times those of men. In addition, many young women also work outside.		
6. Contribution to household income	Women’s income is from farming and household sideline operations mainly, accounting for about 35% of household income.		
7. Family status	Women have an equal voice in decision-making; when men are away for work, women make decisions themselves in many aspects.		
8. Educational level	Boys and girls enjoy equal opportunities in receiving education, and as long as children study hard, their parents would do their best to support their school education.		
9. Health	Women’s health condition is quite good and there is no significant difference in nutrition level compared to men; however, medical expenses are rising and have become a significant burden for some households, and women may suffer more.		
10. Village and government agencies	Women are represented in all village committees. In addition, women have a good informal network in the village and the village group. Women may participate in the election of the village committee, and have the right to elect and be elected; local governments attach great importance to women’s development, especially in poverty reduction.		
Overall evaluation and key risks	Women enjoy a good status in the project area, and there is no restriction on gender role; though women seldom participate in the decision-making of public affairs of the village collective, they can express their views in many ways (e.g., through male members of their families).		
B—Gender analysis of women during resettlement			
Gender issue	Concern/risk	Impact of the Project	Mitigation measures
1. Land, properties and right to compensation	Women are deprived of land or properties or have no right to compensation.	Men and women have equal rights to compensation for land acquisition, house demolition and resettlement; the Project will not have any significantly adverse impact on women.	(1) Cash compensation or adjustment of the agriculture and aquaculture structure, and develop business
2. House demolition and reconstruction	Women have no right to make decisions or use compensation fees.	Women have title to houses, and house reconstruction is determined jointly by all family members, so women can participate in housing site selection, house construction and transitional housing arrangement, etc.	(2) Women have title to newly built houses.
3. Production and	Women are affected	All AHs will lose part of land only.	(1) Women will

Part A—Gender analysis of rural women in the project area			
income restoration after land acquisition	even more seriously, and receive less assistance.	so the AHs will lose part of income only. Compensation fees will be used at the AHs' discretion. Only seriously affected households have to change their income sources. In addition to cash compensation, the AHs will be assisted in restoring income through auxiliary measures (priority in employment during construction, skills training and subsequent support, etc.)	receive compensation fees for land acquisition; (2) At least 50% of trainees of skills training will be women; (3) During construction, women will obtain at least 30% of unskilled job opportunities.
4. Increase of gender inequalities	Women have a heavier burden or fewer opportunities.	The Project will not lead to gender inequalities. Land loss and sufficient compensation will help women change the crop or aquaculture structure (e.g., cultivating more cash crops), and the Project will provide job opportunities to women in priority which will increase their income.	Monitoring
5. Social network system	The social network is damaged.	The Project will not affect the social network seriously.	(1)After resettlement, APs will live together; (2)The resettlement site is still in NED; (3)Organizing cultural activities and promoting cultural exchange.
6. Impact on health / increase of social problems	Serious health or social problems due to the stress of resettlement (violence, AIDS propagation, etc.)	The Project will not affect the villages seriously, but some seriously affected households and vulnerable groups will be faced with difficulties.	Providing assistance together with the civil affairs department

4 Legal Framework and Policies

4.1 Laws, Regulations and Policies Applicable to Resettlement

1) ADB policies

- Safeguard Policy Statement, June 2009; particularly Safeguard Requirement 2: Involuntary Resettlement

2) Laws, regulations and policies of the PRC

- Land Administration Law of the PRC (August 28, 2004)
- Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council) (December 27, 1998)
- Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28) (October 21, 2004)
- Interim Regulations on Farmland Occupation Tax of the PRC (January 1, 2008)
- Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238) (November 3, 2004)
- Regulations on the Acquisition and Compensation of Houses on State-owned Land (January 19, 2011)

3) Regulations and policies of Hubei Province

- Notice of the Provincial Government on Publishing the Uniform AAOVs and Location-based Land Prices for Land Acquisition of Hubei Province (HPG [2009] No.46)
- Notice of the General Office of the Hubei Provincial Government on Carrying through the Regulations on the Acquisition and Compensation of Houses on State-owned Land (HPGO [2011] No.40)
- Opinions on the Implementation of Basic Endowment Insurance for Farm Workers in Hubei Province (HPGO [2003] No.125)
- Notice on Expanding the Coverage of Rural MLS, and Increasing the Subsidy Rates for Subjects of Rural MLS and Five Guarantees (HCAD [2011] No.5)
- Notice on Issuing the Working Rules for MLS of Hubei Province (HCAD [2009] No.1)
- Notice on Accelerating the Establishing the Temporary Assistance System for Urban and Rural Residents in Difficulty (HCAD [2008] No.46)

4) Regulations and policies of Huanggang City

- Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City (HNDO [2012] No.9)
- Working Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City (HMGO [2012] No.76)
- Notice of the Huanggang Municipal Government on Issuing the Implementation Measures of Huanggang City for the Administration of Low-rent Housing for Urban Low-income Households (HMG [2006] No.28)
- Notice of the Huanggang Municipal Government on Issuing the Implementation Rules for the Administration of Affordable Housing of Huanggang City (HMG [2007] 23)
- Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers in the Urban Area of Huanggang City (HMG [2008] No.19)
- Notice on Issuing the Supplementary Regulations of Huanggang City on Medical Assistance for Major Diseases of Poor Urban and Rural Residents (HCAB [2007] No.92)
- Notice on the basic endowment insurance for Land-expropriated Farmers in the eastern new district of Huanggang City (Interim Regulation, 2013)

4.2 Abstract of ADB Policies

1. Involuntary resettlement

The displaced persons (called affected persons, or APs in the RP) are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. The APs in the project area fall into three types: (i) persons with formal legal rights to land lost in its entirety or in part; (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws; and (iii) persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land.

Basic principles include:

- (a) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks.
- (b) Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (c) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns.
- (d) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- (e) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- (f) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- (g) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and

- livelihood status.
- (h) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of nonland assets.
 - (i) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
 - (j) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
 - (k) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
 - (l) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
 - (m) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

See the Principles for Resettlement in Table 4-1.

Table 4-1 Principles for Resettlement

Principles	
1	Involuntary resettlement should be avoided where feasible.
2	The APs are granted compensation and rights that can at least maintain or even improve their livelihoods in the absence of the project.. The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs.
3	The APs are given compensation in full replacement cost and assistance in resettlement whether legal title is available or not.
4	If the land available to everyone is insufficient to maintain his/her livelihood, replacement in cash or in kind and other income-generating activities are provided for the lost land.
5	The IA will ensure that APs fully understand their entitlements, the method and standard of compensation, the livelihood and income restoration plan, and the project schedule, and participate in the implementation of the Resettlement Plan.
6	The IA will ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost has been paid to each AP for project components or sections that are ready to be constructed; (ii) other entitlements listed in the REMDP have been provided to APs; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help APs improve, or at least restore, their incomes and livelihoods.
7	Vulnerable groups are provided special assistance or treatment so that they lead a better life, and all APs should have an opportunity to benefit from the project. At least two members of each AH receive skills training, including at least one woman.
8	All resettlement cost is included in the project budget and sufficient to cover all affected aspects.
9	The IA and an external monitoring agency will monitor and measure the progress of implementation of the REMDP and will prepare monitoring reports to ensure that the implementation of the REMDP has produced the desired outcomes.

2. Gender and development

ADB's gender and development policy is a critical mainstreaming strategy in promoting gender equality, and includes the following key points:

- 1) Gender sensitivity: Particular attention should be paid to women's needs and expectations in consideration of impacts of the ADB-financed project on men and women;
- 2) Gender analysis: A systematic analysis of the project's impacts on men and women should be made to learn their economic and social connections;
- 3) Gender planning: A special strategy that offers equal opportunities to men and women should be developed;
- 4) Mainstreaming: ADB considers the gender issue in all aspects of the project, and encourages women to participate in decision-making in the development process actively.

4.3 Key Provisions of PRC Laws, Regulations and Policies

See Appendix 5 for an abstract of laws and regulations of the PRC (see Section 4.1.2), and policies of Hubei Province (see Section 4.1.3).

4.4 Main Differences between the ADB Policy and PRC Laws

Compensation and resettlement for houses

- Difference: ADB policies require that compensation is based on replacement cost. Chinese laws think that depreciation is reasonable, and the compensation rate for the same structure should be lower than that for new housing.
- Solution: Compensation rates in all ADB-financed projects are based on replacement cost.

Compensation for land

- Difference: ADB policies require that compensation should be sufficient to offset any income loss, and restore long-term income-generating potential. Chinese standards are based on AAOV.
- Solution: Replacement land is hardly practical. Cash compensation is the preference of most people, though they cannot ensure the rational use of such compensation. So the land compensation fees will be paid to village groups to pay endowment insurance premiums for land-expropriated farmers (LEFs) to guarantee the incomes of APs in the long term. Also, further technical support will be provided by local government to assist the income restoration of seriously affected households

Compensation and resettlement of vulnerable groups

- Difference: ADB policies require that special compensation is granted to all vulnerable groups, especially seriously affected households faced with impoverishment. Chinese provisions do not require social analysis, and compensation is based only on the amount of loss.
- Solution: Special funds are available to assist the vulnerable groups, who will be identified during the DMS. All measures have been specified in the RP.

Consultation and disclosure

- Difference: ADB policies require APs are fully informed and consulted as soon as possible. Chinese provisions have improved the transparency of disclosure and compensation. However, APs still play a weak role in project decision-making, and the disclosure period is usually too short.

- Solution: Consultation has begun at the early stage (before and during the technical assistance). The Huanggang PMO agrees to disclose the RP to APs as required by ADB.

Lack of legal title

- Difference: ADB policies require all demolished houses, whether lawful or not, should be compensated for at the same rates. According to Chinese laws, people without local registered residence are entitled to the same compensation as local people. In addition, prevailing Chinese laws stipulate that no compensation should be provided for the acquisition of illegally owned land and houses.
- Solution: For an ADB financed project, all APs, whether lawful or not, whether having ownership or right of use, will be protected, and provided with compensation or assistance. This project is not expected to encounter such issues.

Resettlement monitoring, evaluation and reporting

- Difference: ADB requires that internal and external resettlement monitoring be conducted. However, there is no such requirement in Chinese laws, except for reservoir projects.
- Solution: Internal and external resettlement monitoring systems have been established for all ADB financed projects, and this has been included in the RP. The requirements for internal and external monitoring reporting are specified in the RP.

4.5 Cut-off Date of Compensation

The cut-off date for the eligibility for compensation is May 15, 2014, which will be disclosed upon release of the LA announcement. Any newly claimed land, newly built house or settlement in the project area by the APs after this date will not be entitled to compensation or subsidization. Any building constructed or tree planted purely for extra compensation will not be counted in.

4.6 Compensation Rates

The following compensation rates those applied as of June 2013; if the local government issues new higher compensation rates during the resettlement implementation stage, the new rates will be applicable to all affected HHs and entities.

4.7.1. Compensation Rates for Permanent LA

According to the Notice of the Provincial Government on Publishing the Uniform AAOVs and Location-based Land Prices for Land Acquisition of Hubei Province (HPG [2009] No.46), the uniform AAOV rates of the Project are shown in Table 4-2.

Table 4-2 Uniform AAOV Rates for LA

Township	Area type	Nature of land	Uniform AAOV (yuan/mu)	Multiple of land compensation fees	Multiple of resettlement subsidy	Multiple of young crop compensation fees
Lukou Town	Tier-3	Collective	1350	8	12	1
Nanhu Farm	Tier-2	State-owned	1550	8	12	1

Table 4-3 Compensation Rates for LA and Adjustment Factors

Township	Cultivated land		Fishpond		Garden land		Woodland		Unused land	
	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)
Lukou Town	1	27000	1.1	29700	1.1	29700	0.7	18900	0.3	8100
Nanhu Farm	1	31000	1.1	34100	1.1	34100	0.7	21700	0.3	9300
Yong corps and attachments compensation	Lukou Town :1350yuan/mu Nanhu Farm:1550yuan/mu		fry transfer and facility subsidy :2200yuan/mu		1400-1800yuan/mu					

Note: 1. The additional 10% compensation for fishpond is provided for the cost of fishpond excavation.

The evaluation for compensation rates of LA is analyzed in the Table 4-4, and it's evident that the LA compensation fees can cover the average net incomes of land in the project.

Table 4-4 Comparison of the Land losses and LA compensation fees in the project area

No.	Township	Uniform AAOV(yuan/mu)	Average Net income (yuan/mu) (A)	Compensation fee (yuan/mu)	Interest income from Bank deposit (yuan/mu) (B)	Difference (yuan/mu) (B-A)
1	Lukou Twon	1,350	945	27000	1283	338
2	Nanhu Farm	1,550	1085	31000	1473	388

Note: 1.the average net income of land is estimated as **70%** of the Uniform AAOV.

2. The prevailing benchmark deposit rate of the People's Bank of China is 4.75% (for deposits of 5 or more years, Effective from January 5, 2014)

4.7.2. Compensation Rates for Temporary Land Occupation

In the Project, compensation for temporary land occupation will be paid directly to the APs based on the actual period of occupation. See **Error! Reference source not found.**

Table 4-5 Compensation Rates for Temporary Land Occupation

Item		Unit	Rate (yuan)
Compensation rate for temporary land occupation	Cultivated land	yuan/mu per annum	1550
	Fishpond	yuan/mu per annum	2200

4.7.3. Compensation Rates for Residential Houses

See Table 4-6.

Table 4-6 Compensation Rates for Demolition of Residential Houses

Type	Item		Unit	Benchmark rate (yuan)	Remarks
House compensation	Reinforced concrete structure		yuan/m ²	800	Swapping at 40 m ² per capita, and allowing 400 yuan/m ² in compensation for excessive size
	Masonry concrete structure		yuan/m ²	700	
	Masonry timber structure		yuan/m ²	550	
Other compensation	Moving subsidy		yuan per household per time	500	Sufficient for two moves
	Transition subsidy		yuan per household per month	300	For 12 months
	Early moving reward	Signing an agreement and emptying the house on schedule	yuan/m ² per day	3	Usually up to 10,000 yuan for not more than 15 days

Note: 1. Above rates include the compensation of the old house plot (40.5 yuan/m² or 27,000yuan/mu),
 2. The price of resettlement housing is the same as the compensation rate for houses in masonry concrete structure (700 yuan/m²), so the full replacement cost principle applies.

4.7.4. Compensation Rates for Non-residential Properties

The non-residential properties demolished for the Project will be subject to one-time cash compensation. Compensation will be determined by market appraisal, but will not be less than the benchmark rates of the Project. See Table 4-7.

Table 4-7 Compensation Rates for Non-residential Properties

No.	Structure	Rate (yuan/m ²)	Remarks
1	Frame	800	1. The land occupied by the non-residential properties will be paid to the proprietors at the compensation rate for construction land (27,000yuan/mu in Lukou town). 2. Equipment moving subsidy will be fixed by market appraisal, but not less than 500 yuan per household. 3. The affected entities will incur no transition losses, so no compensation for business suspension will be paid.
2	Masonry concrete	700	
3	Masonry timber	550	

4.7.5. Compensation Rates for Young Crops and Attachments

The compensation rates for attachments and infrastructure of the Project have been fixed at replacement cost by reference to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City. See **Error! Reference source not found.**

Table 4-8 Compensation Rates for Young Crops and Attachments

No.	Item		Unit	Unit price (yuan)	Remarks
1	Toilets		m ²	120	Covered
2	Simple or pumped wells		set	600	
3	Deep wells		set	2000	
4	Canals		M	300	
5	Cement roads		m ²	100	
Trees					
6	Other trees	Breast height diameter <5cm	/	5	Including mulberry, poplar, willows, populus, paulownia, etc.
		Breast height diameter 5-8cm	/	8	
		Breast height diameter 8-10cm	/	10	
		Breast height diameter 10-15cm	/	15	

No.	Item		Unit	Unit price (yuan)	Remarks
7	Landscaping trees (arbors)	Breast height diameter 8-10cm	/	120	Including camphor, bull bay, golden rain tree, fragrans, cedar, palm, etc.
		Breast height diameter 10-15cm	/	150	
		Breast height diameter 15-20cm	/	200	
		Breast height diameter >=20cm	/	300	

4.7.6. Rates of Taxes and Fees

See Table 4-9.

Table 4-9 Rates of Taxes and Fees on LA

No.	Item	Tax rate	Policy
1	Land reclamation costs	10,800-12,000 yuan/mu	HPG [1999] No.52
2	Fees for compensated use of new construction land	28 yuan/m ²	HCJ [2010] No.31
3	Farmland occupation tax	40 yuan/m ² , 60 yuan/m ² for basic farmland	HCS [2008] No.8
4	Basic pensions for LEFs	1,000-1,200 yuan/year	HMG [2008] No.19
5	LA management costs	3.6% of LA costs	HJFD [1995] No.44

4.7 Entitlement Matrix

The entitlement matrix has been established in accordance with the applicable policies in this chapter, as shown in Table 4-10.

Table 4-10 Entitlement Matrix

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
Permanent occupation of state-owned land	8,678.9 mu of state-owned land, including 162.6 mu of non-irrigated land (1.87 %), 2,486.4 mu of state-owned fishpond (28.65%), 1.7 mu of garden land (0.02%), 141.5 mu of construction land (1.63 %) and 5,886.7 mu of water surface (67.83%)	187 households with 727 persons in Nanhu Farm Groups 4 and 5, and Zhaizhoujie Community	<ul style="list-style-type: none"> (1) Cash compensation: as per the AAOV rates published by the Hubei Provincial Government (2) Crop restructuring: encouraging the development of characteristic aquaculture and fishery (3) Commercial Land Development for APs: provide state-owned construction land of 3% of the acquired land and 20 m² per capita for livelihood restoration; each AP will also receive a commercial space of 10 m² for income security after all land acquired and house demolished; offer small-amount loans to support business startup and employment. (4) Nonagricultural employment: getting the APs reemployed with public service jobs, social employments and jobs under the Project (3) Skills training: offering agricultural and nonagricultural skills training to the APs for free (5) Social security: offering endowment insurance for farm workers 	<ul style="list-style-type: none"> (1) Compensation rates: Cultivated land: 31,000 yuan/mu Fishpond and garden land: 34,100 yuan/mu Woodland: 21,700 yuan/mu Unused land: 9,300 yuan/mu Young crops compensation for cultivated land: 1,550yuan/mu Fry transfer and facility subsidy for fishpond :2,200yuan/mu (2) Distribution and use: Land compensation fees will be paid to Nanhu Farm to pay a living subsidy of 260 yuan per capita per month to all members aged above 40 years for women or 50 years for men in the AHs for 10 consecutive years, and cover endowment insurance for farm workers (they are eligible for the both welfares).
Acquisition of collective land	798.6 mu of collective land, including 120.3 mu of irrigated land (15.06%), 188.2 mu of non-irrigated land (23.56%), 418.2 mu of fishpond (52.36 %), 39 mu of woodland (4.88 %) and 33 mu of construction land (4.13%)	129 households with 408 persons in 12 groups, Lukou Town – this includes 6 LEFs (21 APs as per Table 2-13)	<ul style="list-style-type: none"> (1) Cash compensation: as per the AAOV rates published by the Hubei Provincial Government (2) Crop restructuring: AHs may use compensation fees they will receive and small-amount secured loans (see details in 5.4) for crop or aquaculture restructuring. The local government encourages the development of characteristic aquaculture and greenhouse vegetables (3) Commercial Land Development for APs: provide returned land (state-owned construction land) of 3% of the acquired land and 20 m² per capita for livelihood restoration; each AP will also receive a commercial space of 10 m² for income 	<ul style="list-style-type: none"> (1) Compensation rates: Cultivated land: 27,000 yuan/mu Fishpond and garden land: 29,700 yuan/mu Woodland: 18,900 yuan/mu Unused land: 8,100 yuan/mu Yong crops compensation for cultivated land: 1,350yuan/mu Fry transfer and facility subsidy for fishpond :2,200yuan/mu (2) Distribution and use: Land compensation fees will be paid to village

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
			<p>security after all land acquired and house demolished; offer small-amount loans to support business startup and employment</p> <p>(4) Nonagricultural employment: getting the APs reemployed with public service jobs, social employments and jobs under the Project</p> <p>(5) Skills training: offering agricultural and nonagricultural skills training to the APs for free</p> <p>(6) Social security: providing endowment insurance for LEFs (the HHs with less than 0.3 mu cultivated land per capita)</p>	<p>groups to pay endowment insurance premiums for LEFs; resettlement subsidies and young crop compensation fees will be paid directly to APs</p>
Residential house demolition	Residential houses totaling 4,736.5 m ² , including 3,886 m ² in masonry concrete structure (82.04%), 782.5 m ² in masonry timber structure (16.52%) and 68 m ² in simple structure (1.44%)	22 households with 158 persons in Group 4 of Baizhangzui Village	<p>(1) Cash compensation: Cash compensation will be granted based on market appraisal, and a transition subsidy, a moving subsidy and an early moving reward provided.</p> <p>(2) Property swap: each registered member of an AH will receive a building area of 40 m², and up to 60 m² for those widowed and destitute. If the acquired housing size exceeds resettlement housing size, resettlement housing will be offered at 50% of actual main building area, up to 240 m². (Any excess will be compensated for at 400 yuan/m² in addition to the compensation rate for former structure.) Each AP will also receive a commercial space of 10 m² as per provision for NED.</p>	<p>(1) Benchmark rates: Reinforced concrete: 800 yuan/m² Masonry concrete: 700 yuan/m² Masonry timber: 550 yuan/m² Any excess will be compensated for at 400 yuan/m².</p> <p>(2) Moving subsidy: 500 yuan per time per household</p> <p>(3) Transition subsidy: 300 yuan per month per household</p> <p>(4) Early moving reward: 3 yuan/m² per day (usually up to 10,000 yuan for not more than 15 days)</p> <p>(5) Price difference in compensation for house acquisition = building area of acquired house × compensation rate + appraised price decoration and attachments + bonus – price of resettlement housing + (-) price difference</p>
Demolition of non-residential properties	Non-residential properties totaling 4,736.5 m ² , including 8,974 m ² in frame structure (81.3%), 2,026 m ² in masonry concrete structure (18.35%) and 38 m ² in masonry timber structure (0.34%)	Shanhu Breeding Base (5 staff) and Baitan Lake Hotel (not operational)	Cash compensation will be granted based on market appraisal and an equipment moving subsidy provided.	<p>Benchmark rates: Reinforced concrete: 800 yuan/m² Masonry concrete: 700 yuan/m² Masonry timber: 550 yuan/m² Equipment moving subsidy: 500 yuan per time per household</p>

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
Temporary land occupation	77.5 mu of land, including 57.9 mu of collective land and 19.6 mu of state-owned land	42 households with 184 persons	(1) Compensation for temporary land occupation will be paid directly to the APs based on the actual period of occupation. (2) Temporary land occupation should be notified in advance and compensated for accordingly. (3) The temporarily occupied land will be restored by the construction agency.	Fishpond: 2,200 yuan/mu per annum Cultivated land: 1,550 yuan/mu per annum
Women	\	Affected women	(1) Women will have priority in employment, and at least 30% of them will receive unskilled jobs. (2) Women will have priority in receiving free skills training, in which at least 30% of trainees will be female laborers. (3) Women will receive relevant information during resettlement, and are able to participate in resettlement consultation. Special women FGDs will be held to introduce resettlement policies.	
Vulnerable groups	MLS households, households of old people living alone and households affected by disability	19 households with 38 persons	(1) An extra living subsidy will be granted. (2) Vulnerable groups will have priority in resettlement, including offering skills training and jobs to laborers in vulnerable households with priority. Eligible vulnerable groups will have priority in applying for small-amount secured loans. According to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City, building area for resettlement is up to 60 m ² for those widowed and destitute, and priority in housing selection is granted; each AP will also receive a commercial space of 10 m ² and have priority in selection. (3) Eligible vulnerable groups will be included in the urban and rural MLS system ³ with priority. (4) Urban and rural medical assistance will be provided to eligible vulnerable groups.	(1) A living subsidy of 3,000 yuan will be granted to each vulnerable household. (2) The MLS system will ensure that the per capita net income of each rural AH is increased to around 2,000 yuan/year and the per capita income of each urban AH is not less than 360 yuan/month.
Endowment insurance	Farm workers in Nanhu Farm, LEFs in Lukou Town	Eligible farm workers and	(1) The affected farm workers of Nanhu Farm will be covered by endowment insurance in accordance with the	See Section 5.1.7 for the insurance conditions, contribution rates and pension levels.

³ APs in Lukou town are rural population, the others in Nanhu Farm belongs urban population.

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
		6 LEFs ⁴	<p>Opinions on the Implementation of Basic Endowment Insurance for Farm Workers in Hubei Province (HPGO [2003] No.125).</p> <p>(2) The LEFs in Lukou Town will be covered by endowment insurance in accordance with the Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers in the Urban Area of Huanggang City (HMG [2008] No.19).</p>	
Special facilities and ground attachments	Toilets, wells, canals, cement roads, weed trees, landscaping trees, etc.	Proprietors	<p>(1) Affected special facilities will be restored by proprietors after receiving compensation from the owner of the Project, or reconstructed by the owner according to the original size, standard and function.</p> <p>(2) Compensation fees will be calculated and disbursed to owners for ground attachments as stipulated.</p>	See Table 4-7 for the compensation rates.
Grievances and appeals	\	All APs	Free; all costs so reasonably incurred will be disbursed from the Project contingencies	

⁴ It is anticipated that after about 5 years of continuous development of NED, all APs will be eligible for the endowment insurance.

5 Resettlement and Income Restoration

The objective of resettlement of the Project is to develop an action plan for restoration and restoration for those affected by the Project so that they benefit from the Project, and their living standard is improved or at least restored to the pre-project level.

Some principles for resettlement and rehabilitation have been developed according to the above objectives:

1. The willingness of affected persons should be respected, and their existing production and living traditions maintained;
2. Resettlement rehabilitation programs should be tailored to impacts of LA and HD, and based on compensation rates for LA and HD;
3. Resettlement rehabilitation programs should be combined with group construction, resources development, economic development and environmental protection programs so as to ensure the sustainable development of the affected village groups and persons; and
4. The standard of living of vulnerable groups adversely affected by the Project should be improved.

5.1 Restoration Programs for Collective Land Acquisition

According to the survey, almost all AHs support the Project and ask for cash compensation for LA. Restoration programs have been developed based on the degree of impact, availability of remaining land resources and expectations of the APs through consultation.

The slightly affected groups will receive cash compensation, where compensation fees will be paid fully and timely to the affected groups and /or AHs in strict conformity with the applicable state and local policies. The AHs may continue to farm on the remaining land, and develop merchandise, leisure tourism, transport and other operations using LA compensation fees. The seriously affected groups will receive replacement commercial land and obtain stores in addition to cash compensation, and receive skills training to promote nonagricultural employment.

According to the development plan of the New Eastern District (NED), the affected groups will still retain some land in the next 5 years, and their agricultural income increased by improving the conditions of the remaining land, and cultivation and aquaculture structure. In the long run, all land in the project area will be converted into urban construction land, and nonagricultural restoration measures will be taken, including offering replacement land and stores, promoting nonagricultural reemployment, conducting skills training and offering social security, so as to adapt the APs to future urban lifestyle.

The income restoration programs drafted under the Project are as follows:

5.1.1 Cash Compensation

Compensation for LA will be paid to the affected groups according to Table 4-3. In Lukou Town, the compensation rate for cultivated land is 28,350 yuan/mu (including compensation for young crops), and that for fishpond and garden land 29,700 yuan/mu; in Nanhu Farm, the compensation rate for cultivated land is 32,550 yuan/mu (including compensation for young crops), and that for fishpond and garden land 34,100 yuan/mu.

All affected groups in Lukou Town are rural collective economic organizations, where

land is collectively owned, so LA land compensation will be paid to these groups. For farmland contracted to households, land compensation fees (8 times the AAOV) will be retained by each group to pay endowment insurance premiums, and resettlement subsidies and young crop compensation fees will be paid to the AHs for agricultural development and nonagricultural livelihood restoration.

Table 5-1 Distribution Program of Compensation for Rural Collective Land in Lukou Town

Town	Area type	Nature of land	Uniform AAOV (yuan/mu)	Multiple of land compensation fees	Multiple of resettlement subsidy	Multiple of young crop compensation fees
Lukou	Tier-3	Collective	1350	8	12	1
Amount (yuan/mu)				10800	17750	
Received by				Village groups	AHs	

Nanhu Farm has transferred its business mode to Family-Contract-Management system, and the Farm also acts as Nanhu Street Office and provide administration and public services for the workers and their dependents. Most the workers lease land and fish ponds from Nanhu Farm and get employed in the Nanhu Industrial Park at the same time which is located in the south of NED. All land of Nanhu Farm is state-owned, so all land compensation fees and resettlement subsidies will be paid to Nanhu Farm, and compensation fees for young crops and ground attachments paid to the affected farm workers. Nanhu Farm will use land compensation fees and resettlement subsidies to pay living subsidies and cover endowment insurance for the affected farm workers, including: 1) granting a living subsidy of 260 yuan/month to female workers aged above 40 years and males aged above 50 years for 10 years; and 2) covering endowment information for the affected farm workers. Since each affected farm worker's family has or will have two members who receive the above living subsidy, which amounts to 62,400 yuan in 10 years and is higher than the compensation for its lost land, the actual income of the affected farm workers of Nanhu Farm is higher than their land compensation fees receivable.

Table 5-2 Distribution Program of Compensation for State-owned Land in Nanhu Farm

Town	Area type	Nature of land	Uniform AAOV (yuan/mu)	Multiple of land compensation fees	Multiple of resettlement subsidy	Multiple of young crop compensation fees
Nanhu Farm	Tier-2	State-owned	1550	8	12	1
Amount (yuan/mu)				31000	1550	
Received by				Nanhu Farm	Proprietors	

Note: In Nanhu Farm, a living subsidy of 260 yuan/month will be granted to female workers aged above 40 years and males aged above 50 years for 10 years, and the affected farm workers will be covered by endowment insurance.

The above AHs may use compensation fees they will receive and small-amount secured loans (see details in 5.4) for crop or aquaculture restructuring, purchasing vehicles, developing merchandise or working outside after receiving resettlement subsidies or living subsidies, or take the following agricultural and nonagricultural restoration measures under government assistance.

5.1.2 Social Security

Depending on land nature and personal identity, the social security measures offered under the Project include endowment insurance for LEFs in Lukou Town, and basic living

subsidy and endowment insurance for farm workers in Nanhu Farm. The APs can voluntarily participate in these social security systems of their free will.

1. Social security for LEFs of Lukou Town

According to the Notice on the basic endowment insurance for LEFs in the eastern new district of Huanggang City (The Draft, 2013), the LEFs in NED can enroll in the basic endowment insurance according to this notice. If he/she meets the following conditions at the same time: 1) live in NED and loss land after the NED established in October, 2010; 2) signed the family land contract with the rural committee and still own the rights of the second round of collective land contract when the land acquired; 3) the cultivated land of the household is less than area of 0.3 mu per capita after LA; and (4) aged 16 years or above.

(1) Participation procedure and contribution

- 1) If aged between 16 to 60 years, they can select to participate in the basic endowment insurance for urban workers or the endowment insurance for urban and rural residents voluntarily when the land was acquired;
- 2) If aged above 60 years, they can participate in the endowment insurance for urban and rural residents voluntarily when the land was acquired;
- 3) Contribution measures:
 - After the notice is issued, the insurance fee of the endowment insurance of LEFs shall be paid with a ratio of 28% on the basis of 60% of the average wage of urban workers in the last year in Huanggang City. The specific means for payment are as follows: a 16 years old men shall pay the insurance fee with 0.5 year on the basis of above rate, 17 years old with 1 year fee, 18 years with 1.5 years' fee, 19 years old with 2 years' fee, and so on, one man can pay for 10 years at most. Such insurance fee shall be paid for social security institute in one-time, and the sharing proportion among individual, collective and the government is 40:20:40 respectively.
 - When the person who voluntarily participates in the basic endowment insurance for urban workers pays the insurance fee for 15 years, he/she will get eligible for the pension when retired.
 - LEFs who are aged over 60 years will participate in the endowment insurance for urban and rural residents immediately, he/she does not need to pay for any fee since the village committee and government will burden this cost. The payment rates are: Government subsidies= the average wage of workers in the last year in Huanggang City $\times 60\% \times 28\% \times 10 \text{ years} \times 40\%$, while the village committee subsidies= the average wage of workers in the year in Huanggang City $\times 60\% \times 28\% \times 10 \text{ years} \times 20\%$.

(2) Pension level

- 1) LEFs who are aged 60 years and participate in the endowment insurance for urban and rural residents will receive their pension (396 yuan per month in 2013) according to the releasing methods of the urban and rural residents' endowment insurance.
- 2) LEFs who participate in the basic endowment insurance for urban workers and pay for the insurance fee for 15 years will receive their pension according to the releasing methods of the urban workers' endowment insurance (about 1200 yuan per month in 2013), when a man reaches 60 years old and a woman reaches 55 years old.

The contribution and pension for the LEFs are presented in Table 5-3.

Table 5-3 Contribution and Pension Benefits for LEFs

No.	Age	Type of endowment level	Total cost for endowment insurance (yuan)	Individual contribution (yuan)	Pension level (yuan/month)	Age eligible for pension
1	16-60	Urban workers	37000	37000	About 1200	Man: 60 Woman: 55
2	16-60	Urban and rural residents	37000	14800	396	Man: 60 Woman: 60
4	60 and Above	Urban and rural residents	0	0	396	Man: 60 Woman: 60

2. Social endowment insurance for farm workers of Nanhu Farm

The key points of the Opinions on the Implementation of Basic Endowment Insurance for Farm Workers in Hubei Province (HPGO [2003] No.125) are as follows:

(1) Insured

Urban and rural residents having attained 16 years (excluding students) and having not participated in basic endowment insurance for urban workers

(2) Funds

Basic endowment insurance premiums will be paid by enterprises and farm workers jointly.

- For a nonagricultural enterprise, the base amount for basic endowment insurance premiums is its average monthly wage in the last year; for an individual worker, the base amount is the monthly average pay in the previous year, and should not be less than 60% and not more than 300% of the average pay of local farm workers in the previous year.
- For an agricultural enterprise, the base amount for basic endowment insurance premiums is the average pay of local farm workers in the previous year; for an individual worker, the base amount is 100-300% of the average pay of local farm workers in the previous year.
- The percentages of contribution to basic endowment insurance by an insured agricultural enterprise and its individual workers are the same as those of urban enterprises and their workers (the worker will pay 8% of his wage and the enterprise will pay 20% of the wage for the endowment insurance).

(3) Endowment Pension

- Workers retired before insurance

For an eligible retired farm worker, basic pension may be the MLS standard for urban residents plus a seniority-based subsidy and an adjustment, where the seniority-based subsidy is 1 yuan for each year worked, and the adjustment is based on seniority and the current pay level for retired farm workers. The final pension level should not be less than the MLS standard for urban residents.

➤ Workers retired after insurance

- (1) For new retirees of nonagricultural enterprises, basic pension is calculated and paid based on that for local urban workers.
- (2) For new retirees of agricultural enterprises, basic pension consists of a basic pension, a transitional pension, an individual account pension and a subsidy, and is based on the average pay of local farm workers in the previous year as follows:

Monthly basic pension = monthly average pay of local farm workers in the previous year × 20%

Monthly transitional pension = monthly average pay of local farm workers in the previous year × 0.6 × 1.2% × equivalent period of contribution before the end of 1995

Monthly individual account pension = balance of the individual account ÷ 120

Monthly subsidy: 50% of the monthly integrated subsidy (about 100 yuan) for local urban retirees.

5.1.3 Crop Restructuring

In the project area, 46.34% of the AHs in Lukou Town and 18.18% of those in Nanhu Farm have land loss rates of less than 10%. These households may use compensation fees and small-amount secured loans or living subsidies for crop restructuring to increase agricultural income. The specific measures as follows:

1. Crop cultivation development

In the project area, the main crops are paddy rice, wheat and rape, with relatively low output value per mu. Since the project area is close to the urban area of Huangzhou District, it is appropriate to develop such cash crops as greenhouse vegetables, melons and fruits, which will have a significant income-generating effect. See Table 5-4.

Table 5-4 Crop Restructuring Program for the Affected Villages/Communities

Township	Village	Details	Size (mu)	Expected number of beneficiary HHs	Directed by
Lukou Town	Baizhangzui Village	Cultivating greenhouse or outdoor vegetables, including radish, eggplant, cucumber, potato, pepper, etc.	60	25	Huangzhou District Agriculture Bureau, Lukou Town Government
	Cigang Village		40	20	
	Lukou Village		50	25	
	Wangjiawan Village		50	25	
	Subtotal		200	95	
Nanhu Farm	Group 4	Cultivating greenhouse or outdoor vegetables, including edible fungi, pumpkin, balsam pear, watermelon, etc.	60	30	Huangzhou District Agriculture Bureau, Nanhu Farm
	Group 5		70	35	
	Subtotal		140	65	

2. Aquaculture development

Since there is extensive water surface around NED, remaining fishponds after LA may be used to develop leisure tourism, fishing, sightseeing fishery and fry incubation to aquaculture income. See Table 5-5.

Huangzhou District Aquatic Products Bureau (HDAPB) will make the new aquaculture surface of Xingfu Fish Farm first available to the affected households willing to carry on aquaculture. Xingfu Fish Farm has a total aquaculture surface of 2,050 mu, including 500 mu of fry breeding ponds and 1,550 mu of well-equipped intensive fishponds. There are 100 intensive fishponds in total, measuring 15-20 mu each, with an average depth of 2.5m.



Figure 5-1 Location of Xinfu Fish Farm

Table 5-5 Aquaculture Restructuring Program for the Affected Villages/Communities

Township	Village	Details	Size (mu)	Expected number of beneficiary HHs	Directed by
Lukou Town	Baizhangzui Village	Leisure fishery, fry incubation, intensive fish culture	15	7	Huangzhou District Aquatic Products Bureau, Lukou Town Government
	Cigang Village		15	7	
	Lukou Village		20	10	
	Wangjiawan Village		25	13	
	Subtotal		75	37	
Nanhu Farm	Group 4	Leisure fishery, fry incubation, intensive fish culture	30	15	Huangzhou District Aquatic Products Bureau, Nanhu Farm
	Group 5		30	15	
	Subtotal		60	30	

5.1.4 Commercial Land Development for APs

1. Provision of commercial land

According to the resettlement policy for LA of the NED, the affected villages and communities will receive state-owned construction land of 3% of the acquired land and 20 m² per capita for livelihood restoration, and may use such land for development and construction so as to benefit the APs directly. It is estimated that 279.2 mu of land will be provided in

Nanhu Farm and 79.9 mu in Lukou Town over the next 3 to 8 years⁵. See Table 5-6.

Table 5-6 Development Modes for Replacement Land and Modes of Benefiting

No.	Development mode	Operating mode	Mode of benefiting
1	Commercial housing and store construction	Collective or household	Selling housing and stores to the AHs at cost or preferential price, or distributing income to the AHs after sale or lease
2	Construction of specialized markets	Collective	Constructing specialized markets for building materials, automobiles, commodity wholesale, logistics, etc., distributing income to the AHs, and leasing stalls to the AHs with priority
3	Land lease	Collective	Leasing land and distributing income to the AHs

2. Provision of stores

In about 5 years, all land in the project area will be acquired. According to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City, each AP will also receive a commercial space of 10 m² for income security. Commercial spaces are available in the resettlement community as stores. These stores may be operated and managed by the AHs to obtain a stable income source, or by village collectives to distribute income to the AHs on a long-term basis. These stores are built in the resettlement communities and will be provided with the resettlement houses at the same time.

The income raised from the stores provided to APs will cover the land loss and will significantly increase their income level. See details in the Table 5-7.

Table 5-7 Evaluation of the increasing income raised from stores

Average Family members	Provision of stores (m ²)	Average monthly Rent level (yuan/m ²)	Yearly rental (yuan)	Rental incomes per capita (yuan/year) (A)	Per capita Land loss induced by LA (yuan/year)(B)	Increasing income per capita yuan/year (A-B)
4	40	30	14400	3600	From 227 to 2330	From 1270 to 3373

Note: the average monthly rent level will increase with the development of NED.

⁵ The land from one project may be too small to meet the need of commercial development, so normally the local government will provide the land to affected groups when the amount from several projects is of suitable size; this could take 3 to 8 years.

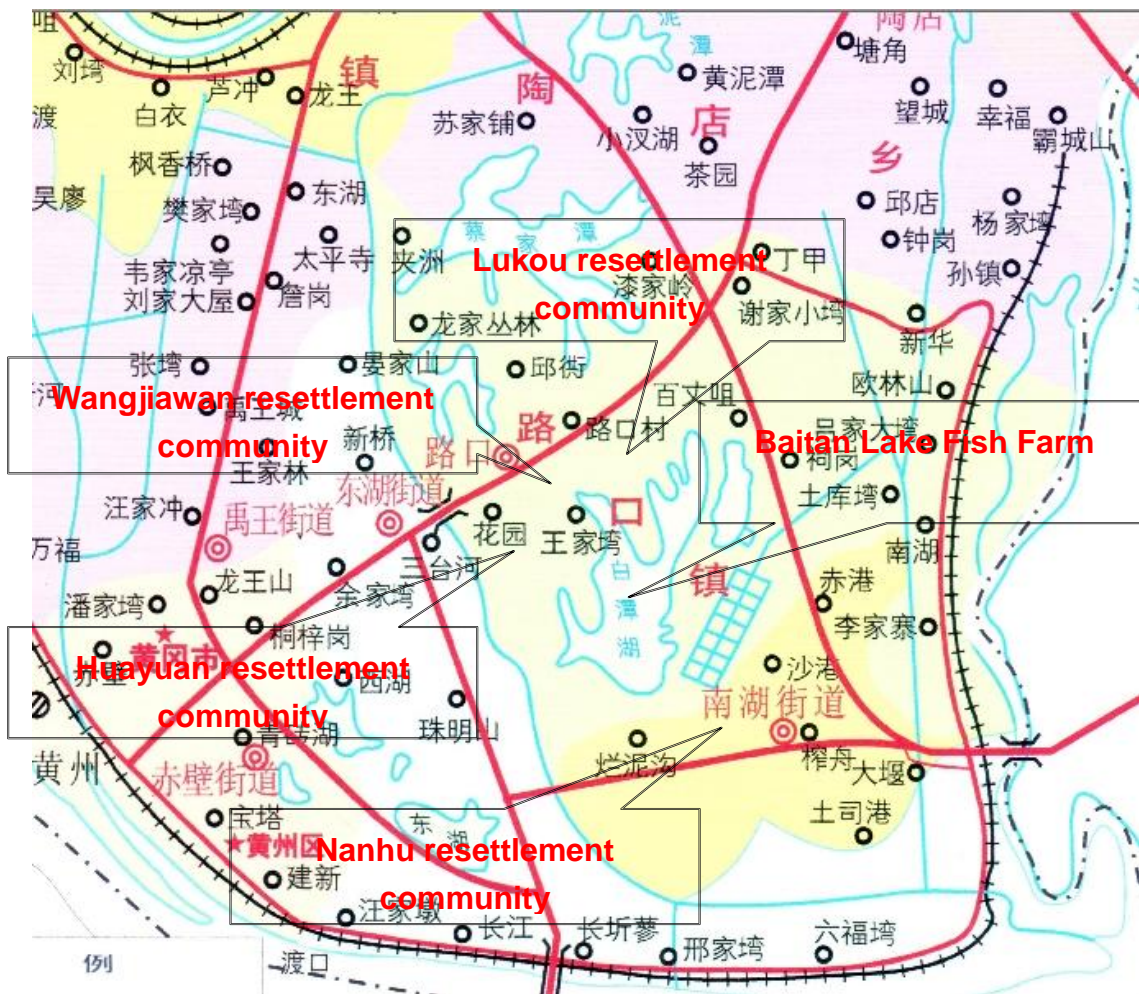


Figure 5-2 The location of four resettlement communities

5.1.5 Nonagricultural Employment

The surplus labor arising from LA in the Project, especially young adult labor, will be resettled by reemployment. The main nonagricultural employment measures are:

1. Placement to public service jobs

During the development of the NED, it is estimated that 200 public service jobs will be generated annually, including landscaping and environmental sanitation workers, security guards, and wardens, which will be first made available to the APs.

2. Social employment

With the development of the project area, a large number of enterprises and public institutions will be introduced, and generate a large number of skilled and unskilled jobs. As estimated by the labor and social security bureau, about 1,500 jobs in the NED and surrounding industrial parks will be available to the APs per annum.

3. Employment under the Project

The Project will generate some job opportunities during construction, and management and maintenance stages, which will be first made available to the APs. See Table 5-8.

Table 5-8 Summary of Expected Jobs Generated by the Project

Stage	Type of jobs	Project jobs per annum provided to APs	Base pay (yuan/month)	Public service jobs provided to APs	Remarks
Construction	Unskilled	500	1200	60	Civil works
	Skilled	100	1500	30	
After completion	Unskilled	100	1200	140	Project management and maintenance
	Skilled	50	1500	60	

Aiming at the above employment demand, the labor and social security bureau will collect employment information, and release it in the affected villages and communities, so that the APs may choose suitable jobs. During employment, employers will enter into labor contracts with employees, conduct necessary safety and pre-job training, and pay wages that are not less than the current minimum wage standard of Huanggang City, which was 1,020 yuan/month for full-time employees or 11 yuan/hour for part-time employees in 2013.

4. Small-amount lending incentive mechanism for promoting independent business startup

A small-amount lending incentive mechanism has been established in Hubei Province in accordance with the Notice of the Hubei Provincial Government on Promoting Business Startup and Employment (HPG [2008] No.60) to promote business startup and employment. Since 2009, supporting measures for independent business startup, such as lending support, tax relief and financial subsidization, have been provided, as detailed in Appendix 6. The APs will have priority in enjoying such preferential and supporting measures during independent business startup.

5.1.6 Skills Training

In order to implement the above resettlement measures successfully, it is necessary to improve the labor skills of the APs through skills training. The labor and social security bureau will conduct free agricultural and nonagricultural skills training as follows:

1. Trainees

Trainees are registered residents of Huanggang City affected by LA or HD, aged 18 years or above. 3 sessions of skills training will be conducted in Lukou Town and Nanhu Farm, 300 person-times per session and 1,800 person-times in total. At least 50% will be women.

2. Scope

Based on the local industry mix and market demand, skills training will be focused on crop cultivation, aquaculture, services and building. The main types of work available for training include vegetable grower, nursery worker, poultry/livestock raiser/breeder, fish breeder, bricklayer, farm machinery operator/repairer, motorcycle repairer, stonecutter, painter, electric welder, tailor, concrete worker, waterproofing worker, masonry worker. After the completion of training, the Huanggang Municipal Labor and Social Security Bureau will issue certificates as evidence of training.

3. Organizational structure

HMG has established the county leading group for reemployment of rural labor, and the Huanggang Municipal Labor and Social Security Bureau will provide skills training.

4. Funding

The skills training budget for the APs is 300,000 yuan and will be disbursed from municipal finance, including organizational funds, teaching material costs, printing costs, examination costs, practice costs and trainer remuneration. See table5-9.

Table 5-9 Summary of Training Programs in the Project Area

Township	Number of sessions	Person-times trained per annum	Scope	Agency responsible	Funding source
Nanhu Farm	3	900	Agricultural skills training: vegetable grower, nursery worker, poultry/livestock raiser/breeder, fish breeder Nonagricultural skills training: bricklayer, farm machinery operator/repairer, motorcycle repairer, stonecutter, painter, electric welder, tailor, concrete worker, waterproofing worker, masonry worker	Huangzhou District Human Resource and Social Security Bureau	Special fiscal funds of 300,000 yuan in 3 years
Lukou Town	3	900			
Total	6	1800			

5.1.7 Supplementary Action Plan for Baitan Lake Fish Farm

As of the date of this report, LA for BLFF had been completed and the compensation for APs has been disbursed already, but the livelihood restoration measures were being implemented (see details in the DDR for the LAR of BLFF), and some key measures had not been implemented yet, including:

- a. The NED Construction Headquarters and Huangzhou District Aquatic Products Bureau (HDAPB) promised to provide a per capita commercial land of 20 m² to the affected workers of BLFF, but the site and size of the land for commercial development, and the mode of development had not been determined because the NED was still at the early stage of development. This measure has not begun to generate income for the AHs yet.
- b. The affected farm workers and their dependents had not been covered by endowment insurance, and contribution levels and percentages, and pension levels had to be further negotiated.
- c. The second installment for LA compensation payment of CNY 57.929 million is to be paid to HDAPB by June 2014.

In order to promote the implementation of all resettlement measures, fulfill the resettlement objectives, and ensure that the living standards and production levels of the APs are well restored, the Huanggang PMO has drafted the following supplementary action plan:

- a. The NED Construction Headquarters and HDAPB will finalize the plan for offering commercial spaces to the affected former workers of BLFF through extensive consultation, and implement such plan after its approval by the end of 2014;
- b. Coordinate with the Huangzhou District Labor and Social Security Bureau, and HDAPB to finalize the plan for endowment insurance for the affected farm workers and dependents through extensive consultation, and implement such plan after its approval by the end of 2014;
- c. HDAPB will assist affected villagers to (i) either lease fish ponds at Xinfu Fish Farm or other ponds and (ii) seek employment opportunities in NED, including provision of technical training; and

- d. Include the livelihood restoration of the APs in internal and external resettlement M&E, with focus on the implementation progress of these supplementary actions, and report to the Huanggang Project Leading Group and ADB semi-annually.

The East New District construction headquarters will be in charge of the implementation of above supplementary action plan which needs to be completed by the end of December 2014. Huanggang PMO will take charge of the coordination and management, as well as external monitoring and periodical reporting to ADB.

5.2 Resettlement Programs for Demolition of Residential Houses

22 households with 79 persons will be affected by the demolition of residential houses. The demolished rural houses are characterized by unsound supporting facilities and aged structure. HD and resettlement activities in the Project will provide an opportunity for the AHs to improve residential conditions.

The resettlement modes for the demolition of residential houses include cash compensation and property swap. All the AHs prefer property swap.

Table 5-10 Expected Resettlement Modes of AHs

Group	AHs	APs	Resettlement mode	
			Cash compensation	Property swap
Group 4 of Baizhangzui Village	22	79	0	22
Percent			0%	100%

5.2.1 Cash Compensation

According to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City (HNDO [2012] No.9), all demolished houses and attachments may be subject to cash compensation.

- a. The land on which the acquired houses are located is collective or allocated state-owned land. In case of cash compensation, the amount of compensation will be appraised by a qualified real estate appraisal agency.
- b. Appraised prices of houses demolished for the Project will be free from depreciation, and not less than the set benchmark rates. In addition to compensation for houses and attachments, the AHs will also receive a moving subsidy, a transition subsidy, etc. See Table 4-5.

5.2.2 Property Swap

According to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City (HNDO [2012] No.9), the resettlement measures for property swap are as follows:

- Each registered member of an AH will receive a building area of 40 m². The DHs will receive additional building area of 40 m² in the following cases: a woman in the family has got a birth certificate according to the family planning policy, the couple has only one child and get the one child certificate, the young man reach the legal age of marriage but not get married (without double counting). For example, a couple with 2 children will receive a building area of 160 m², if the one child reach the legal age of marriage but not get married, they will receive a building area of 200 m².

- If an AH is small and its acquired housing size exceeds resettlement housing size, resettlement housing will be offered at 50% of actual main building area, up to 240 m². (Any excess will be compensated for at 400 yuan/m² in addition to the compensation rate for former structure.)
- Building area for resettlement is up to 60 m² for those widowed and destitute.
- In addition, each AP will also receive a commercial space of 10 m².

In case of property swap, compensation fees for an acquired house will not be paid, and only the transition and moving subsidies will be paid. The purchase price of resettlement housing (**the price of resettlement housing is the same as the compensation rate for houses in masonry concrete structure (700 yuan/m²)**) and the amount of compensation for the acquired house will be settled upon handover of resettlement housing as follows:

Price difference in compensation for house acquisition = building area of acquired house × compensation rate + appraised price of decoration and attachments + bonus – price of resettlement housing + (-) price difference (Note : If the demolished house area is greater than the area of resettlement house due to the DHs, they will receive additional cash compensation with a rate of increasing 400 yuan/m² from the basic compensation rates in line with different structure. And when the selected resettlement house area is greater than the area of demolished house, the DHs should pay for the additional area with a price of 1500yuan/m² within the limits of 10 m² and with a market price (about 3500yuan/m²) for the area beyond 10 m².

The Lukou Resettlement Community proposed for the Project is as follows:

1. The Lukou Resettlement Community is located east of Jiangling Road, west of Jufeng Road, south of Jingsheng Road and north of Heming Road, with a land area of 71,847m², a planned building area of 147,119.45m², a kindergarten of 1,800m², commercial spaces totaling 33,700m², and a building area to land area ratio of 2.54. The resettlement buildings have one underground floor and 17 aboveground floors. Resettlement housing is available in 6 sizes, namely 60 m², 80 m², 100 m², 120 m², 135 m² and 160 m², and there are 1,307 suites in total, in which 60 m² suites account for 2.78%, 80 m² suites for 11.11%, 100 m² suites for 22.22%, 120 m² suites for 44.44%, 135 m² suites for 13.89% and 160 m² suites for 5.56%. The 60 m² version for old people will have a bathroom and a kitchen.
2. The resettlement community is planned, designed and constructed in strict conformity with the national regulations and standards on construction quality and management, and is provided with sound supporting facilities.
3. The resettlement community will be subject to uniform property management, and a special maintenance fund at 2% of housing price established, in which individuals and village collectives pay 50% each.
4. The land use right of resettlement housing will be acquired by transfer and owned by proprietors.
5. Upon handover, water and power supply, cable TV, telephone and Internet lines, gas pipelines and roads will be available.



Figure 5-3 As-built Drawing of the Lukou Resettlement Community (under construction)

5.3 Resettlement Programs for Demolition of Non-residential Properties

The two entities affected by the demolition of non-residential properties will be subject to one-time cash compensation as follows:

Table 5-11 Resettlement Programs for Demolition of Non-residential Properties

No.	Entity	Nature	Operating state	Resettlement program	Remarks
1	Shanhu Breeding Base	Private	Poultry breeding on leased land	Granting one-time cash compensation based on market appraisal and an equipment moving subsidy, assisting in leasing premises nearby NED to restore operation and hiring former employees	The owner promises to employ the former workers and provide the same salary after demolition.
2	Baitan Lake Hotel	State-owned	Laid idle for many years, not put into operation	Granting one-time cash compensation based on market appraisal; no workers are employed.	Funded by the Huangzhou District River Sand Mining Bureau

5.4 Women's Development Measures

During the resettlement process, women's rights and interests will be fully protected, and women will be allowed to play an important role in socioeconomic and resettlement activities. The measures to promote women's development under the Project include:

1. Startup fund for women

In order to provide greater support to women's business startup and employment, the Huanggang Municipal Women's Federation and Finance Bureau issued the Implementation Plan for Supporting Women's Business Startup and Employment, and Improving the Fiscal Discounting Policy for Small-amount Secured Loans (HMFB [2010] No.95). Women will enjoy priority in applying for startup funds. The detailed provisions of this policy are as follows:

Subjects:

Urban and rural women eligible as applicants for small-amount secured loans, physically healthy, honesty and creditable, having the wish for business startup, a project and

a place of business, and having no bad family credit record

Policy:

- ✓ For eligible urban and rural women, the upper limit for personal loans will be 80,000 yuan; for eligible women operating together, per capita upper limit may be increased to 100,000 yuan and total amount will not exceed 500,000 yuan. All small-amount secured loans will be fully discounted during the term of loan of 2 years.
- ✓ The interest rate of small-amount secured loans newly granted to urban and rural women would 3 percentage points above the basis of the benchmark loan rate published by the People's Bank of China; repayment is to be made within 2 years.

2. Women enjoy equal participation and decision-making rights in the development of resettlement programs.

During the public consultation process, and at village or village group meetings at which resettlement programs are discussed, women should enjoy equal participation and decision-making rights, and not less than 30% of attendees should be women. In addition, the Resettlement Office should have female staff.

3. The compensation agreement must be signed by the couple.

In order that a couple on an AH has equal right to know the compensation rates of the Project and equal right to dispose of compensation fees, all AHs in the Project agree that the couple should sign together to receive compensation fees.

A Gender Action Plan was prepared for this Project, see details in the Social Assessment Report for this Project.

5.5 Assistance Measures for Vulnerable Groups

A support fund for vulnerable groups (2% of basic resettlement costs) will be established under the Project to support vulnerable groups affected by the Project.

The main vulnerable groups affected by the Project are households of old people living alone, MLS households and households affected by disability. In the affected population, 19 households with 38 persons fall into vulnerable groups (refer to Section 2.8.2). During the whole resettlement process, vulnerable groups not only will be subject to living and production resettlement as planned, but also be provided certain assistance to improve their living and production conditions. The key measures are as follows:

(1) Granting an extra living subsidy

The Project will establish a vulnerable group support fund and provide extra subsidy to vulnerable households in accordance with specific conditions.

(2) Giving priority to vulnerable groups in resettlement measures

During resettlement, affected vulnerable households will have priority, including: Vulnerable groups will have priority in resettlement, including offering skills training and jobs to laborers in vulnerable households with priority. Eligible vulnerable groups will have priority in applying for small-amount secured loans. According to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City, building area for resettlement is up to 60 m² for those widowed and destitute, and priority in

housing selection is granted; each AP will also receive a commercial space of 10 m² and have priority in selection.

(3) Including eligible vulnerable groups in the MLS system with priority

According to Huanggang City's MLS policy for urban and rural residents, eligible vulnerable groups affected by the Project will be included in the MLS system and receive MLS benefits so as to ensure that the per capita net income of each rural AH is increased to around 2,000 yuan/year and the per capita income of each urban AH is not less than 360 yuan/month. And the amount of MLS benefits will increase each year based on inflation.

(4) Providing urban and rural medical assistance to eligible vulnerable groups

Eligible urban and rural residents will be provided with medical assistance pursuant to the Implementation Rules for Medical Assistance for Poor Residents in Huangzhou District (HDCAB [2010] No.102) to solve the difficulty of vulnerable groups in medical treatment.

Subjects:

- Subjects of urban/rural MLS;
- Subjects of rural five-guarantee support;
- Rural residents having living difficulty due to illness other than subjects of MLS and rural five-guarantee support
- Urban/rural residents having living difficulty due to serious illness
- Other subjects approved by the district government

Rates and modes:

- For any subject of urban and rural MLS, the amount of assistance shall be 40%, and shall not exceed 20,000 yuan annually.
- For any subject of urban "three-noes" and rural five-guarantee support, the amount of assistance shall be 80%, and shall not exceed 20,000 yuan annually.
- For any seriously mentally ill subject of urban and rural MLS, the amount of assistance shall be 3,500 yuan per time.
- For any urban low-income or rural destitute patient, the amount of assistance shall be 20%, and shall not exceed 5,000 yuan annually.
- In case of assistance for any subject approved by the district government, the amount of assistance shall not exceed 1,500 yuan if self-paid amount is not more than 10,000 yuan, not exceed 3,000 yuan if 10,000-20,000 yuan, and not exceed 5,000 yuan if more than 20,000 yuan, and shall not exceed 5,000 yuan annually.

5.6 Restoration Program for Infrastructure and Ground Attachments

The ground attachments affected by the Project will be compensated for at replacement, so that proprietors may replace or reconstruct such attachments.

Affected special facilities and ground attachments will be restored by proprietors after receiving compensation from the owner of the Project. Restoration measures for demolished facilities must be planned in advance, and suited to local conditions so as to be safe, efficient, timely and accurate, with minimum adverse impact on nearby residents. Affected public facilities will be demolished according to the construction drawings without affecting project construction and with minimum amount of relocation. Affected pipelines will be rebuilt before demolition (or relocated) without affecting regular lives of residents along such pipelines (including those not to be relocated).

6 Resettlement Organizational Structure

6.1 Resettlement Implementation and Management Agencies

6.1.1 Organizational Setup

Since resettlement is a very comprehensive task that needs the assistance and cooperation of various departments, the departments concerned will participate in and support resettlement implementation. Each affected township or village has one or two chief leaders responsible for resettlement. The agencies responsible for LA and HD in the Project are:

- Huanggang Project Leading Group
- Huanggang Urban Construction Investment Co., Ltd.(HUCIC)
- NED Construction Headquarters
- Huanggang PMO
- Resettlement Office(s)
- Huangzhou District Human Resource and Social Security Bureau
- Nanhu Farm, Lukou Town Government
- Affected villages and communities
- Design agency
- External M&E agency
- Other agencies, e.g., land and resources bureau, HD management office, women's federation, labor and social security bureau

6.1.2 Organizational Responsibilities

- **Huanggang Project Leading Group**
Leading the decision-making and construction of the Project.
- **Huanggang Urban Construction Investment Co., Ltd.**
 - (1) Raising resettlement fund
 - (2) Be liable for payment of resettlement fund.
 - (3) Applying to relevant department for land planning license and land use and construction license
- **Huanggang PMO**
 - (1) Appointing a resettlement consulting agency to prepare for resettlement
 - (2) Coordinating the consulting agency with other agencies at the preparation stage
 - (3) Coordinating the implementation progress of the Project and the RP
 - (4) Reporting the resettlement fund disbursement plan and supervising the disbursement of funds
 - (5) Coordinating the work of the resettlement agencies
 - (6) Coordinating the work of ADB resettlement experts at the preparation and implementation stages.
- **Resettlement Office under NED Construction Headquarters**
 - (1) Preparing for resettlement with the resettlement consulting agency
 - (2) Developing policies under this RP
 - (3) Reporting the progress of resettlement to the Huanggang PMO

- (4) Reporting communication and coordination with other agencies during resettlement to the Huanggang PMO
 - (5) Responsible specifically for resettlement implementation
 - (6) Managing resettlement files
 - (7) Conducting internal resettlement monitoring
 - (8) Handling grievances and appeals of APs arising from resettlement
 - (9) Supporting the work of the external M&E agency
 - (10) Supervising the construction of the resettlement community
 - (11) Implementing employment measures for the APs
 - (12) Training persons responsible for resettlement.
- Huangzhou District Human Resource and Social Security Bureau
Responsible for the implementation of livelihood training activities
- **Nanhu Farm and Lukou Town Government**
 - (1) Participating in the survey of the Project, and assisting in the preparation of the RP;
 - (2) Organizing public participation, and propagandizing the resettlement policies;
 - (3) Implementing, inspecting, monitoring and recording all resettlement activities within the township;
 - (4) Disbursing and managing land compensation fees;
 - (5) Supervising LA, the demolition of properties and attachments, house reconstruction, and resettlement;
 - (6) Reporting LA, HD and resettlement information to the PMO and Resettlement Office;
 - (7) Handling grievances and appeals of APs;
 - (8) Coordinating and handling conflicts and issues arising from its work.
- **Affected villages and communities**
The resettlement working team of a village committee or village group is composed of its key officials. Its main responsibilities are:
 - (1) Participating in the socioeconomic survey and DMS;
 - (2) Organizing public consultation, and propagandizing the policies on LA and HD;
 - (3) Organizing the implementation of agricultural and nonagricultural resettlement activities;
 - (4) Handling grievances and appeals of APs, and Reporting APs' opinions and suggestions to the PMO;
 - (5) Providing assistance to displaced households with difficulties.
- **Design agency**

At the planning and design stage, it will survey the physical indicators of LA and HD, the environmental capacity, the usable resources, etc. accurately, and assist the governments in the project areas in formulating resettlement programs, preparing budgetary investment estimates for compensation for LA and HD, and drawing the relevant drawings.

At the implementation stage, it will submit the design documents, technical specifications, drawings and notices to the owner timely, make design disclosure to the PMO, assist in the implementation of the relocation and resettlement for production of the APs, and improve the resettlement programs based on the practical situation.
- **External M&E agency**
The project owner will employ a qualified M&E agency as the external resettlement monitoring agency. Its main responsibilities are:

- 1) Observing all aspects of resettlement planning and implementation as an independent M&E agency, monitoring and evaluating the resettlement results and the social adaptability of the APs, and submitting resettlement M&E reports to the PMO and ADB; and
- 2) Providing technical advice to the PMO in data collection and processing.

6.1.3 Organizational Chart

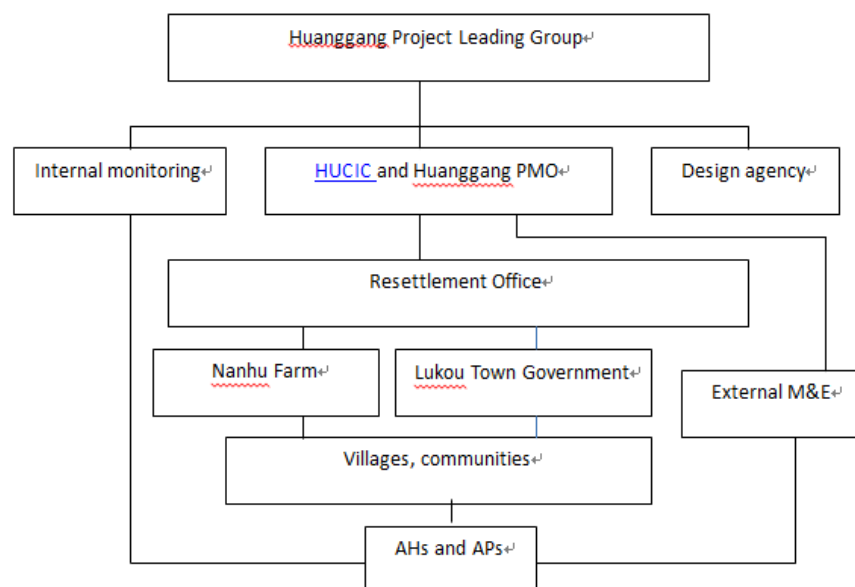


Figure 6-1 Organizational Chart for Resettlement

6.2 Staffing and Equipment

6.2.1 Staffing

In order to ensure the successful implementation of the resettlement work, all resettlement agencies of the Project have been provided with full-time staff, and a smooth channel of communication has been established. See Table 6-1 and Table 6-2.

Table 6-1 Staffing of Resettlement Agencies

Agency	Workforce		Composition
	Male	Female	
Huanggang Project Leading Group	3	2	Civil servants
Huanggang PMO	2	2	Civil servants, technicians
Resettlement Office	5	2	Civil servants, technicians
Nanhu Farm	2	1	Civil servants
Lukou Town Government	2	1	Civil servants
Affected villages and communities	3	3	Officials and AP representatives in each village/community
Design agency	2	1	Senior engineers, engineers
External M&E agency	tbd	tbd	Resettlement experts, M&E staff

Table 6-2 Heads of Resettlement Agencies

No.	Agency	Name	Tel
1	Resettlement Office	Hu Liangshan	0713-8454760
2		Hu Yi	0713-8454760
3	NED Construction Headquarters	Qiu Hong	0713-8453162
4		Biao Shandong	0713-8453162
5		Sun Haibing	0713-8453162
3	Nanhu Farm	Luo Haifeng	0713-8341068
4		Lin Bowen	0713-8341069
5		Han Youhong	0713-8349160
6	Nanhu Group 4	Sun Chuping	13636029066
7		Liu Wenbing	13476578539
8	Nanhu Group 5	Zhan Xianglin	13508657660
9		Yang Zhigang	13986556776
10	Zhaizhoujie Community	Liu Qiankun	18995768969
11	Lukou Town	Dong Chengzhi	0713-8453152
12		Yang Lei	0713-8453152
13	Lukou Village	Xie Aiwu	13409931068
14	Wangjiawan Village	Xia Xiaoming	13477612070
15	Baizhangzui Village	Long Feng	13636023995
16	Cigang Village	Chen Dajiang	13476679967

6.2.2 Equipment

All resettlement agencies have been provided basic office, transport and communication equipment, including desks and chairs, PCs, printers, telephones, facsimile machines and vehicles.

6.2.3 Organizational Training Program

In order to ensure the successful implementation of the resettlement work, the resettlement staff must be trained under the leadership of the Huanggang PMO and Resettlement Office.

A staff training and human resources development system for the municipal-, county-, township- and village-level resettlement agencies will be established. Training will be conducted in such forms as expert workshop, skills training course, visiting tour and on-site training. See Table 6-2. The scope of training includes:

- ADB's resettlement policy and principles
- Differences between ADB and PRC policies
- Resettlement implementation planning and management
- Points requiring attention during resettlement implementation
- Resettlement M&E.

Table 6-3 Operational Training Schedule of Resettlement Agencies

No.	Agency responsible	Scope	Trainees	Time	Costs
	A	B	C	D	
1	Huanggang PMO	Learning resettlement experience from ADB-financed projects in other provinces	Resettlement office staff	2014-2015	554,900 yuan
2	External M&E agency	ADB's resettlement policy	Resettlement office staff	Feb. 2014	
3	External M&E agency	Updates of state policies on LA and HD	Resettlement office staff	Feb. 2014	
4	Huanggang	Experience and lessons in resettlement from	Resettlement office staff	Mar. 2014	

No.	Agency responsible	Scope	Trainees	Time	Costs
	A	B	C	D	
	PMO	other places			
5	Huanggang PMO	Computer operation and data processing	Resettlement office staff	Feb. – Mar. 2014	
6	Resettlement offices	Resettlement procedures and policies for ADB-financed projects	Sub-district (township) resettlement office, community/village resettlement team	Mar. 2014	
7	Resettlement agencies	Resettlement policies and practice	Sub-district (township) resettlement office, community/village resettlement team	Mar. 2014	
8	Huanggang PMO	Learning international experience in resettlement	Resettlement office staff	2014-2015	

7 Public Participation and Grievance Redress

7.1 Public Participation

According to the policies and regulations of ADB, the PRC and Hubei Province on resettlement, it is very necessary to conduct public participation at the preparation and implementation stages in order to protect the lawful rights and interests of the APs, reduce grievances and disputes, and realize the resettlement objectives properly by developing sound policies and implementation rules on resettlement, preparing an effective RP, and organizing implementation properly.

7.1.1 Public Participation at the Preparation Stage

Since May 2011, Wuhan Municipal Engineering Design and Research Institute and the task force of Hohai University have conducted a series of socioeconomic survey and public consultation activities (with 30% of participants being women) under the direction of technical assistance experts. At the preparation stage, the PMO, HUCIC and Wuhan Municipal Engineering Design & Research Institute Co., Ltd. conducted extensive consultation on LA and resettlement. See Table 7-1 for the participation activities at the preparation stage, and Appendix 3 for the minutes of public participation meetings.

Table 7-1 Public Participation Activities at the Preparation Stage

Time	Organized by	Participants	Male	Female	Purpose	Key points	Main concerns and suggestions	Actions taken to prepare RP
May – Aug. 2011	PMO, Wuhan Municipal Design Institute	APs, village officials, technicians	31	29	Feasibility study, field investigation, DMS	Introducing the background and purpose of the Project Minimizing resettlement impacts	Minimize the impacts of income and life; keep the information of project and resettlement policy transparent	Optimizing the project design, minimizing LA, HD and resettlement impacts, disclose the compensation and resettlement policies of NED in project area.
Jul. 27 – Aug. 3, 2012	PMO, Hohai University	Reps. of government agencies and APs	26	24	RP preparation, socioeconomic survey	Assisting in the socioeconomic survey APs expressed strong need for the Project Socioeconomic and willingness survey	Ascertain the compensation rates of land and assets; Complete the construction of resettlement houses before house demolition as soon as possible	Drafting preliminary resettlement programs based on local conditions and expectations; Speed up the construction of 4 resettlement communities in NED.
Jul. 27 – Aug. 3, 2012	PMO, Hohai University	Officials and APs in the affected village groups	15	10	Public consultation	Consultation on compensation programs Consultation on the full and timely payment of compensation fees	Provide fair compensation for their loss of land and assets; Provide full and timely payment of compensation fees	Fixing the compensation rates in strict conformity with the uniform AAOV rates of Hubei Province; Establishing grievance redress and external M&E mechanisms to supervise fund disbursement; Establishing an audit system to ensure payment compliance
Dec. 2012	PMO, Hohai University	Officials and APs in the affected village groups	12	7	Public consultation	Livelihood and income restoration after LA Site selection, planning, size and supporting facilities of resettlement housing	Accept the compensation rates for land and assets provide by NED; Provide effective measures to restore their livelihood and life after LA and HD; Share the benefits of the development of NED	Further defining income restoration programs and measures, e.g., provision of commercial land and store, employment in public and private sectors, offering skills training and social security Disclosing information on the Lukou Resettlement Community, including its site and supporting facilities
Apr. – May 2013	PMO, TA experts, Hohai University	Officials and APs in the affected village groups	22	16	Public consultation	Supporting measures for vulnerable groups Construction quality of the resettlement community	Provide more supporting measures for vulnerable groups; Monitoring the construction quality of resettlement	Defining subsidization and assistance measures for vulnerable groups Supervising the construction quality of the resettlement community through public participation

Time	Organized by	Participants	Male	Female	Purpose	Key points	Main concerns and suggestions	Actions taken to prepare RP
						Protection of rights and interests	houses; Smooth the complaint channel during the overall stages of LAR	Establishing grievance redress and external M&E mechanisms to addresses grievances timely

7.1.2 Public Participation at the Implementation Stage

With the progress of project preparation and implementation, the IA will conduct further public participation. See Table 7-2.

Table 7-2 Public Participation Plan

Purpose	Mode	Time	Agencies	Participants	Topic
Distribution of the RIB	Village bulletin board, village meeting	Apr. 2014	PMO, Resettlement Office, affected villages / communities	All APs	Distribution of the RIB
LA announcement	Village bulletin board, village meeting	Apr. 2014	PMO, Resettlement Office, Nanhu Farm, Lukou Town, affected villages / communities	All APs	Disclosure of LA area, compensation rates and resettlement modes, etc.
Announcement of compensation and resettlement program for LA	Village bulletin board, village meeting	Apr. 2014	PMO, Resettlement Office, Nanhu Farm, Lukou Town, affected villages / communities	All APs	Compensation fees and mode of payment
DMS results verification	Field survey	Mar. – Apr. 2014	PMO, Resettlement Office, Nanhu Farm, Lukou Town, affected villages / communities	All APs	Finding out anything omitted to determine the final impacts Preparing the sample compensation agreement
Determination / implementation of income restoration program	Village meeting (many times)	Before implementation	PMO, Resettlement Office, Nanhu Farm, Lukou Town, affected villages / communities	All APs	Discussing the final income restoration program and the program for use of compensation fees
Housing site selection	Village meeting	3 months before HD	PMO, Resettlement Office, Nanhu Farm, Lukou Town, affected villages / communities	All APs	/
Training program	Village meeting	Mar. 2014 – Jun. 2015	Resettlement Office, labor and social security bureau, Nanhu Farm, Lukou Town, affected villages / communities	All APs	Discussion of training needs
Training program	Public participation meeting	Mar. 2014 – Jun. 2016	PMO, Resettlement Office, external M&E agency, Nanhu Farm, Lukou Town, affected villages / communities	All APs	1) Resettlement progress and impacts 2) Payment of compensation 3) Information disclosure 4) Livelihood restoration

7.2 Grievances and Appeals

Since public participation is encouraged during the preparation and implementation of the RP, no substantial dispute will arise. However, unforeseeable circumstances may arise during this process. In order to address issues effectively, and ensure the successful implementation of project construction and LA, a transparent and effective grievance redress mechanism is already in place and will remain effective during all the stages of resettlement.

1. Procedure of Complaining and Appealing

The basic grievance redress system is as follows:

Stage 1: If any AP is dissatisfied with this RP, he/she may file an oral or written appeal to the village or community committee orally or in writing. In case of an oral appeal, the village or community committee shall handle such appeal and keep written records. Such appeal should be solved within two weeks.

Stage 2: If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the Lukou Town Government or Nanhu Farm after receiving such disposition, which shall make a disposition within two weeks.

Stage 3: If the AP is dissatisfied with the disposition of Stage 2, he/she may file an appeal to the Huanggang PMO after receiving such disposition, which shall make a disposition within two weeks.

Stage 4: If the AP is still dissatisfied with the disposition of Stage 3, he/she may file an appeal with the competent authorities level by level for arbitration in accordance with the Administrative Procedure Law of the PRC after receiving the above disposition.

At any stage, the AP may also bring a suit in a civil court in accordance with the Administrative Procedure Law of the PRC.

Affected persons can decide to go through the legal system directly or may decide not to use project level grievance channels. An aggrieved person may also express grievance to the external monitor, who would then report to it to HPMO. Alternatively, the aggrieved person(s) may submit a complaint to the ADB project team to try to solve the problem. If good faith efforts are still unsuccessful, and if there are grievances that stemmed from a violation of ADB's safeguard policy, the affected persons may appeal directly to ADB in accordance with ADB's accountability mechanism[®]..

All agencies will accept grievances and appeals from the affected persons for free, and costs so reasonably incurred will be disbursed from contingency costs. The above appeal channel will be notified to APs at a meeting or otherwise, so that APs are fully aware of their right of appeal. Mass media will be utilized for publicity, and opinions and advice about resettlement will be compiled into messages for study and disposition by the resettlement agencies. See Table 7-3 and Figure 7-1.

Table 7-3 Contact Information for Grievance Redress

Agency	Name	Address	Tel
Huanggang PMO	Hu Liangshan	NED Construction Headquarters	07138453160
Resettlement Office	Hu Yi	NED Construction Headquarters	07138453160
Lukou Town Government	Yang Lei	Lukou Town Government	0713-8453152
Nanhu Farm	Luo Haifeng	Nanhu Sub-district Office	0713-8341068

2. Principles of Handling Complaints

The ROs at various levels must carry out site survey on the complaints of the APs, collect their opinions and negotiate with them patiently, in accordance with the principles and standards stipulated in the rules and regulations of the state and the RP, and give comments objectively and reasonably. The RO shall report those problems that cannot be handled on its own to the superior RO timely and assist the latter in carrying out relevant survey.

If the RO of the previous Phase fails in giving a reply within the specified period to the complaint, the complainant has the right of appeal.

During the resettlement, some special complaints and appeals of women may appear; therefore the project office plans to hire at least 1 female employee for each resettlement team to

[®] For more information, see <http://www.adb.org/Accountability-Mechanism/default.asp>.

deal with women's complaints. The local governmental and non-governmental organizations, such as the Bureau of Civil Affairs and the Women's Association will supervise the resettlement to ensure the rights and interests of the displaced persons, especially that of affected women.

3. Contents and Ways of Replying to Complaints

(1) Replies to complaints

- a) Brief description of the complaint
- b) The result of survey
- c) The principles and standards stipulated in the rules and regulations of the state and the RP
- d) Comments on handling the complaint and its basis
- e) The complainer has the right of appealing to the superior RO and the civil court and the charges shall be paid by the project organizer.

(2) Ways of replying complaints

- a) As to the individual complaint, written reply shall be sent to the complainer directly.
- b) As to the common complaint, the reply shall be announced in the village (community) meeting or shall be notified to the village or community in the form of formal document.
- c) Whatever way of replying is adopted, the replay shall be sent to the corresponding RO of the complainer.

(3) Records of Complaints and Appeals and Relevant Feedback

During the implementation of the RP, the ROs shall keep a record of complaints and the results of handling and submit a monthly written report to HPMO, which will carry out a regular inspection on the record of complaints handling.

In addition, the complaints and its handling results will be monitored and evaluated by related agencies both in internal and external.

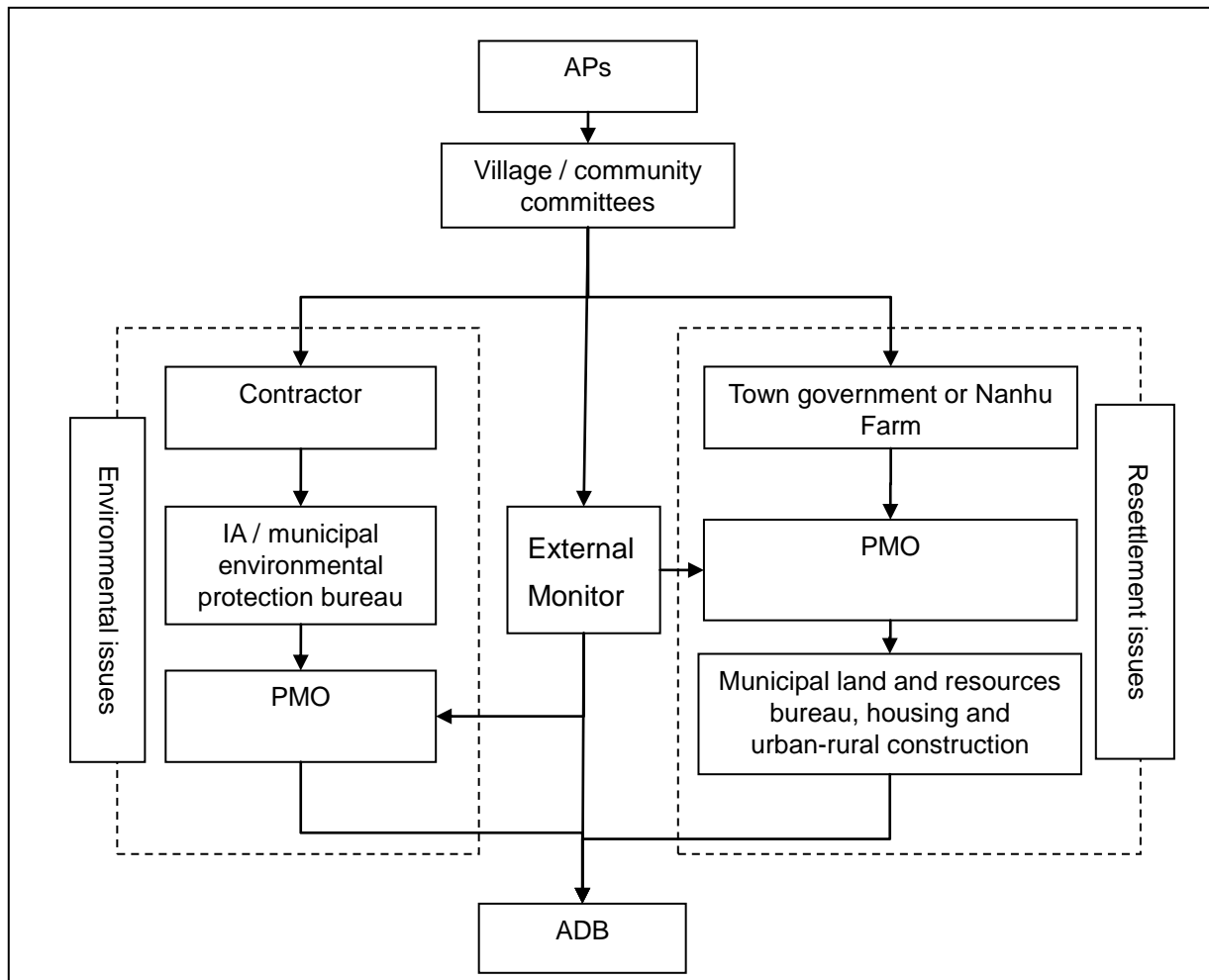


Figure 7-1 Community-based Safeguard and Grievance Redress Mechanism

8 Resettlement Budget

8.1 Resettlement Budget

All costs incurred during LA and resettlement will be included in the general budget of the Project. Based on prices of June 2013, the resettlement costs of the Project are 183,827,900 yuan. The resettlement budget will be revised based on the detail design and DMS undertaken in April 2014.

See Table 8-1 and Appendix 8 for details.

Table 8-1 Resettlement Budget

No.	Item	Unit	Compensation rate (yuan)	Qty.	Budget (0,000 yuan)	Percent (%)
1	Basic LA and HD costs	0,000 yuan			9248.53	50.31
1.1	Compensation for permanent occupation of state-owned land	0,000 yuan	\		5332.07	29.01
	Fish Ponds	mu	34100	1250.4	4263.86	23.19
	Cultivated land (including young crops)	mu	32550	162.65	529.43	2.88
	Garden land		34100	16.5	56.27	0.31
	Construction land	mu	34100	141.5	482.52	2.62
	Woodland	mu	21700	0	0.00	0.00
	Unused land	mu	9300	0	0.00	0.00
1.2	Compensation for acquisition of collective land	0,000 yuan	\	798.6	2288.04	12.45
	Fish Ponds		29700	418.23	1242.14	6.76
	Cultivated land (including young crops)		28350	308.35	874.17	4.76
	Garden land		29700	0	0.00	0.00
	Construction land		29700	33	98.01	0.53
	Woodland		18900	39	73.71	0.40
	Unused land		8100	0	0.00	0.00
1.3	Compensation for temporary land occupation	mu		77.5	13.92	0.08
	Cultivated land		1550	48.1	7.46	0.04
	Fishponds		2200	29.4	6.47	0.04
1.4	Compensation for residential house demolition	0,000 yuan	\	4736.5	414.21	2.25
1.4.1	Masonry concrete structure	m ²	700	3886	272.02	1.48
1.4.2	Masonry timber structure	m ²	550	782.5	43.04	0.23
1.4.3	Simple structure	m ²	120	68	0.82	0.00
1.4.4	Compensation for excessive housing size	m ²	400	1655.5	66.22	0.36
1.4.5	Transition subsidy	yuan/ household per month	300	22	7.92	0.04
1.4.6	Moving subsidy	yuan/ per time	500	22	2.20	0.01
1.4.7	Early moving reward	yuan/	10000	22	22.00	0.12

No.	Item	Unit	Compensation rate (yuan)	Qty.	Budget (0,000 yuan)	Percent (%)
		household				
1.4.8	LA costs of the resettlement community (including LA compensation and taxes) ⁷	mu	72016	0	0.00	0.00
1.5	Demolition of non-residential properties			11,038	861.83	4.69
	Frame structure		800	8974	717.92	3.91
	Masonry concrete structure	m ²	700	2026	141.82	0.77
	Masonry timber structure	m ²	550	38	2.09	0.01
	Simple structure	m ²	120	0	0.00	0.00
1.6	Compensation for ground attachments	0,000 yuan	\	\	338.46	1.84
1.6.1	Fishpond facilities and equipment	mu	2200	915.6	201.43	1.10
1.6.2	Toilets	m ²	120	68	0.82	0.00
1.6.3	Simple pumped wells	set	600	7	0.42	0.00
1.6.4	Deep wells	set	2000	2	0.40	0.00
1.6.5	Canals	M	300	2910	87.30	0.47
1.6.6	Cement roads	m ²	100	4380	43.80	0.24
1.6.7	Other trees		\	0	0.00	0.00
	Breast height diameter <5cm	/	5	759	0.38	0.00
	Breast height diameter 5-8cm	/	8	293	0.23	0.00
	Breast height diameter 8-10cm	/	10	191	0.19	0.00
	Breast height diameter 10-15cm	/	15	139	0.21	0.00
1.6.8	Landscaping trees	/	\	0	0.00	0.00
	Breast height diameter 8-10cm	/	120	65	0.78	0.00
	Breast height diameter 10-15cm	/	150	60	0.90	0.00
	Breast height diameter 15-20cm	/	200	47	0.94	0.01
	Breast height diameter >=20cm	/	300	22	0.66	0.00
2	Supporting fund for vulnerable groups⁸	0,000 yuan	0.5% of basic costs		46.24	0.25
3	Resettlement planning and monitoring costs	0,000 yuan	2% of basic costs		184.97	1.01
3.1	Resettlement planning and design costs	0,000 yuan	0.5% of basic costs		46.24	0.25
3.2	Resettlement M&E costs	0,000 yuan	1.5% of basic costs		138.73	0.75
4	Resettlement management costs	0,000 yuan	3% of basic costs		277.46	1.51
5	Training costs	0,000 yuan	0.6% of basic costs		55.49	0.30
6	Taxes and fees on LA	0,000 yuan			6731.82	36.62

⁷ The resettlement houses are included in the resettlement community of NED, so the land cost was already covered by the NED.

⁸ It will be used for providing extra subsidy to vulnerable households during the resettlement implementation and livelihood rehabilitation stage.

No.	Item	Unit	Compensation rate (yuan)	Qty.	Budget (0,000 yuan)	Percent (%)
6.1	LA management costs (3.6% of basic costs)	0,000 yuan			332.45	1.81
6.2	Farmland occupation tax	mu	26666.8	471	1256.01	6.83
6.3	Land reclamation costs	mu	12400	471	584.04	3.18
6.4	Fees for compensated use of new construction land	mu	18666.76	2195.13	4097.60	22.29
6.5	Endowment insurance fund for LEFs ⁹	0,000 yuan	5% of basic costs		461.73	2.51
7	LA and HD costs (subtotal of Items 1-6)	0,000 yuan			16544.51	90.00
8	Contingencies (10% of total costs)	0,000 yuan			1838.28	10
9	Total	0,000 yuan			18382.79	100

8.2 Resettlement Investment Schedule and Funding Sources

All resettlement funds of the Project are from local counterpart funds. Before or during project construction, the investment plan will be implemented in stages in order not to affect the production and livelihoods of the AHs. See Table 8-2.

Table 8-2 Resettlement Investment Plan

Year	2014	2015	Total
Investment (0,000 yuan)	12867.95	5514.84	18382.79
Percent	70%	30%	100%

9.3 Disbursement and Management of Resettlement Funds

9.3.1 Disbursement of Resettlement Funds

Resettlement funds will be disbursed as follows: All costs related to LA will be included in the general budget of the Project. The Huanggang PMO will disburse compensation fees based on the compensation rates directly to the functional departments of the district government via a special account, for further payment to the villages/communities for distribution. Land compensation fees, resettlement subsidies and young crop compensation fees will be paid before LA. See Figure 8-1.

⁹ The Project will pay this portion of the government contribution of endowment insurance.

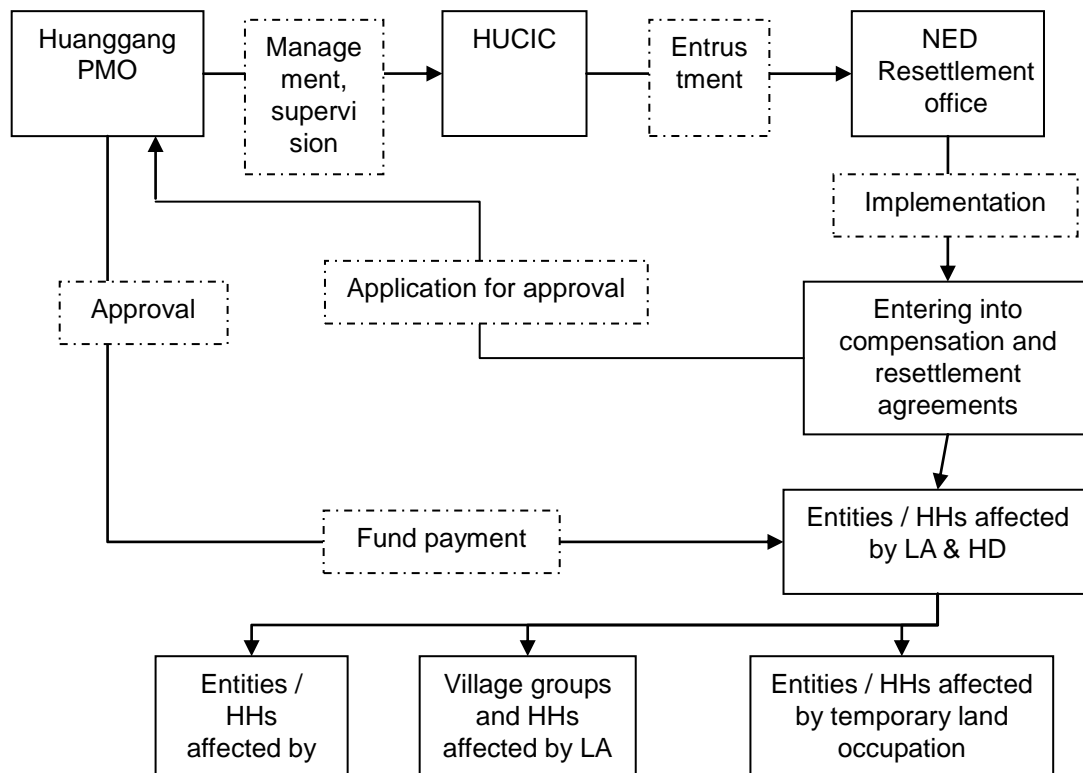


Figure 8-1 Disbursement Flowchart of Resettlement Funds

9.3.2 Management of Resettlement Funds

Land compensation fees and resettlement subsidies should be used in full consultation with the APs; young crop fees will be paid directly to the affected persons; compensation fees for infrastructure and attachments will be paid to the affected entities or individuals.

To ensure that the resettlement funds are available timely and fully, and the APs' production, livelihoods and income are restored, the following measures will be taken:

All costs related to resettlement will be included in the general budget of the Project;

Land compensation fees and resettlement subsidies will be paid up before LA so that all APs can be resettled properly;

In order to ensure the successful implementation of LA and resettlement, financial and supervisory agencies will be established at all levels to ensure that all funds are disbursed timely and fully.

The resettlement costs may be increased due to the change of the project area, the modification of the compensation rates and inflation, but the IA will ensure that compensation fees are fully paid. The budget will be modified as necessary in the updated RP.

9 Resettlement Implementation Plan

9.1 Principles for Resettlement Implementation

According to the implementation schedule of the Project, the Project will be constructed for 5 years from September 2015 to December 2019. In order that the resettlement is completed in advance of the construction works of the Project, LA will begin in June 2014 and be completed in June 2015. The basic principles for resettlement implementation are as follows:

- LA and HD should be completed at least 3 months prior to the commencement of construction, and the starting time will be determined as necessary for LA, HD and resettlement.
- During resettlement, the APs shall have opportunities to participate in the Project. Before the commencement of construction, the DMS results of LA will be disclosed and public participation activities conducted properly.
- All compensation fees will be paid to the affected proprietors directly and fully within 3 months of approval of the compensation and resettlement program for LA. No entity or individual should use such compensation fees on their behalf, nor should such compensation fees be discounted for any reason.

9.2 Resettlement Implementation Schedule

The general resettlement schedule of the Project has been drafted based on the progress of project construction, LA and implementation. The exact implementation schedule may be adjusted due to deviations in overall project progress. See

Table 9-1.

Table 9-1 Schedule of Resettlement Activities

No.	Task	Participants	Responsible Agency	Timeline	Remarks
1	Information disclosure				
1.1	RIB	Nanhu Farm, Lukou Town	HPMO, Resettlement office	March 2014	
1.2	Disclosure of the RP on ADB's website		HPMO, Resettlement office	March 2014	
2	RP and budget				
2.1	RP and budget approval (compensation rates)	CNY183.8279 million	HPMO, Resettlement office	February 2014	
2.2	DMS	Nanhu Farm, Lukou Town	Resettlement Office	March 2014	
2.3	RP updating after detailed design	Nanhu Farm, Lukou Town	IA and HPMO	April 2014	
3	LA announcement				
3.1	Disclosure of the final RP	Nanhu Farm, Lukou Town	IA and HPMO	April 2014	
3.2	Release of the LA announcement	Nanhu Farm, Lukou Town	HMG	May 2014	
4	Compensation agreement				
4.1	LA and HD compensation agreement	Nanhu Farm, Lukou Town	Resettlement Office	June–July 2014	
5	Resettlement				
5.1	Selection of resettlement housing	22 AHs	Municipal government,	July–August	

No.	Task	Participants	Responsible Agency	Timeline	Remarks
			Nanhu Farm, AHs	2014	
5.2	HD	22 AHs	AHs	September–October 2014	
5.3	Construction of resettlement housing	22 AHs	Huanggang Urban Construction Investment Co., Ltd.	August 2013 – January 2015	
5.4	Moving into new housing	22 AHs	AHs	June 2015	
6	Livelihood restoration measures				
6.1	Payment of compensation for young crops and attachments	Nanhu Farm, Lukou Town	Nanhu Farm	July 2014	
6.3	Implementation of restoration programs	Nanhu Farm, Lukou Town	Nanhu Farm	2014–2015	
6.4	Implementation of training programs	Nanhu Farm, Lukou Town	Labor and social security bureau	June 2014–June 2015	
6.5	Implementing assistance measures for vulnerable households	Nanhu Farm, Lukou Town	Civil affairs bureau, HPMO	2014–2015	
6.6	Identifying and hiring households for employment under the project	Nanhu Farm, Lukou Town	PMO, labor and social security bureau, contractor	January 2015–December 2019	
7	Capacity building of resettlement agencies				
7.1	Training of HPMO staff	15 person-times	HPMO	March 2014	
7.2	Training of township officials	50 person-times	PMO, Resettlement Office	April–May 2014	
8	Monitoring and Evaluation				
8.1	Baseline survey	Nanhu Farm, Lukou Town	External M&E agency	May 2014	
8.2	Establishing an internal monitoring mechanism	As per the RP	HPMO, Resettlement Office	May 2014	
8.3	Appointing an external M&E agency	One	HPMO	April 2014	
8.4	Internal monitoring reporting	Quarterly	PMO, Resettlement Office	From June 2014	
8.5	External monitoring reporting	Semiannual report	External M&E agency	December 2014	1 st report
				June 2015	2 nd report
8.6	External monitoring reporting	Annual report	External M&E agency	June 2016	3 rd report
				June 2017	4 th report
8.7	Completion report	Completion report	HPMO, Resettlement Office	June 2018	5 th report
9	Public consultation		Resettlement Office	Ongoing	
10	Grievance redress		Resettlement Office	Ongoing	
11	Disbursement of compensation fees				
11.1	Disbursement to the IA	Initial funds	HMG	May 2014	
11.2	Disbursement to Nanhu Farm and Lukou Town	Initial funds	Resettlement Office	June 2014	
11.3	Disbursement to AHs	Initial funds	Resettlement Office	End of July 2014	
12	Commencement of civil construction				
12.1	Construction of the Project		HPMO	January 2015	

ADB = Asian Development Bank, AH = affected household, AP = affected person, CNY = Chinese yuan, HD = house demolition, HMG = Huanggang Municipal Government, HPMO = Huanggang project management office, DMS = detailed measurement survey, HH = household, IA = implementing agency, LA = land acquisition, M&E = monitoring and evaluation, RIB = resettlement information booklet, RP = resettlement plan.

10 Monitoring and Evaluation

In order to ensure the successful implementation of the RP and realize the objectives of resettlement properly, LA, HD and resettlement activities of the Project will be subject to periodic M&E according to ADB's resettlement policy, including internal and external monitoring.

10.1 Internal Monitoring

The Huanggang PMO will develop a detailed internal monitoring plan for LA and resettlement, including:

- (1) Investigation, coordination of and suggestion on key issues of the resettlement and implementing agencies during implementation;
- (2) Restoration of the household income of the APs after LA(includes the workers of BLFF);
- (3) Resettlement and income restoration of the APs after HD;
- (4) Progress of implementation of the Supplementary Action Plan for BLFF;
- (5) Resettlement and income restoration of vulnerable groups;
- (6) Payment, use and availability of compensation fees for resettlement;
- (7) Disbursement, use and availability of LA compensation fees;
- (8) Resettlement training and its effectiveness; and
- (9) Establishment, staff training and working efficiency of resettlement management agencies.

The Huanggang PMO will submit an internal monitoring report to ADB quarterly. Such report should indicate the statistics of the past 3 months in tables, and reflect the progress of LA, resettlement and use of compensation fees through comparison.

10.2 External Monitoring

According to ADB's policies, the Huanggang PMO will employ a qualified, independent and experienced resettlement agency as the independent resettlement monitoring agency.

The external M&E agency will conduct follow-up M&E of resettlement activities periodically, monitor resettlement progress, quality and funding, and give advice. It shall also conduct follow-up monitoring of the displaced persons' production level and standard of living, and submit M&E reports to the Huanggang PMO and ADB. While the progress of implementation of Supplementary Action Plan for BLFF and the restoration of the household income for the workers of BLFF will be included in the external monitoring and evaluation reports.

10.2.1 Scope and Methods

(1) Baseline survey

The external M&E agency will conduct a baseline survey on the villages affected by LA to obtain baseline data on the sample AHs' production level and living standard. The production level and living standard survey will be conducted semiannually to track variations of the APs' production level and living standard. This survey will be conducted using such methods as panel survey (sample size: 15% of households affected by LA(20-25% of SAHs and 10% of other AHs at less.) and 100% of households affected by HD, to be sampled stratified by impact degree and selected randomly), random interview with AHs, targeted

interviews with village and group leaders and other key informants, and field observation to acquire necessary information. A statistical analysis and an evaluation will be made on this basis.

(2) Periodic M&E

During the implementation of the RP, the external M&E agency will conduct periodic follow-up resettlement monitoring semiannually of the following activities by means of field observation, panel survey and random interview:

- Payment and amount of compensation fees;
- Training;
- Support for vulnerable groups;
- Restoration and rebuilding of infrastructure and special facilities;
- Production resettlement and restoration;
- Compensation for lost properties;
- Compensation for lost working hours;
- Transition subsidy;
- Timetables of the above activities (applicable at any time);
- Resettlement organization;
- Use of compensation fees for collective land and income of APs;
- Income growth of labor through employment; and
- If APs have benefited from the Project.

(3) Public consultation

The external M&E agency will attend public consultation meetings held during resettlement implementation to evaluate the effectiveness of public participation.

(4) Grievance redress

The external M&E agency will visit the affected villages and groups periodically, and inquire the township resettlement offices and implementing agencies that accept grievances about how grievances have been handled. It will also meet complainants and propose corrective measures and advice for existing issues so as to make the resettlement process more effectively.

10.2.2 External Monitoring Reporting

The external M&E agency will submit a monitoring or evaluation report to ADB and the Huanggang PMO semiannually. See Table 10-1.

Table 10-1 Schedule of Resettlement M&E

	Report	Date
1	Baseline socioeconomic survey report	May. 2014
2	Monitoring report (No.1)	Dec. 2014
3	Monitoring report (No.2)	Jun. 2015
4	Monitoring report (No.3)	Jun. 2016
5	Monitoring report (No.4)	Jun. 2017
6	Completion report (No.5)	Jun. 2018

10.3 Resettlement Post-evaluation

After project implementation, the resettlement activities will be subject to post-evaluation using the theory and methodology for post-evaluation on the basis of M&E. Successful experience and lessons of LA, HD and resettlement will be evaluated to provide experience that can be drawn on for future resettlement. The post-evaluation agency will prepare terms of reference for post-evaluation to establish a system of evaluation indicators, conduct socioeconomic analysis and survey, and prepare the Resettlement Post-evaluation Report for submission to the Huanggang PMO and ADB. The post-evaluation report is expected to be completed in June 2018.

Appendixes

Appendix 1: Resettlement Information Booklet

1. Project General Information

In order to promote the improvement of the urban environment and development of Huanggang City, HMG has applied for a loan of US\$100 million for the Project with ADB. HMG is the executive agency, and Huanggang Urban Construction Investment Co., Ltd. (HUCIC) is the implementing agency.

The project aims to promote environmentally sustainable and socially inclusive urbanization in Huanggang Municipality (especially in NED) through improvements in urban environmental infrastructure and management. The project will support strategic enhancement works in Baitan and Chiye lakes and associated rivers, key infrastructure for the solid waste management system that serves Baitan and Chiye lakes and their surrounding area, and strengthening institutional capacity for sustainable urban development and urban management services. Project benefits include: (i) improved water quality of urban surface water, (ii) social and economic development, (iii) improved quality of life for the people living in the project area; and (iv) poverty alleviation.

The Project consists of: (1) urban lake and river improvement; (2) solid waste management; and (3) capacity building and institutional enhancement, in which only component 1 involves resettlement.

3. Implementation of the Project

June 2014 to June 2015

4. Implementation Agency

The agencies responsible for LA and HD in the Project are:

- Huanggang Project Leading Group
- Huanggang Urban Construction Investment Co., Ltd.(HUCIC)
- Huanggang PMO
- Resettlement Office under NED Construction Headquarters
- Huangzhou District Human Resource and Social Security Bureau
- Nanhu Farm, Lukou Town Government
- Affected villages and communities
- Design agency
- External M&E agency
- Other agencies, e.g., land and resources bureau, HD management office, women's federation, labor and social security bureau

5. Compensation Rates

(1) Compensation Rates for Permanent LA

According to the Notice of the Provincial Government on Publishing the Uniform AAOVs and Location-based Land Prices for Land Acquisition of Hubei Province (HPG [2009] No.46), the uniform AAOV rates of the Project are shown in Table 1 and table 2.

Table 1 Uniform AAOV Rates for LA

Township	Area type	Nature of land	Uniform AAOV (yuan/mu)	Multiple of land compensation fees	Multiple of resettlement subsidy	Multiple of young crop compensation fees
Lukou Town	Tier-3	Collective	1350	8	12	1
Nanhu Farm	Tier-2	State-owned	1550	8	12	1

Table 2 Compensation Rates for LA and Correction Factors

Township	Cultivated land		Fishpond		Garden land		Woodland		Unused land	
	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)
Lukou Town	1	27000	1.1	29700	1.1	29700	0.7	18900	0.3	8100
Nanhu Farm	1	31000	1.1	34100	1.1	34100	0.7	21700	0.3	9300
Yong corps and attachments compensation	Lukou Town :1350yuan/mu Nanhu Farm:1550yuan/mu		fry transfer and facility subsidy :2200yuan/mu		1400-1800yuan/mu					

Note: 1. The additional 10% compensation for fishpond is provided for the cost of fishpond excavation.
2. Compensation Rates for Temporary Land Occupation

In the Project, compensation for temporary land occupation will be paid directly to the APs based on the actual period of occupation. See **Error! Reference source not found..**

Table3 Compensation Rates for Temporary Land Occupation

Item		Unit	Rate (yuan)
Compensation rate for temporary land occupation	Cultivated land	yuan/mu per annum	1550
	Fishpond	yuan/mu per annum	2200

(3) Compensation Rates for Residential Houses

Table 4 Compensation Rates for Demolition of Residential Houses

Type	Item		Unit	Benchmark rate (yuan)	Remarks
House compensation	Reinforced concrete structure		yuan/m ²	800	Swapping at 40 m ² per capita, and allowing 400 yuan/m ² in compensation for excessive size
	Masonry concrete structure		yuan/m ²	700	
	Masonry timber structure		yuan/m ²	550	
Other compensation	Moving subsidy		yuan per household per time	500	Sufficient for two moves
	Transition subsidy		yuan per household per month	300	For 12 months
	Early moving reward	Signing an agreement and emptying the house on schedule	yuan/m ² per day	3	Usually up to 10,000 yuan for not more than 15 days

Note: 1. Above rates include the compensation of the old house plot (40.5 yuan/m² or 27,000yuan/mu),2.The price of resettlement housing is the same as the compensation rate for houses in masonry concrete structure (700 yuan/m²), so the full replacement cost principle applies.

(4) Compensation Rates for Non-residential Properties

The non-residential properties demolished for the Project will be subject to one-time cash compensation. Compensation will be determined by market appraisal, but will not be less than the benchmark rates of the Project. See Table 5

Table 5 Compensation Rates for Non-residential Properties

Structure	Rate (yuan/m ²)	Remarks
Frame	800	<p>1. The land occupied by the non-residential properties will be paid to the proprietors at the compensation rate for construction land(27,000yuan/Mu in Lukou town).</p> <p>2. Equipment moving subsidy will be fixed by market appraisal, but not less than 500 yuan per household.</p> <p>3. The affected entities will incur no transition losses, so no compensation for business suspension will be paid.</p>

(5) Compensation Rates for Young Crops and Attachments

The compensation rates for attachments and infrastructure of the Project have been fixed at replacement cost by reference to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City. See **Error! Reference source not found.**

Table 6 Compensation Rates for Young Crops and Attachments

No.	Item		Unit	Unit price (yuan)	Remarks
1	Toilets		m ²	120	Covered
2	Simple or pumped wells		/	600	
3	Deep wells		/	2000	
4	Canals		m	300	
5	Cement roads		m ²	100	
Trees					
6	Other trees	Breast height diameter <5cm	/	5	Including mulberry, poplar, willows, populus, paulownia, etc.
		Breast height diameter 5-8cm	/	8	
		Breast height diameter 8-10cm	/	10	
		Breast height diameter 10-15cm	/	15	
7	Landscaping trees (arbors)	Breast height diameter 8-10cm	/	120	Including camphor, bull bay, golden rain tree, fragrans, cedar, palm, etc.
		Breast height diameter 10-15cm	/	150	
		Breast height diameter 15-20cm	/	200	
		Breast height diameter >=20cm	/	300	

(6) Entitlement Matrix The entitlement matrix has been established in accordance with the applicable policies in this chapter, as shown in Table7.

Table 7 Entitlement Matrix

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
Permanent occupation of state-owned land	8,678.9 mu of state-owned land, including 162.6 mu of non-irrigated land (1.87 %), 2,486.4 mu of state-owned fishpond (28.65%), 1.7 mu of garden land (0.02%), 141.5 mu of construction land (1.63 %) and 5,886.7 mu of water surface (67.83%)	187 households with 727 persons in Nanhu Farm Groups 4 and 5, and Zhaizhoujie Community	(1) Cash compensation: as per the AAOV rates published by the Hubei Provincial Government (2) Crop restructuring: encouraging the development of characteristic aquaculture and fishery (3) Commercial Land Development for APs: provide state-owned construction land of 3% of the acquired land and 20 m ² per capita for livelihood restoration; each AP will also receive a commercial space of 10 m ² for income security after all land acquired and house demolished; offer small-amount loans to support business startup and employment. (4) Nonagricultural employment: getting the APs reemployed with public service jobs, social employments and jobs under the Project (3) Skills training: offering agricultural and nonagricultural skills training to the APs for free (5) Social security: offering endowment insurance for farm workers	(1) Compensation rates: Cultivated land: 31,000 yuan/mu Fishpond and garden land: 34,100 yuan/mu Woodland: 21,700 yuan/mu Unused land: 9,300 yuan/mu Yong crops compensation for cultivated land: 1,550yuan/mu Fry transfer and facility subsidy for fishpond :2200yuan/mu (2) Distribution and use: Land compensation fees will be paid to Nanhu Farm to pay a living subsidy of 260 yuan per capita per month to all members aged above 40 years for women or 50 years for men in the AHs for 10 consecutive years, and cover endowment insurance for farm workers (they are eligible for the both welfares).
Acquisition of collective land	798.6 mu of collective land, including 120.3 mu of irrigated land (15.06%), 188.2 mu of non-irrigated land (23.56%), 418.2 mu of fishpond (52.36 %), 39 mu of woodland (4.88 %) and 33 mu of construction land (4.13%)	129 households with 408 persons in 12 groups, Lukou Town – this includes 6 LEFs (21 APs as per Table 2-13)	(1) Cash compensation: as per the AAOV rates published by the Hubei Provincial Government (2) Crop restructuring: AHs may use compensation fees they will receive and small-amount secured loans (see details in 5.4) for crop or aquaculture restructuring. The local government encourages the development of characteristic aquaculture and greenhouse vegetables (3) Commercial Land Development for APs: provide returned land (state-owned construction land) of 3% of the acquired land and 20 m ² per capita for livelihood restoration; each AP will also receive a commercial space of 10 m ² for income security after all land acquired and house demolished; offer small-amount loans to support business startup and employment (4) Nonagricultural employment: getting the APs reemployed with public service jobs, social employments and jobs under the Project (5) Skills training: offering agricultural and nonagricultural skills	(1) Compensation rates: Cultivated land: 27,000 yuan/mu Fishpond and garden land: 29,700 yuan/mu Woodland: 18,900 yuan/mu Unused land: 8,100 yuan/mu Yong crops compensation for cultivated land: 1,350yuan/mu Fry transfer and facility subsidy for fishpond :2200yuan/mu (2) Distribution and use: Land compensation fees will be paid to village groups to pay endowment insurance premiums for LEFs; resettlement subsidies and young crop compensation fees will be paid directly to APs

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
			training to the APs for free (6) Social security: providing endowment insurance for LEFs (the HHs with less than 0.3 mu cultivated land per capita)	
Residential house demolition	Residential houses totaling 4,736.5 m ² , including 3,886 m ² in masonry concrete structure (82.04%), 782.5 m ² in masonry timber structure (16.52%) and 68 m ² in simple structure (1.44%)	22 households with 158 persons in Group 4 of Baizhangzui Village	(1) Cash compensation: Cash compensation will be granted based on market appraisal, and a transition subsidy, a moving subsidy and an early moving reward provided. (2) Property swap: each registered member of an AH will receive a building area of 40 m ² , and up to 60 m ² for those widowed and destitute. If the acquired housing size exceeds resettlement housing size, resettlement housing will be offered at 50% of actual main building area, up to 240 m ² . (Any excess will be compensated for at 400 yuan/m ² in addition to the compensation rate for former structure.) Each AP will also receive a commercial space of 10 m ² as per provision for NED.	(1) Benchmark rates: Reinforced concrete: 800 yuan/m ² Masonry concrete: 700 yuan/m ² Masonry timber: 550 yuan/m ² Any excess will be compensated for at 400 yuan/m ² . (2) Moving subsidy: 500 yuan per time per household (3) Transition subsidy: 300 yuan per month per household (4) Early moving reward: 3 yuan/m ² per day (usually up to 10,000 yuan for not more than 15 days) (5) Price difference in compensation for house acquisition = building area of acquired house × compensation rate + appraised price decoration and attachments + bonus – price of resettlement housing + (-) price difference
Demolition of non-residential properties	Non-residential properties totaling 4,736.5 m ² , including 8,974 m ² in frame structure (81.3%), 2,026 m ² in masonry concrete structure (18.35%) and 38 m ² in masonry timber structure (0.34%)	Shanhu Breeding Base (5 staff) and Baitan Lake Hotel (not operational)	Cash compensation will be granted based on market appraisal and an equipment moving subsidy provided.	Benchmark rates: Reinforced concrete: 800 yuan/m ² Masonry concrete: 700 yuan/m ² Masonry timber: 550 yuan/m ² Equipment moving subsidy: 500 yuan per time per household
Temporary land occupation	77.5 mu of land, including 57.9 mu of collective land and 19.6 mu of state-owned land	42 households with 184 persons	(1) Compensation for temporary land occupation will be paid directly to the APs based on the actual period of occupation. (2) Temporary land occupation should be notified in advance and compensated for accordingly. (3) The temporarily occupied land will be restored by the construction agency.	Fishpond: 2,200 yuan/mu per annum Cultivated land: 1,550 yuan/mu per annum
Women	\	Affected	(1) Women will have priority in employment, and at least 30% of	

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
		women	<p>them will receive unskilled jobs.</p> <p>(2) Women will have priority in receiving free skills training, in which at least 30% of trainees will be female laborers.</p> <p>(3) Women will receive relevant information during resettlement, and are able to participate in resettlement consultation. Special women FGDs will be held to introduce resettlement policies.</p>	
Vulnerable groups	MLS households, households of old people living alone and households affected by disability	19 households with 38 persons	<p>(1) An extra living subsidy will be granted.</p> <p>(2) Vulnerable groups will have priority in resettlement, including offering skills training and jobs to laborers in vulnerable households with priority.</p> <p>Eligible vulnerable groups will have priority in applying for small-amount secured loans. According to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City, building area for resettlement is up to 60 m² for those widowed and destitute, and priority in housing selection is granted; each AP will also receive a commercial space of 10 m² and have priority in selection.</p> <p>(3) Eligible vulnerable groups will be included in the urban and rural MLS system¹⁰ with priority.</p> <p>(4) Urban and rural medical assistance will be provided to eligible vulnerable groups.</p>	<p>(1) A living subsidy of 3,000 yuan will be granted to each vulnerable household.</p> <p>(2) The MLS system will ensure that the per capita net income of each rural AH is increased to around 2,000 yuan/year and the per capita income of each urban AH is not less than 360 yuan/month.</p>
Endowment insurance	Farm workers in Nanhu Farm, LEFs in Lukou Town	Eligible farm workers and 6 LEFs ¹¹	<p>(1) The affected farm workers of Nanhu Farm will be covered by endowment insurance in accordance with the Opinions on the Implementation of Basic Endowment Insurance for Farm Workers in Hubei Province (HPGO [2003] No.125).</p> <p>(2) The LEFs in Lukou Town will be covered by endowment insurance in accordance with the Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers in the Urban Area of Huanggang City (HMG [2008] No.19).</p>	See Section 5.1.7 for the insurance conditions, contribution rates and pension levels.
Special facilities and ground	Toilets, wells, canals, cement roads, weed trees, landscaping	Proprietors	(1) Affected special facilities will be restored by proprietors after receiving compensation from the owner of the Project, or	See Table 4-7 for the compensation rates.

¹⁰ APs in Lukou town are rural population, the others in Nanhu Farm belongs urban population.

¹¹ It is anticipated that after about 5 years of continuous development of NED, all APs will be eligible for the endowment insurance.

Type of impact	Degree of impact	APs	Compensation and resettlement policy	Compensation rates
attachments	trees, etc.		reconstructed by the owner according to the original size, standard and function. (2) Compensation fees will be calculated and disbursed to owners for ground attachments as stipulated.	
Grievances and appeals	\	All APs	Free; all costs so reasonably incurred will be disbursed from the Project contingencies	

6. Appeal

Since public participation is encouraged during the preparation and implementation of the RP, no substantial dispute will arise. However, unforeseeable circumstances may arise during this process. In order to address issues effectively, and ensure the successful implementation of project construction and LA, a transparent and effective grievance redress mechanism has been established. The basic grievance redress system is as follows:

Stage 1: If any AP is dissatisfied with this RP, he/she may file an oral or written appeal to the village or community committee orally or in writing. In case of an oral appeal, the village or community committee shall handle such appeal and keep written records. Such appeal should be solved within two weeks.

Stage 2: If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the Lukou Town Government or Nanhu Farm after receiving such disposition, which shall make a disposition within two weeks.

Stage 3: If the AP is dissatisfied with the disposition of Stage 2, he/she may file an appeal to the Huanggang PMO after receiving such disposition, which shall make a disposition within two weeks.

Stage 4: If the AP is still dissatisfied with the disposition of Stage 3, he/she may file an appeal with the competent authorities level by level for arbitration in accordance with the Administrative Procedure Law of the PRC after receiving the above disposition.

At any stage, the AP may also bring a suit in a civil court in accordance with the Administrative Procedure Law of the PRC.

Affected persons can decide to go through the legal system directly or may decide not to use project level grievance channels. An aggrieved person may also express grievance to the external monitor, who would then report to it to HPMO. Alternatively, the aggrieved person(s) may submit a complaint to the ADB project team to try to solve the problem. If good faith efforts are still unsuccessful, and if there are grievances that stemmed from a violation of ADB's safeguard policy, the affected persons may appeal directly to ADB in accordance with ADB's accountability mechanism¹².

All agencies will accept grievances and appeals from the affected persons for free, and costs so reasonably incurred will be disbursed from contingency costs. The above appeal channel will be notified to APs at a meeting or otherwise, so that APs are fully aware of their right of appeal. Mass media will be utilized for publicity, and opinions and advice about resettlement will be compiled into messages for study and disposition by the resettlement agencies. See Table 7-3.

¹² For more information, see <http://www.adb.org/Accountability-Mechanism/default.asp>.

Table 8 Contact Information for Grievance Redress

Agency	Name	Address	Tel
Huanggang PMO	Hu Liangshan	NED Construction Headquarters	07138453160
Resettlement Office	Hu Yi	NED Construction Headquarters	07138453160
Lukou Town Government	Yang Lei	Lukou Town Government	0713-8453152
Nanhu Farm	Luo Haifeng	Nanhu Sub-district Office	0713-8341068

7. Resettlement Implementation Schedule

The general resettlement schedule of the Project has been drafted based on the progress of project construction, LA and implementation. The exact implementation schedule may be adjusted due to deviations in overall project progress. See Table 9-1.

Table 9 Schedule of Resettlement Activities

No.	Task	Participants	Responsible Agency	Timeline	Remarks
1	Information disclosure				
1.1	RIB	Nanhu Farm, Lukou Town	HPMO, Resettlement office	March 2014	
1.2	Disclosure of the RP on ADB's website		HPMO, Resettlement office	March 2014	
2	RP and budget				
2.1	RP and budget approval (compensation rates)	CNY183.8279 million	HPMO, Resettlement office	February 2014	
2.2	DMS	Nanhu Farm, Lukou Town	Resettlement Office	March 2014	
2.3	RP updating after detailed design	Nanhu Farm, Lukou Town	IA and HPMO	April 2014	
3	LA announcement				
3.1	Disclosure of the final RP	Nanhu Farm, Lukou Town	IA and HPMO	April 2014	
3.2	Release of the LA announcement	Nanhu Farm, Lukou Town	HMG	May 2014	
4	Compensation agreement				
4.1	LA and HD compensation agreement	Nanhu Farm, Lukou Town	Resettlement Office	June–July 2014	
5	Resettlement				
5.1	Selection of resettlement housing	22 AHs	Municipal government, Nanhu Farm, AHs	July–August 2014	
5.2	HD	22 AHs	AHs	September–October 2014	
5.3	Construction of resettlement housing	22 AHs	Huanggang Urban Construction Investment Co., Ltd.	August 2013 – January 2015	
5.4	Moving into new housing	22 AHs	AHs	June 2015	
6	Livelihood restoration measures				
6.1	Payment of compensation for young crops and attachments	Nanhu Farm, Lukou Town	Nanhu Farm	July 2014	
6.3	Implementation of restoration programs	Nanhu Farm, Lukou Town	Nanhu Farm	2014–2015	
6.4	Implementation of training programs	Nanhu Farm, Lukou Town	Labor and social security bureau	June 2014–June 2015	

No.	Task	Participants	Responsible Agency	Timeline	Remarks
6.5	Implementing assistance measures for vulnerable households	Nanhu Farm, Lukou Town	Civil affairs bureau, HPMO	2014–2015	
6.6	Identifying and hiring households for employment under the project	Nanhu Farm, Lukou Town	PMO, labor and social security bureau, contractor	January 2015–December 2019	
7	Capacity building of resettlement agencies				
7.1	Training of HPMO staff	15 person-times	HPMO	March 2014	
7.2	Training of township officials	50 person-times	PMO, Resettlement Office	April–May 2014	
8	Monitoring and Evaluation				
8.1	Baseline survey	Nanhu Farm, Lukou Town	External M&E agency	May 2014	
8.2	Establishing an internal monitoring mechanism	As per the RP	HPMO, Resettlement Office	May 2014	
8.3	Appointing an external M&E agency	One	HPMO	April 2014	
8.4	Internal monitoring reporting	Quarterly	PMO, Resettlement Office	From June 2014	
8.5	External monitoring reporting	Semiannual report	External M&E agency	December 2014	1 st report
				June 2015	2 nd report
8.6	External monitoring reporting	Annual report	External M&E agency	June 2016	3 rd report
				June 2017	4 th report
8.7	Completion report	Completion report	HPMO, Resettlement Office	June 2018	5 th report
9	Public consultation		Resettlement Office	Ongoing	
10	Grievance redress		Resettlement Office	Ongoing	
11	Disbursement of compensation fees				
11.1	Disbursement to the IA	Initial funds	HMG	May 2014	
11.2	Disbursement to Nanhu Farm and Lukou Town	Initial funds	Resettlement Office	June 2014	
11.3	Disbursement to AHs	Initial funds	Resettlement Office	End of July 2014	
12	Commencement of civil construction				
12.1	Construction of the Project		HPMO	January 2015	

ADB = Asian Development Bank, AH = affected household, AP = affected person, CNY = Chinese yuan, HD = house demolition, HMG = Huanggang Municipal Government, HPMO = Huanggang project management office, DMS = detailed measurement survey, HH = household, IA = implementing agency, LA = land acquisition, M&E = monitoring and evaluation, RIB = resettlement information booklet, RP = resettlement plan.

Appendix 2: Terms of Reference for Resettlement External Monitoring and Evaluation

1. Background

In order to promote the improvement of the urban environment and development of Huanggang City, HMG has applied for a loan of US\$100 million for the Project with ADB. HMG is the executive agency, and Huanggang Urban Construction Investment Co., Ltd. (HUCIC) is the implementing agency. The project aims to promote environmentally sustainable and socially inclusive urbanization in Huanggang Municipality (especially in NED) through improvements in urban environmental infrastructure and management. The project will support strategic enhancement works in Baitan and Chiye lakes and associated rivers, key infrastructure for the solid waste management system that serves Baitan and Chiye lakes and their surrounding area, and strengthening institutional capacity for sustainable urban development and urban management services. Project benefits include: (i) improved water quality of urban surface water, (ii) social and economic development, (iii) improved quality of life for the people living in the project area; and (iv) poverty alleviation. The Project consists of: (1) urban lake and river improvement; (2) solid waste management; and (3) capacity building and institutional enhancement, in which only component 1 involves resettlement.

Huanggang Municipal Government (HMG) has prepared a Resettlement Plan (RP) for the Project, and the final RP will be updated based on the detailed and final design of the Project, a census survey of inventory of losses, socio-economic survey of affected households, and on-going extensive consultations with the AHs/APs, in accordance with the ADB Safeguards Policy Statement of 2009 (SPS2009) and Law of Land Administration of the People's Republic of China.

The RP has provided a necessary details for compensation, resettlement and rehabilitation of the Project by identifying i) the extent of losses; ii) the policy and framework for compensation payments and relocation; (iii) institutional framework for participation and implementation; and (iv) responsibilities for monitoring the implementation measures. HMG will implement the land acquisition and resettlement activities according to the updated RAP.

By agreement between the HMG, an External Monitoring and Evaluation Agency (EMEA) with the necessary experience and resources will be engaged to provide independent monitoring and evaluation of the implementation of the RP.

2. Purpose of External Monitoring and Evaluation

The specific over all purpose of the external monitoring contract is for the EMEA to provide independent monitoring of the implementation of the RAP and of its impact. The EMEA will conduct observation visits, questionnaire surveys and consultations with project affected people and communities to determine the effectiveness of compensation and related assistance, and of measures to replace or relocate services and amenities which contribute to their welfare and livelihoods.

In particular, the EMEA is required to examine and report rigorously on the effectiveness or otherwise of measures taken, including physical works and compensation, to ensure that the means of production, structures, livelihoods and welfare of project affected people is restored through these measures, for each affected individual, household and community, to at least the level which they enjoyed prior to the impact of the Project; that their knowledge of planned resettlement actions, grievance procedures and compensation, their participation in the consultation process, in decision making and in the improvement and replacement of structures

and services is consistent with the planned objectives of the resettlement program; and that they are assisted to take part in and benefit by development opportunities arising from resettlement and from the Project.

3. Institute and Personnel of External Monitoring and Evaluation

To carry out the external monitoring of this project's resettlement effectively, an independent agency will be recruited by PMO. The team leader of EMEA should have senior title, and have more than 10 years seniority of resettlement monitoring and evaluation for similar projects. The following factors should be taken into consideration for the selection of team members for resettlement monitoring institute.

- (i) The staff should know well about the involuntary resettlement policies of ADB and relevant laws and regulations of the state and local government;
- (ii) The principal staff should have more than 2 year seniority of resettlement monitoring and evaluation for similar projects, and be good at conducting social survey and public consultation independently;
- (iii) The staff should include some female members with a certain proportion.

4. Assignments of the External Monitoring and Evaluation

The EMEA will undertake the activities to monitor and evaluate the implementation of the Project's RP as followed:

(1) The compensation of land acquisition

In accordance with the features of the land acquisition of this project, the independent monitoring on the land acquisition and livelihood rehabilitation should be focused on the followings:

- a) Whether the compensation rates of various lands are determined in accordance with relevant laws of the state;
- b) Whether the transfer procedure of land compensation fund can ensure the affected villages and groups to acquire their deserved amount;
- c) Whether the amount of land acquired, compensation standards, compensation amount are publicized in the villages and by which means they are publicized;
- d) Whether a definite and feasible plan is made for the collective use of land compensation;
- e) Whether the use plan of land compensation fund is designed on the basis of the consultation with related villagers and how the use plan is finally determined;
- f) How the benefits brought by land compensation are distributed and how to guarantee the actual economic benefits of the affected persons.

(2) The resettlement of relocated persons

Many urban and rural residential houses are involved in this project. The resettlement of relocated persons is the emphasis of the independent monitoring. As to these relocated persons, the followings are the main concerns of the independent monitoring works:

- a) Whether the compensation rates of houses and other attachments to the ground are determined in accordance with the replacement cost principle;
- b) Whether the compensation is paid with full amount and in time;
- c) Construction and distribution of relocation houses;
- d) Whether the time of relocation is arranged reasonably;
- e) Whether the transition allowances and moving cost are paid;
- f) Whether the physical losses are fully compensated;

- g) Whether the infrastructure (including water, power and heat supply and roads) in the new resettlement site is completed and qualified, and who is responsible for it;
- h) Whether it is convenient to go to hospital and school from the new resettlement site.

(3) The resettlement of affected enterprises and public institutions

The independent monitoring agent should follow the relocation and restoration of the enterprises and public institutions through phone call and case study. The followings will be most concerned about:

- a) Whether the time of land acquisition and the resettlement is arranged reasonably;
- b) Whether the losses of the affected enterprises are fully compensated;
- c) Whether the staffs of the enterprises are reemployed properly;
- d) Whether the production of the enterprises is resumed in time;
- e) Whether the affected enterprise transfer their loss to their staff.

(4) The operation and capability of resettlement organizations

Capable, specialized and efficient ROs is the guarantee of the success of resettlement. So the operation and capability of ROs is an important part of independent monitoring. The monitoring agent should visit to the ROs and inspect their working data and records. The main content of monitoring on ROs includes:

- a) Whether the personnel structure of the ROs at various levels meets the requirements of the resettlement task;
- b) Whether necessary working conditions are provided for the ROs at various levels;
- c) Whether the capability of resettlement personnel meets the requirements of the resettlement task;
- d) The resettlement staff training;
- e) The internal management information system for the ROs.

(5) The resettlement of vulnerable groups

The vulnerable groups should be given special attention not only by the ROs but also by the independent monitoring agent. The agent shall follow up and monitor the resettlement of vulnerable groups through door-to-door interview, questionnaire, individual case analysis, and the main indicators of monitoring includes:

- a) Which preferential policies are enjoyed by vulnerable groups in the resettlement process;
- b) Whether the affected poor household in the urban area can afford a new house and their living standards have been improved;
- c) Whether special requirements of affected women have been fully considered in the design of resettlement measures;
- d) Whether vulnerable groups, especially women, can acquire employment opportunity relating to the project and how many vulnerable persons are employed in the construction of the project;
- e) Whether there is a female staff member in each RO to deal with the affairs of women.

(6) The living standard baseline survey of affected households

Before the launch of the resettlement, the independent monitoring agent should collect the basic information for the affected households through sampling survey. Structured questionnaires are adopted for the sampling survey. Cluster sampling should be carried out, taking all the affected households involved in the socio-economic survey at the preparation phase of the project as the sample bank. The sampling proportion for living standard baseline survey will be 10 -20%.

The living standard baseline survey of the affected households will cover as follows: family population structure, production conditions, gross floor area of the houses, annual income of the household, employment structure, annual expenditure of the household, traffic conditions, water supply and power supply conditions, living environment, subjective assessment of their production and living conditions.

(7) The effectiveness of resettlement

After the implementation of the resettlement, the independent monitoring agent should follow up and monitor the effectiveness of the resettlement continuously.

The independent monitoring agent should investigate the affected households half a year after the resettlement. The follow-up survey should conduct sampling survey by means of structured questionnaires, which is similar to the living standard baseline survey of the affected households, as to show the effectiveness of resettlement on the production and living of the households investigated. And the effectiveness of resettlement should be evaluated on the basis of the follow-up survey.

The principle of the selection of samples of the follow-up survey is the same as that in living standard baseline survey. The independent monitoring agent should try to investigate the same sampling households compared with living standard baseline survey. After the living standard baseline survey, the independent monitoring team should establish the database of the survey samples, which will be the basis of the follow-up survey. As to some survey samples which are hard to investigate again due to various reasons, they should be replaced by similar affected households in the same community according to the database established upon the earlier socio-economic survey.

The contents of the follow-up survey shall be consistent with those in living standard baseline survey, so as to carry out comparison analysis of the production and living conditions of the affected households before and after the resettlement. Meanwhile, the subjective assessment on the resettlement of the affected persons should be collected and they will be referred to in the evaluation of the effectiveness of the resettlement.

(8) Allocation and usage of resettlement fund

The independent monitoring agent should supervise the financial discipline of resettlement management and implementation units, strengthen the supervision of the management and usage of resettlement funds, to ensure that the land acquisition compensation and resettlement subsidies be allocated in place, IPs' compensation fees be paid fully and timely. The agent also should supervise the infrastructure construction scale and standard which will be strictly controlled to ensure the compensation funds will not be appropriated and wasted.

(9) Policy guidance and consultation

The independent monitoring agent should supply policy guidance, consultation, suggestion for resettlement management and implementation units to make resettlement plan more scientific, fair, and operational, and reduce the troubles as far as possible due to the improper resettlement measures. Additionally, the EMEA should assist the PMO and IAs to conduct resettlement policies disclosure and consultation for IPs.

(10) Coordination

Assist PMO, IAs and other related units to coordinate and cooperate in resettlement

implementation, make them support each other to form a collaborative relationship and orderly implement the resettlement plan.

(11) File management

EMEA should do a good job in data, information and file management in the process of resettlement monitoring and evaluation.

(12) the progress and situation of Supplementary action plan for Baitan Lake Fish Farm

The progress of implementation of Supplementary Action Plan for Baitan Lake Fish Farm and the restoration of the households income for the workers of BLFF shall be included in the external monitoring and evaluation reports.

5. Means and Procedures of Independent Monitoring and Evaluation

The EMEA will adopt the following means to carry out the monitoring of resettlement.

- (1) Door-to-door interview .On the basis of the DMS, the independent monitoring agent should set up a database for the impacted households and carry out door-to-door interview constantly. The agent will make full use of the information acquired through socio-economic survey and the resettlement management information system of the PMO, carry out dynamic management on the basic conditions of the affected households, and get to know the relevant information of the relocated persons all the time. According to the information shown in the database, the monitoring agent should visit the impacted households, get to know the progress of the resettlement, collect their complaints and suggestions, and inform them relevant policies of the state, relevant requirements of ADB and the construction information of the project.
- (2) Focus group discussion. In the resettlement site with a large population, the independent monitoring agent should convene focus group discussion irregularly to collect the comments on important issues relating to the project and resettlement. The discussion meeting can be formal or informal. And the staff of the local RO may be or may not be invited to the meeting, which depends on the actual situation.
- (3) Field survey. The staff of the independent monitoring agent should visit the resettlement area regularly and irregularly and observe the resettlement situation on site.
- (4) Survey on individual case. The monitoring personnel should put emphasis on the special case occurred in the resettlement procedure, analyze the causes of the problems, find out solutions and propose suggestions.
- (5) Questionnaire method. The monitoring agent should carry out sampling survey on the rehabilitation of the living and production conditions for the impacted persons, collect their comments on the resettlement, analyze the result in time, and work hard to solve the existing problems which can contribute to improve the resettlement work in the next stage.

6. Reporting System for External Monitoring and Evaluation

The EMEA should compile and submit independent monitoring reports based on the information acquired through observation and survey. The one purpose of this reporting is to objectively describe the progress of the resettlement and existing problems to the Asian Development Bank and the Owner, and another is to evaluate the social and economic effectiveness of the resettlement, propose constructive comments and suggestions for the improvement of the resettlement.

The independent monitoring agent should submit external monitoring and evaluation reports to ADB and the Owner, and the periods of reporting are confirmed as follows:

- (1) Submit a resettlement living standards baseline report to ADB and the Owner before the resettlement implementation;
- (2) Submit a resettlement progress report every six months during the RP implementation;
- (3) Submit a comprehensive resettlement evaluation report annually for 2 years after the completion of resettlement;
- (4) Submit a resettlement post evaluation report to ADB and the Owner after the full restoration of enterprises and rehabilitation of all affected households.

A routine monitoring report will at least include as followings: (I) monitoring objects of the report; (II) the progress of the resettlement; (III) main findings of the external monitoring agent; (IV) main existing problems; (V) basic comments and suggestions for resettlement works.

The EMEA should submit the report both in English and Chinese to the PMO and ADB.

Appendix 3: Public Participation Activities and Minutes

Time	October 18, 2012
Venue	Meeting room of Nanhu Farm
Organizer	Huanggang PMO
Participants	15 representatives from the Huanggang PMO, Groups 4, 5 and 6, and Zhaizhoujie Community of Nanhu Farm, and Hohai University
Topics	Discussing expected resettlement modes, and production and livelihood restoration programs
Key points and results	Learning the basic information of the affected villages and communities, and their near-term production restoration programs The AHs will receive compensation for young crops. Compensation for LA at 31,000 yuan/mu will be paid to the collective.
Time	October 18, 2012
Venue	Meeting room of the NED Construction Headquarters
Organizer	Huanggang PMO
Participants	15 representatives from the municipal labor and social security bureau, civil affairs bureau, women's federation, etc.
Topics	Discussing resettlement programs, and collection of policies and regulations
Key points and results	The policies and regulations for the Project in Huangzhou District were collected. Near-term production and livelihood restoration programs, and related supporting policies were learned from the heads of the functional departments.

Appendix 4: Identification Criteria of Vulnerable Households

The vulnerable groups affected the Project include:

- (1) Five-guarantee households mean households receiving living and material assistance in food, clothing, housing, medical care, funeral and education offered to eligible rural residents, and subjects may be rural old people, disabled persons and underage persons.
- (2) MLS households mean households with per capita monthly income below the MLS standard of Huanggang City (360 yuan per capita per month for urban residents) and receiving MLS benefits from the government.
- (3) The disabled mean persons mentally or physically disordered, and wholly or partly losing the ability to do anything normally.

The procedure for vulnerable group identification at the resettlement implementation stage is as follows:

1. APs file applications themselves or the village/community committee proposes a list, and evidentiary materials are provided, such as MLS certificate, disability certificate, income certificate and household register.
2. The town government reviews the list, and discloses it in the township for not less than 10 days; the list will be submitted to the Huanggang PMO if there is no objection;
3. The Huanggang PMO will finally approve the list to finally identify the vulnerable groups in the affected population.

Appendix 5: Key Provisions of PRC Laws, Regulations and Policies

Item	Key points	Index
Land ownership	<p>The People's Republic of China resorts to a socialist public ownership i.e. an ownership by the whole people and ownerships by collectives, of land.</p> <p>The State introduces the system of compensated use of land owned by the State except the land has been allocated for use by the State according to law.</p>	Article 2 of the Land Administration Law of the PRC
Application for construction land	<p>Any unit or individual that need land for construction purposes should apply for the use of land owned by the State according to law; Whereas occupation of land for construction purposes involves the conversion of agricultural land into land for construction purposes, the examination and approval procedures in this regard shall be required.</p>	Articles 43 and 44 of the Land Administration Law of the PRC
	<p>All applications for land use for construction shall be accepted by the administrative department in charge of land of the county government in a unified manner, and submitted to higher authorities level by level after examination by the county government. If the acquisition or use of land for construction involves farmland conversion, the administrative department in charge of land of the county government shall file an application, which shall be submitted to higher authorities level by level after examination by the county government.</p> <p>In case of acquisition or use of woodland, or acquisition or use of land in the urban planning area, the land user shall obtain the approval of the forestry and construction departments at or above the county level, and go through the construction land approval formalities as stipulated herein. The approved construction land must be used for the approved purpose and its use shall not be altered without authorization. If the change of use is necessary, Article 56 of the Land Administration Law of the PRC shall apply.</p>	Article 17 of the Land Administration Regulations of Hubei Province
Land acquisition authority	<p>The acquisition of basic farmland land exceeding 35 hectares outside the basic farmland, and other land exceeding 70 hectares shall be approved by the State Council.</p> <p>Acquisition of land other than prescribed in the preceding paragraph shall be approved by the governments of provinces, autonomous regions and municipalities and submitted to the State Council for the record.</p>	Article 45 of the Land Administration Law of the PRC
	<p>The acquisition of cultivated land other than basic farmland land of not more than 35 hectares, or other land than cultivated land of not more than 70 hectares shall be approved by the provincial government.</p>	Article 20 of the Land Administration Regulations of Hubei Province
Land acquisition announcement system	<p>For the acquisition of land by the State the local governments at and above the county level shall make an announcement and organize the implementation after the approval according to the legal procedures.</p> <p>After the plan for land compensation and resettlement fees is finalized, related local governments shall make an announcement and hear the opinions of the rural collective economic organizations and peasants whose land has been acquired.</p> <p>Rural collective economic organizations shall make public to its members the receipts and expenditures of the land compensation fees for land acquired and accept their supervision.</p>	Articles 46, 48 and 49 of the Land Administration Law of the PRC

Item	Key points	Index
Compensation rates for land acquisition	In acquiring land, compensation should be made according to the original purposes of the land acquired. Compensation fees for land acquired include land compensation fees, resettlement fees and compensation for attachments to or green crops on the land. The land compensation fees shall be 6-10 times the average output value of the three years preceding the acquisition of the cultivated land. The resettlement fee shall be calculated according to the number of agricultural population to be resettled. The number of agricultural population to be resettled shall be calculated by dividing the amount of cultivated land acquired by the per capital land occupied of the unit whose land is acquired. The resettlement fees for each agricultural person to be resettled shall be 4-6 times the average annual output value of the three years preceding the acquisition of the cultivated land. However, the maximum resettlement fee per hectare of land acquired shall not exceed 15 times of the average annual output value of the three years prior to the acquisition.	Article 47 of the Land Administration Law of the PRC
	(1) Acquired vegetable land or irrigated land shall be compensated for at 8-10 times the average annual output value (AAOV) of the three years prior to acquisition of such land, acquired irrigable land, garden land or lotus root pond at 7-9 times, acquired rain-fed farmland or non-irrigated land at 6-8 times, crop rotation land at 6 times, and pasture land or fishpond at 3-5 times; (2) Acquired newly reclaimed farmland that has been cultivated for less than 3 years shall be compensated for at twice the AAOV, and the investment in development shall be compensated for; (3) Acquired housing land, threshing ground or sunning ground shall be compensated for based on the original land type; (4) The compensation rate for allocated state-owned farm, forest farm, pasture or fishing ground shall be based on subparagraphs (1), (2) and (3) of this paragraph. The compensation rate for acquired or allocated woodland shall be as stipulated by the state.	Article 23 of the Land Administration Regulations of Hubei Province
Temporary land use	Users who use the land temporarily should use the land according to the purposes agreed upon in the contract for the temporary use of land and should not build permanent structures. The term for the temporary use of land shall not usually exceed two years.	Article 57 of the Land Administration Law of the PRC
	If state-owned or collectively owned land is to be used temporarily for project construction, geologic investigation or any other purpose, an application shall be filed along with the application for construction land and approved by the administrative department in charge of land; in case of separate application for temporary land use, it shall be approved by the administrative department in charge of land of the county government in case of non-cultivated land, by the administrative department in charge of land of the prefecture or municipal government in case of cultivated land, or the administrative department in charge of land of the provincial government in case of basic farmland. Temporary land use in the urban planning area shall be first approved by the municipal administrative department in charge of construction before submission for approval. The user of temporarily used land shall use the land for the approved purpose and shall not construct any permanent building thereon. The period of temporary land use shall not exceed two years in general.	Article 31 of the Land Administration Regulations of Hubei Province

SC [2004] No.28—Improvement of compensation and resettlement systems for land acquisition		MLR [2004] No.238
Article 12	County-level and above local governments shall take practical measures so that the standard of living of LEFs is not reduced by land acquisition.	Fixation of uniform AAOV rates
Improvement of measures for compensation for land acquisition	Land compensation, resettlement subsidy and compensation for ground attachments and crops shall be paid in full and timely pursuant to law. If the land compensation and resettlement subsidy pursuant to the prevailing laws and regulations are insufficient to maintain the former standard of living of the LEFs or to pay the social security expenses of farmers who lose all land due to land acquisition, governments of provinces, autonomous regions and municipalities directly under the central government shall approve an increased resettlement subsidy. If the sum of the land compensation and the resettlement subsidy attains the statutory upper limit and is still insufficient to maintain the former standard of living of the LEFs, local governments may pay a subsidy from the	Determination of uniform AAOV multiples Fixation of integrated land prices for land acquisition areas Distribution of land

SC [2004] No.28—Improvement of compensation and resettlement systems for land acquisition		MLR [2004] No.238
	<p>income from compensated use of state land.</p> <p>Governments of provinces, autonomous regions and municipalities directly under the central government shall fix and publish the uniform AAOV rates or integrated land prices for land acquisition of all cities and counties, so that the same price applies to the same kind of land. For key construction projects of the state, land acquisition expenses must be listed in the budgetary estimate in full.</p>	compensation
Article 13 Proper resettlement of LEFs	<p>County-level and above local governments shall take specific measures to guarantee long-term livelihoods of LEFs.</p> <p>For projects with a stable income, farmers may become a shareholder using the right to use of land used for construction approved pursuant to law.</p> <p>Within the urban planning area, local governments shall bring farmers who lose all land due to land acquisition into the urban employment system, and establish a social security system; out of the urban planning area, in acquiring land collectively owned by farmers, local governments shall reserve necessary arable land or arrange appropriate jobs for LEFs within the same administrative area; farmers without land who do not have the basic living and production conditions shall be subject to non-local resettlement.</p> <p>The labor and social security authorities shall propose guidelines for the employment training and social security systems for LEFs as soon as possible.</p>	<p>Resettlement for agricultural production</p> <p>Resettlement by reemployment</p> <p>Resettlement by dividend distribution</p> <p>Non-local resettlement</p>
Article 14 Improvement of land acquisition procedures	<p>During land acquisition, the ownership of collective land of farmers and the right to contracted management of farmers' land shall be maintained.</p> <p>Before acquisition is submitted for approval pursuant to law, the use, location, compensation rate and mode of resettlement of the land to be acquired shall be notified to LEFs; the survey results of the present situation of the land to be acquired shall be confirmed by rural collective economic organizations and farmers to be affected by land acquisition; if necessary, the land and resources authorities shall organize a hearing in accordance with the applicable provisions. The materials for notification to and confirmation by the LEFs shall be taken as requisite materials for approval for land acquisition.</p> <p>Accelerate the establishment and improvement of the coordination and judgment mechanism for disputes over compensation and resettlement for land acquisition to protect the lawful rights and interests of LEFs and land users. Approved matters of land acquisition shall be disclosed unless in special cases.</p>	<p>Disclosure of information on land acquisition</p> <p>Confirmation of land acquisition survey results</p> <p>Organization of land acquisition hearing</p>
Article 15 Strengthening Supervision over the implementation of land acquisition	<p>If the compensation and resettlement for land acquisition has not been implemented, the acquired land shall not be used forcibly.</p> <p>Governments of provinces, autonomous regions and municipalities directly under the central government shall formulate the procedures for the distribution of the land compensation within rural collective economic organizations on the principle that the land compensation is used for rural households affected by land acquisition mainly.</p> <p>Rural collective economic organizations affected by land acquisition shall disclose the receipt, disbursement and allocation of land compensation fees to their members and accept supervision. The agricultural and civil affairs authorities shall strengthen the supervision over the allocation and use of land compensation fees within rural collective economic organizations.</p>	<p>Disclosure of approval items of land acquisition</p> <p>Payment of compensation and resettlement expenses for land acquisition</p> <p>Post-approval supervision and inspection of land acquisition</p>

Notice of the General Office of the Hubei Provincial Government on Carrying through the Regulations on the Acquisition and Compensation of Houses on State-owned Land		HPGO [2011] No.40
Article 17	<p>The government shall provide the following compensation to the households affected by House Acquisition in accordance with different conditions:</p> <ul style="list-style-type: none"> (1) compensation for the acquired house; (2) transition subsidy and moving subsidy induced by house acquisition; (3) compensation for business suspension induced by house acquisition. <p>The local government shall lay down the subsidy and reward measures and provide subsidy and rewards to the households affected by house acquisition.</p>	
Article 21	The affected households can choose cash compensation or property swap. If property swap selected, the local government shall provide the resettlement house for exchange, and set out the different values between the acquired house and resettlement house with the affected households.	
Article 27	The local government shall provide compensation before house demolition. After compensation, the affected households shall move out of the house before the deadline set in the agreement of acquisition compensation or the compensation decision.	

Appendix 6: Small-amount Lending Incentive Mechanism

1. Apply an innovative discounting and compensatory sharing mechanism for small-amount secured loans. Discounting funds for small-amount secured loans and compensatory losses for security will be shared by municipal and district finance on a 50:50 basis in the mode of year-end settlement.
2. Apply an innovative supplement and adjustment mechanism for the security fund for small-amount secured loans.
3. Expand the scope of support of small-amount secured loans. Small-amount secured loans are granted to laid-off workers mainly at present, but will be expanded gradually to scientists and technicians, college and secondary school graduates, ex-servicemen, persons having difficulty in employment, disabled persons and rural laborers. The upper limit for individuals will be increased from 70,000 yuan to 100,000 yuan, and that for partnerships or small businesses to 100,000 yuan per capita or 500,000 yuan in total. The term of loan cannot exceed 2 years, and all small-amount secured loans will be fully discounted during the term of loan.
4. Personal small-amount secured loans will be fully discounted by finance. In addition, the approval and disbursement procedures for fiscal discounting for low-profit projects will be simplified to ensure that discounting funds are available on time and in full.
5. Increase the limit of discounting for potential small labor-intensive enterprises from 1 million yuan to 4 million yuan.

Appendix 7: Photos of FGDs and Fieldwork



FGD



Willingness survey

Appendix 8: Resettlement Budget Breakdown (Unit: 0,000 yuan)

No.	Item	Natural wetlands	Round-the-lake road	Linglong Bay	Dongchang River	Dongtai River	Jinshui River	Chushui River	Qingshui River	Canglang River	Canal green spaces	Dehydration & solidification yard	Total
1	Basic LA and HD costs	4406.25	1522.92	313.59	168.06	160.84	57.81	868.73	249.89	51.17	1435.36	13.92	9248.53
1.1	Compensation for permanent occupation of state-owned land	2206.25	307.12	0.00	162.91	154.47	0.00	823.52	244.22	48.36	1385.22	0.00	5332.07
	Pond surface	1962.46	304.51	0	136.06	98.72		700.76	87.978	43.48	929.91		4263.86
	Cultivated land (including young crops)	3.91	2.60	0	26.85	0.00		0.00	156.24	4.88	334.94		529.43
	Garden land	56.27	0.00	0	0.00	0.00		0.00	0	0.00	0.00		56.27
	Construction land	183.63	0.00	0	0.00	55.75		122.76	0	0.00	120.37		482.52
	Woodland	0.00	0.00	0	0.00	0.00		0.00	0	0.00	0.00		0.00
	Unused land	0.00	0.00	0	0.00	0.00		0.00	0	0.00	0.00		0.00
1.2	Compensation for acquisition of collective land	1608.80	325.92	297.09	0.00	0.00	56.22	0.00	0.00	0.00	0.00	0.00	2288.04
	Pond surface	677.16	240.87	267.89			56.22						1242.14
	Cultivated land (including young crops)	759.92	85.05	29.20			0.00						874.17
	Garden land	0.00	0.00	0.00			0.00						0.00
	Construction land	98.01	0.00	0.00			0.00						98.01
	Woodland	73.71	0.00	0.00			0.00						73.71
	Unused land	0.00		0.00			0.00						0.00
1.3	Compensation for temporary land occupation	0.00	0	0	0	0	0	0	0	0	0	13.9235	13.92
	Cultivated land											7.4555	7.46
	Fishponds											6.468	6.47
1.4	Compensation for residential house demolition	414.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	414.21
1.4.1	Masonry concrete structure	272.02	0	0	0	0	0	0	0	0	0	0	272.02
1.4.2	Masonry timber structure	43.04	0	0	0	0	0	0	0	0	0	0	43.04
1.4.3	Simple structure	0.82	0	0	0	0	0	0	0	0	0	0	0.82
1.4.4	Compensation for excessive housing size	66.22	0	0	0	0	0	0	0	0	0	0	66.22
1.4.5	Transition subsidy	7.92	0	0	0	0	0	0	0	0	0	0	7.92
1.4.6	Moving subsidy	2.20	0	0	0	0	0	0	0	0	0	0	2.20
1.4.7	Early moving reward	22.00	0	0	0	0	0	0	0	0	0	0	22.00
1.4.8	LA costs of the resettlement community (including LA compensation and taxes)	0.00	0	0	0	0	0	0	0	0	0	0	0.00

No.	Item	Natural wetlands	Round-the-lake road	Linglong Bay	Dongchang River	Dongtai River	Jinshui River	Chushui River	Qingshui River	Canglang River	Canal green spaces	Dehydration & solidification yard	Total
1.5	Demolition of non-residential properties	31.98	829.85								0.00		861.83
	Frame structure	0.00	717.92								0		717.92
	Masonry concrete structure	29.89	111.93								0		141.82
	Masonry timber structure	2.09	0										2.09
	Simple structure	0.00	0										0.00
1.6	Compensation for ground attachments	144.9979	60.0335	16.5	5.148	6.369	1.584	45.21	5.676	2.805	50.138	0	338.46
1.6.1	Fishpond facilities and equipment	50.16	17.842	16.5	5.148	6.369	1.584	45.21	5.676	2.805	50.138	0	201.43
1.6.2	Toilets	0.816	0	0	0	0	0	0	0	0	0	0	0.82
1.6.3	Simple pumped wells	0.42	0	0	0	0	0	0	0	0	0	0	0.42
1.6.4	Deep wells	0.4	0	0	0	0	0	0	0	0	0	0	0.40
1.6.5	Canals	51.9	35.4	0	0	0	0	0	0	0	0	0	87.30
1.6.6	Cement roads	38	5.8	0	0	0	0	0	0	0	0	0	43.80
1.6.7	Weed trees												0.00
	Breast height diameter <5cm	0.2985	0.081	0	0	0	0	0	0	0	0	0	0.38
	Breast height diameter 5-8cm	0.1784	0.056	0	0	0	0	0	0	0	0	0	0.23
	Breast height diameter 8-10cm	0.144	0.047	0	0	0	0	0	0	0	0	0	0.19
	Breast height diameter 10-15cm	0.165	0.0435	0	0	0	0	0	0	0	0	0	0.21
1.6.8	Landscaping trees												0.00
	Breast height diameter 8-10cm	0.636	0.144	0	0	0	0	0	0	0	0	0	0.78
	Breast height diameter 10-15cm	0.69	0.21	0	0	0	0	0	0	0	0	0	0.90
	Breast height diameter 15-20cm	0.74	0.2	0	0	0	0	0	0	0	0	0	0.94
	Breast height diameter >=20cm	0.45	0.21	0	0	0	0	0	0	0	0	0	0.66
2	Supporting fund for vulnerable groups	22.03	7.61	1.57	0.84	0.80	0.29	4.34	1.25	0.26	7.18	0.07	46.24
3	Resettlement planning and monitoring costs	88.12	30.46	6.27	3.36	3.22	1.16	17.37	5.00	1.02	28.71	0.28	184.97
3.1	Resettlement planning and design costs	22.03	7.61	1.57	0.84	0.80	0.29	4.34	1.25	0.26	7.18	0.07	46.24
3.2	Resettlement M&E costs	66.09	22.84	4.70	2.52	2.41	0.87	13.03	3.75	0.77	21.53	0.21	138.73
4	Resettlement management costs	132.19	45.69	9.41	5.04	4.83	1.73	26.06	7.50	1.53	43.06	0.42	277.46
5	Training costs	26.44	9.14	1.88	1.01	0.97	0.35	5.21	1.50	0.31	8.61	0.08	55.49
6	Taxes and fees on LA	3536.89	626.87	254.81	136.56	67.87	40.31	458.31	346.77	36.86	1226.56	0.00	6731.82
6.1	LA management costs (3.6% of basic costs)	158.62	54.83	11.29	6.05	5.79	2.08	31.27	9.00	1.84	51.67	0.00	332.45
6.2	Farmland occupation tax	718.00	82.13	27.47	22.00	0	0	0	128.00	4.00	274.40	0	1256.01
6.3	Land reclamation costs	333.87	38.19	12.77	10.23	0	0	0	59.52	1.86	127.596	0	584.04
6.4	Fees for compensated use of new construction	2106.08	375.58	187.60	89.88	54.04	35.34	383.60	137.76	26.60	701.12	0	4097.60

No.	Item	Natural wetlands	Round-the-lake road	Linglong Bay	Dongchang River	Dongtai River	Jinshui River	Chushui River	Qingshui River	Canglang River	Canal green spaces	Dehydration & solidification yard	Total
	land												
6.5	Endowment insurance fund for LEFs	220.31	76.15	15.68	8.40	8.04	2.89	43.44	12.49	2.56	71.77	0.00	461.73
7	LA and HD costs (subtotal of Items 1-6)	8211.92	2242.69	587.53	314.88	238.53	101.64	1380.03	611.91	91.15	2749.48	14.77	16544.51
8	Contingencies (10% of total costs)	912.44	249.19	65.28	34.99	26.50	11.29	153.34	67.99	10.13	305.50	1.64	1838.28
9	Total	9124.35	2491.87	652.81	349.86	265.03	112.93	1533.37	679.90	101.27	3054.97	16.41	18382.79
10	Percent	49.64%	13.56%	3.55%	1.90%	1.44%	0.61%	8.34%	3.70%	0.55%	16.62%	0.09%	100%

Appendix 9: Resettlement Due Diligence Report on Acquisition of State-owned Land of Baitan Lake Fish Farm and the Associated Facilities in Huanggang

**ADB-financed Hubei Huanggang Integrated
Urban Environment Improvement Project**

**Resettlement Due Diligence Report on
Acquisition of State-owned Land of Baitan
Lake Fish Farm and the Associated
Facilities in Huanggang**

Huanggang PMO

National Research Center for Resettlement

27 February 2014

Abstract

1. Background

The Huanggang Municipal Government has applied for an ADB loan for the Hubei Huanggang Integrated Urban Environment Improvement Project, which consists of the urban lake and river improvement, and capacity building and institutional enhancement components. The river and lake improvement will involve land acquisition (LA) and resettlement. The project area is part of the Huanggang New Eastern District (NED) urban development. In 2012, some of the land in state-owned Baitan Lake Fish Farm (BLFF) was acquired and compensated for in 2012. According to ADB's Safeguard Policy Statement (SPS 2009) and the ADB Inception Mission's memorandum, the Huanggang PMO has prepared a due diligence report on the LA, compensation and resettlement activities of BLFF. In addition, the resettlement impacts of 4 associated facilities funded by government which are linked with ADB funded project are identified and presented in DDR.

2. Methods of due diligence investigation

In this due diligence investigation, policies, documents and agreements on LA compensation and resettlement were collected, verified and analyzed, 43 households sampled (50% of all AHs) for a questionnaire survey, and FGDs and key informant interviews held.

3. Range and impacts of LA

The NED Construction Headquarters completed the acquisition of the state-owned BLFF in 2012. All the acquired land is state-owned farmland, including cultivated land, fishponds, lake surface and unused land. 8,750 mu of state-owned land has been acquired, including 500 mu of cultivated land, 2,000 mu of fishponds, 6,000 mu of lake surface and 250 mu of unused land, affecting 86 households with 327 persons, which lease fishponds of BLFF for aquaculture on an annual basis. According to lease contracts, LA will be notified 5 months in advance. In addition to the ADB financed project, domestic funded projects for roads construction and other infrastructure also acquired land of BLFF.

To avoid sewer flow into Baitan lake, and for water diversion to flood relief from Baitan Lake, four associated facilities were identified for the ADB financed project¹³. Regarding the 4 associated facilities, eastern district sewer and rainwater separation pipeline was laid along the existing roads, and Xinqiao landfill was closed in 2012 with 3 affected laborers reemployed within internal environment management department. Hongqiba pump station will be constructed in state-owned river flood land without any affected persons, and Nanhu pumping station is planned to be built in state-owned river flood land, thus these projects construction will not induce any land acquisition and resettlement.

4. Compensation and resettlement policies, and implementation

¹³ The Hongqi Pump Station is an associated facility because it is needed to provide 1.1 m³/s of water to Chiye Lake for maintaining the hydraulic loading to sustain the surface flow wetland. The Nanhu pump station is crucial for flood alleviation in the planning area should the water level in Santai River be higher than that in Baitan Lake. Xinqiao Landfill closure project and Eastern district sewer and rainwater separation pipeline project will avoid the polluted and waste water flow into Baitan Lake.

According to the Notice of the Provincial Government on Publishing the Uniform AAOVs and Location-based Land Prices for Land Acquisition of Hubei Province (HPG [2009] No.46), and the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City(HNDO [2012] No.9), the compensation rates for LA of BLFF are as follows:

Table 1: Compensation Rates for LA of BLFF

Division	Cultivated land		Fishponds		Garden land		Woodland		Unused land	
	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)
BLFF	1	27,000	1.1	29700	1.1	29700	0.7	18900	0.3	8100
Remarks	Incl. 1,350 yuan/mu for young crops		Incl. 2,700 yuan/mu of excavation costs							

Note: fry transfer and facility subsidy for fishpond is 2,200yuan/mu.

All land compensation fees will be paid to the Huangzhou District Aquatic Products Bureau (HDAPB)¹⁴, and managed and used as state-owned assets according to law, mostly for endowment insurance for farm workers and dependents. In addition, a fry transfer and facility subsidy (2,200 yuan/mu) will also be paid to fishpond contractors, and their facilities and equipment may be bought back at cost voluntarily (i.e., HDAPB will compensate the equipment owned by APs if they do not wish to continue doing aquaculture).

Most of the fishpond contractors are former farm workers of BLFF, and were converted into urban residents after the restructuring and winding-up of the farm in 2007. In order to further secure their livelihoods, the NED Construction Headquarters has proposed some major livelihood restoration measures: (1) The members of families of former farm workers will be offered a per capita commercial land of 20 m², to be managed in a unified manner with income distributed by share; (2) Affected persons (APs) who are willing to carry on aquaculture will be assisted in leasing fishponds in Xingfu Fish Farm (2,050 mu); (3) The Huangzhou District Labor and Social Security Bureau will provide free skills training to the APs, and assist young adult laborers in reemployment; and (4) Endowment insurance will be covered for the APs; about 28.6% of the premium will be paid by the APs [more details in section 3.4(5)].

To date, all LA compensation fees have been paid to BLFF, all subsidies for the fishpond contractors have been fully paid, and the other livelihood restoration measures are being implemented.

5. Implementing Agency

The NED Construction Headquarters is responsible for LA compensation and resettlement for BLFF, and HDAPB participates in and coordinates LA compensation and resettlement as the managing agency of BLFF. These agencies are well staffed, managed and coordinated, and ensure successful LA strongly.

6. Public participation and consultation

It is learned that during LA, the APs were full consulted about compensation policies and resettlement programs, all information was fully disclosed, and the implementing agency conducted extensive public

¹⁴ BLFF was closed in 2007 yet and HDAPB is the owner and manager of the lake now.

participation and consultation to solicit comments.

7. Livelihood restoration and satisfaction survey

The livelihood restoration and resettlement measures are being implemented, and the income of the APs is being restored. Their satisfaction with the compensation and resettlement policies is high. The questionnaire survey shows that 100% of the sample households are satisfied with the DMS results, and compensation policies and rates, and 95.35% with the disclosure and transparency of LA policies. 34.88% say that their income is higher than pre-LA levels, and 65.12% expect more job opportunities.

8. Conclusion and Suggestions

Since BLFF is state-owned, land compensation fees have been paid to HDAPB, and are managed as state-owned assets. The APs will receive young crop compensation fees, a transition subsidy, and a fry transfer and facility subsidy, and may buy back facilities and equipment at cost voluntarily; the livelihood and income restoration measures for the APs include offering a per capita commercial land of 20 m², offering new standard fishponds for lease, free skills training and assistance in reemployment, and endowment insurance. The above compensation and resettlement policies comply with the applicable state, provincial and municipal laws and regulations, and provide effective policy security for the successful completion of LA and resettlement. There has been no prominent LA or resettlement issue, but commercial spaces, and endowment insurance for workers and dependents are not available yet. In addition, 4 associated facilities will not induce to any impacts of Land Acquisition and Resettlement.

Since all livelihood restoration measures are being implemented, and the income of the APs is being restored, these measures should be accelerated, and their implementation and the livelihood restoration of the APs included in the M&E system of the Project. M&E will be conducted regularly, and M&E reports submitted to the Huanggang Project Leading Group and ADB until the income of the APs is fully restored.

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Abbreviations

AAOV	-	Average Annual Output Value
ADB	-	Asian Development Bank
AH	-	Affected Household
AP	-	Affected Person
BLFF	-	Baitan Lake Fish Farm
DMS	-	Detailed Measurement Survey
FGD	-	Focus Group Discussion
HDAPB	-	Huangzhou District Aquatic Products Bureau
LA	-	Land Acquisition
M&E	-	Monitoring and Evaluation
NED	-	New Eastern District
PMO	-	Project Management Office

Units

Currency unit	=	Yuan (CNY)
1.00 yuan	=	\$0.1626
1 hectare	=	15 mu

1 Introduction

1.1 Background of the Project

The Huanggang Municipal Government has applied for a loan of US\$100 million for the Project with ADB to improve the city's urban environment, promote its development, and lay a good foundation for the development of the New Eastern District (NED).

The total size of Core area of NED in phase I is 10 km², and the Land Acquisition and Resettlement impacts in such area are shown in the following table.

Table 1-2 LAR impacts and progress in NED

Index	Area of Land acquisition mu	Area of house demolition m ²	Affected households	Affected persons	Cost of LAR (Billion yuan)	Remarks
Core area of NED (10km ² in phase 1)	37500	500000	2712	20124	4.766	Phase II of NED planning area will cover an area of 25km ² , and 63km ² in Phase III
Completed before the end of 2013	8504	133000	780	2808	1.65	The rest will be completed in about 5 years.

LA in BLFF had been completed before project identification. According to ADB's social safeguard policies and the ADB Inception Mission's memorandum, a due diligence investigation should be conducted on the completed LA and resettlement activities of the Project. The National Research Center for Resettlement at Hohai University was appointed by the Huanggang PMO to prepare this report, which has been submitted by the Huanggang PMO to ADB for review.

To avoid sewer flow into Baitan lake, and for water diversion to or flood relief from Baitan Lake, four associated facilities were identified under the ADB financed project¹⁵. They are Hongqiba pumping station, Nanhu pumping station, Xinqiao landfill closing project and eastern district sewer and rainwater separation project. The resettlement impacts for these 4 associated facilities related to the ADB project are identified and presented in DDR.

The working team of Hohai University was engaged by Huanggang PMO to prepare the RP for the ADB financed project and conduct the due diligence survey of the completed

¹⁵ The Hongqi Pump Station is an associated facility because it is needed to provide 1.1 m³/s of water to Chiye Lake for maintaining the hydraulic loading to sustain the surface flow wetland. The Nanhu pump station is crucial for flood alleviation in the planning area should the water level in Santai River be higher than that in Baitan Lake. Xinqiao Landfill closure project and Eastern district sewer and rainwater separation pipeline project will avoid the polluted and waste water flow into Baitan Lake.

LAR of BLFF. The working team completed field work in BLFF in July 2013, and submitted the draft DDR in Nov 2013.

1.1 LA Impacts and Overview of Resettlement

1.2

8,750 mu of land in BLFF has been acquired for the Project, including 500 mu of cultivated land, 2,000 mu of fishponds, 6,000 mu of lake surface and 250 mu of unused land, all being state-owned farmland whose land use right was held by BLFF before LA. LA has affected 86 fishpond contracting households with 327 persons, all being former workers of BLFF and their dependents.

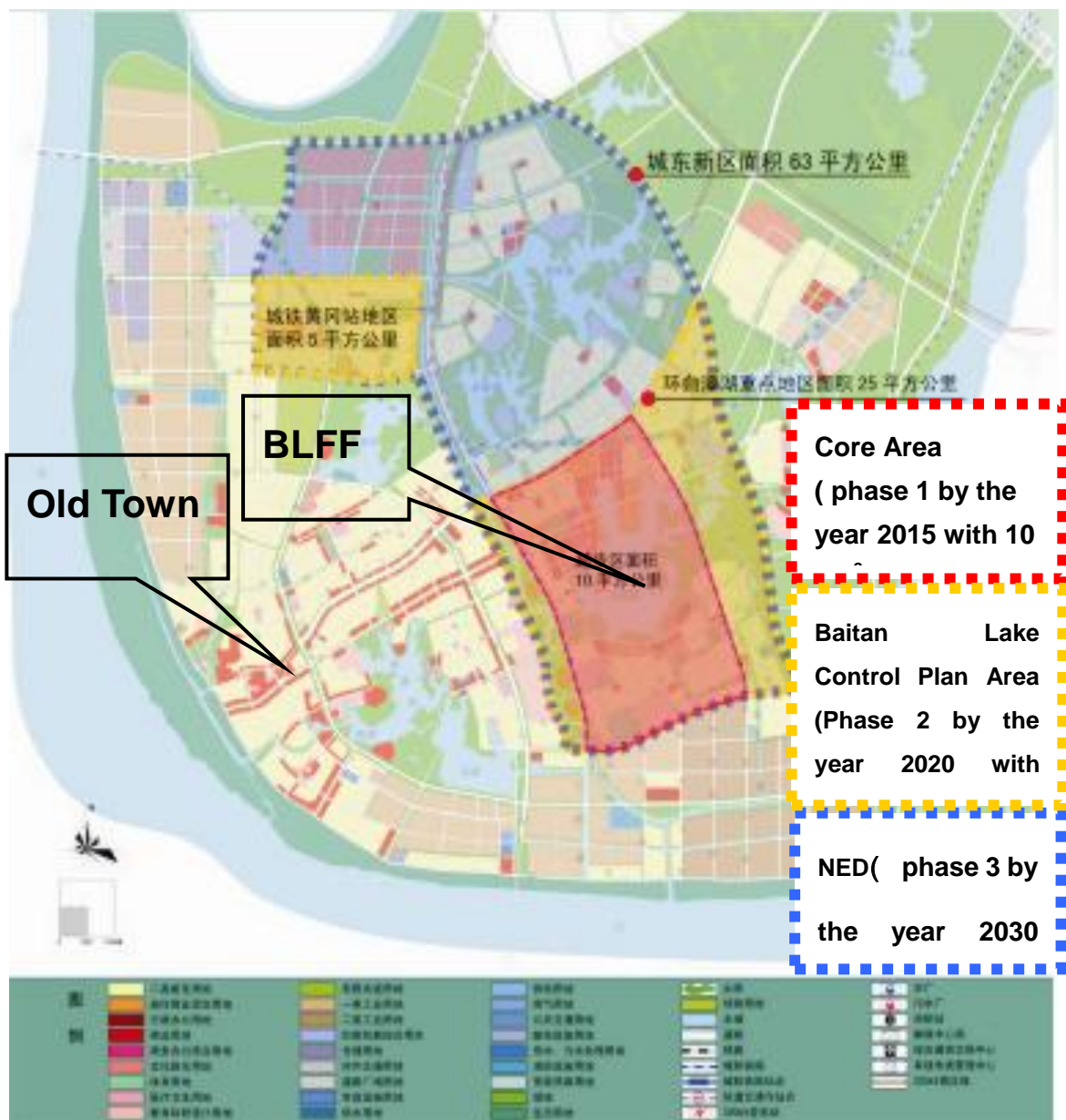


Figure 1-2 Location of NED and BLFF

Xinqiao landfill was closed in 2012 with 3 affected laborers reemployed within internal environment management department, and Eastern district sewer and rainwater separation pipeline was paved along the existing roads and did not induce LAR, Hongqiba pump station and Nanhu pump station will be constructed in state-owned river floodland without any affected persons. See details in the following table.

Table 1-2 LAR impacts for Associated Facilities

NO.	Facilities	Construction type	FSR completed (in year)	Implemented (in year)	LAR impacts	Reasons of linkage
1	Xinqiao landfill closing	Constructed in 2000 and closed in 2012, 3 affected laborers reemployed within internal environment management department			None	Avoid the polluted and waste water flow into Baitan lake
2	Eastern district sewer and rainwater separation pipeline project	rebuilt	2011	2011	Laid along the existing roads and did not induce to LAR	Avoid the polluted and waste water flow into Baitan lake
3	Hongqiba pump station	rebuilt	uncertain	2017	Construct in state-owned river floodland without any affected persons.	The Hongqi Pump Station is an associated facility because it is needed to provide 1.1 m ³ /s of water to Chiye Lake for maintaining the hydraulic loading to sustain the surface flow wetland.
4	Nanhu pump station	New build	uncertain	2015	Construct in state-owned river floodland without any affected persons.	The Nanhu pump station is crucial for flood alleviation in the planning area should the water level in Santai River be higher than that in Baitan Lake.

1.3 Purpose, Scope and Methods of Resettlement Due Diligence Investigation

In order to evaluate the implementation of LA and resettlement in BLFF, and protect the APs' lawful rights and interests, the National Research Center for Resettlement was appointed by the Huanggang PMO to conduct a due diligence investigation on the Project.

The purpose is to evaluate if the LA and resettlement work of the Project complies with

the Land Administration Law of the PRC, and the regulations and policies of Hubei Province and Huanggang City on resettlement, inspect the processes and progress of LA and resettlement, fund management, evaluate the APs' satisfaction with their current living standards and production levels, identify any potential issue, and propose feasible suggestions accordingly through a comprehensive review of the LA and resettlement process.

The scope includes LA approval, LA progress, fund disbursement, compensation policies and rates, income restoration and satisfaction with resettlement, information disclosure and grievance redress, and the supplementary action plan.

During the due diligence investigation, the following methods were used mainly:

(1) Desk work means the collection, review and verification of documents and information on the Project and resettlement.

The documents collected during this investigation include the LA approval, LA compensation and resettlement programs, LA compensation agreements, receipts of compensation fees, etc.;

Information on public participation related to LA compensation and resettlement was also collected, such as minutes, LA announcements, policy brochures and bulletin boards.

(2) Fieldwork methods such as sampling survey, FGD and key informant interview were used in this investigation.

Sampling survey: A sampling plan was designed, and households affected by LA were sampled randomly. 43 households affected by LA (50%) were sampled for the questionnaire survey with the assistance of HDAPB and BLFF.

FGD: FGDs were held at the district and village levels with staff of the NED Construction Headquarters, Huanggang Municipal Land and Resources Bureau, Huangzhou District Labor and Social Security Bureau, and HDAPB, and APs to learn the implementation of LA compensation and resettlement.

Key informant interview

Key informants such as heads of the NED Construction Headquarters, Huanggang Municipal Land and Resources Bureau, Huangzhou District Labor and Social Security Bureau, HDAPB and BLFF, and some APs were interviewed.

2 Impacts of Acquisition of State-owned Farmland

2.1 Amount of State-owned Farmland Withdrawn

8,750 mu of land of BLFF has been acquired for the NED, including 500 mu of cultivated land, 2,000 mu of fishponds, 6,000 mu of lake surface and 250 mu of unused land, all being state-owned farmland whose land use right was held by BLFF. LA has affected 86 fishpond contracting households with 327 persons, all being former workers of BLFF and their dependents. During LA, 7,906.3 mu falls into the ADB financed project area, accounting for 90.36% of the acquired land area in BLFF. See Table 2-1.

Table 2-1 LA Impacts on BLFF

Item	Cultivated land (mu)	Fishponds (mu)	Unused land (mu)	Water surface (mu)	Total (mu)	Percent (%)	HHs	Population
ADB financed Project	3.7	1962.1	53.9	5886.7	7906.3	90.36	86	327
Other projects in NED	496.3	37.9	196.1	113.3	843.7	9.64		
Total	500	2000	250	6000	8750	100		

Note: 1.Other projects in NED mainly include roads and pipe networks around Baitan Lake.2.

BLFF was closed in 2007, then the HDAPB took the responsibility of the management of the lake. For the effective utilization of the lake and fishponds resources, HDAPB leased part of the water surface to some of the original workers with a short contract term (year by year).

2.2 Impact Analysis of Acquisition of State-owned Farmland

LA in BLFF has also affected the land rental income of HDAPB (managing the farm's land resources since its closedown in 2007), and the operating income of the fishpond contracting households.

1. Socioeconomic profile of Baitan Lake Fish Farm

BLFF owned 8,750 mu of land before LA, including 500 mu of cultivated land, 2,000 mu of fishponds, 6,000 mu of lake surface and 250 mu of unused land, all being state-owned farmland whose land use right was held by BLFF. The farm was closed in 2007 and the Huangzhou District Aquatic Products Bureau (HDAPB) was in the receiver. Huangzhou District Government took the responsibilities of the arrangement and reemployment of the 360 employed workers of BLFF through providing cash compensation, skill training, endowment insurance and new job opportunities. The workers were transferred to urban residents and covered by the urban residential social welfare system including the minimum living standard for citizens, basic old-age pension and medical insurance systems for urban workers, etc.

After the closing of BLFF in 2007, HDAPB leased out the fishponds and water surface of the lake in a public manner and 86 former workers annually contracted for the aquaculture in the fishponds and lake.

The locations of BLFF, Nanhu Farm and Lukou Town are shown in Figure 2-1.

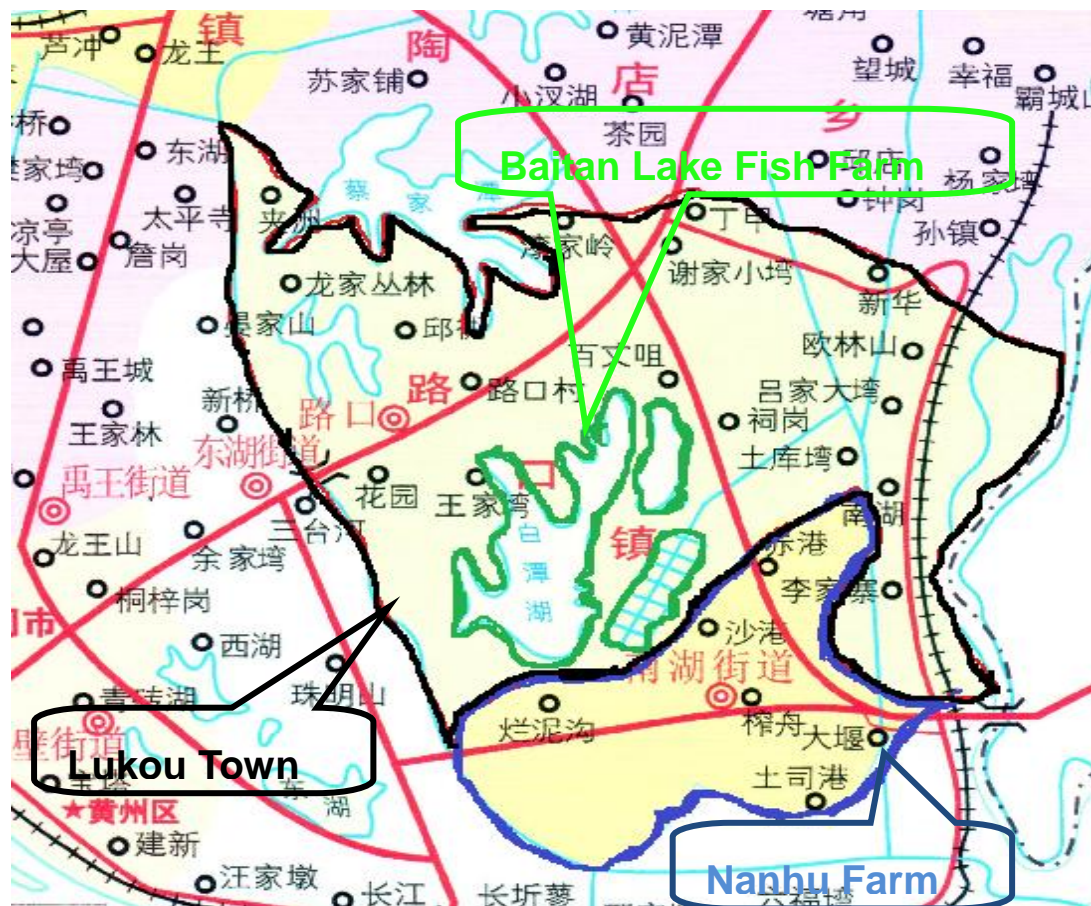


Figure-2-1 Map for the locations of BLFF, Nanhu Farm and Lukou Town

2. Impact on the income of the holder of the land use right

Before LA, HDAPB solicited contractors of land resources of former BLFF. In 2012, 2,500 mu of land was contracted with total rental of about 1.5 million yuan. After the NED Construction Headquarters withdraws the right to use all state-owned land, the annual land rental income of HDAPB will be fully lost.

Table 2-2 Income Impact of LA on the Proprietor of BLFF

Entity	Nature	Contracted land (mu)	Average rental rate (yuan/mu)	Annual rental (0,000 yuan)	Remarks
HDAPB	State-owned farmland	2500	600	150	Income on state-owned assets

3. Impact on the income of fishpond contracting households

LA in BLFF will cause income losses to the 86 fishpond contracting households (327 persons). They contract 2,500 mu of fishponds in total on an annual basis, 29.07 mu per household and 7.65 mu per capita. According to the survey, the main fish subject to aquaculture are silver carp, grass carp, common carp and crucian. In 2012, average output per mu was about 1,050 kg, average output value per mu 10,000 yuan, average profit per mu 2,200 yuan, average net aquaculture income per household 63,954 yuan, and per capita net aquaculture income 16,830 yuan. The acquisition of all state-owned farmland of BLFF will deprive the 86 households of all aquaculture income. But the affected households can rent new fishponds in Xinfu Fish Farm with a rent of 200 Yuan/mu. The government will also support these households to lease new fish ponds.

Table 2-3 Income Impact of LA on the Fishing Households of BLFF

LA			Income impact				
Farmland area (mu)	Average per household (mu)	Per capita (mu)	Average output per mu (kg)	Average output value per mu (yuan)	Average profit per mu (yuan/mu)	Average net aquaculture income per household (yuan)	Per capita net aquaculture income (yuan)
2500	29.07	7.65	1050	10000	2200	63954	16830

Note: The main fish subject to aquaculture are silver carp, grass carp, common carp and crucian, which are raised together.

3 Review of Compensation and Resettlement for LA

3.1 Implementing Agency

The NED Construction Headquarters is responsible for compensation for LA in BLFF, and the Land Division thereunder is responsible for specific LA compensation and resettlement activities. HDAPB participates in and coordinates LA compensation and resettlement as the managing agency of BLFF. These agencies are well staffed, managed and coordinated, and ensure successful LA strongly.

3.2 Implementation Process

The implementation process of compensation for LA in BLFF is as follows:

- (1) The Huanggang Municipal Government issued the Decision on Accelerating the Construction of the NED on February 8, 2012, deciding to withdraw the land use right in the project area;
- (2) Hubei Land Resources Department approved the 19th-24th batches construction land application for Huanggang city in 2012, which including the land transfer of Baitan Lake Fish Farm.
- (3) The NED Construction Headquarters entered into an LA compensation agreement with HDAPB in December 2012 pursuant to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City(HNDO [2012] No.9), and paid the first installment of 40.554 million yuan; the balance of 57.929 million yuan will be paid by June 2014;
- (4) HDAPB notified fishpond contractors that their contracts would not be renewed after expiry due to LA in July 2012, and paid compensation fees for fry, equipment and facilities, totaling 4.2 million yuan;
- (5) All fishpond contractors had received compensation fees by December 2012, and terminated aquaculture activities and handed over their contracted fishponds to HDAPB in December 2012.

3.3 Compensation Rates and Distribution of Compensation Fees

1. Compensation rates

The main laws and regulations on LA for the Project are:

- Land Administration Law of the People's Republic of China [2004]
- Regulations for the Implementation of the Land Administration Law of the People's Republic of China (Decree No.256 of the State Council) [2004]
- Notice of the Provincial Government on Publishing the Uniform AAOVs and Location-based Land Prices for Land Acquisition of Hubei Province (HPG [2009] No.46)
- Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City(HNDO [2012] No.9)

According to the Notice of the Provincial Government on Publishing the Uniform AAOVs and Location-based Land Prices for Land Acquisition of Hubei Province (HPG [2009] No.46), the uniform AAOV rates of the Project are shown in Table 3-1.

Table 3-4 Uniform AAOV rates for LA in the Project Area

Township	Area type	Nature of land	Uniform AAOV (yuan/mu)	Multiple of land compensation fees	Multiple of resettlement subsidy	Multiple of young crop compensation fees
BLFF	Tier-3	State-owned	1350	8	12	1

According to the Implementation Plan for House Acquisition, Resettlement and Compensation in the New Eastern District of Huanggang City(HNDO [2012] No.9), the compensation rates for LA and correction factors in the Project are shown in Table 3-2. According to the public consultation the rates have been accepted by the affected households and entities.

Table 3-5 Compensation Rates for LA and Correction Factors

Division	Cultivated land		Fishponds		Garden land		Woodland		Unused land	
	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)	Factor	Amount (yuan)
BLFF	1	28350	1.1	29700	1.1	29700	0.7	18900	0.3	8100
Remarks	Incl. 1,350 yuan/mu for young crops		Incl. 2,700 yuan/mu of excavation costs							

Note: fry transfer and facility subsidy for fishpond is 2,200yuan/mu.

HDAPB will pay a fry transfer and facility subsidy to the affected fishpond contractors at 2,200 yuan/mu.

In addition, for households that no longer carry on aquaculture, HDAPB will compensate for their existing facilities and equipment at the following rates:

Table 3-6 Compensation Rates for Equipment and Facilities

Item	Spec.	Price	Remarks
Submersible pump	4-6 inches	1200 yuan each	With rubber barrel
Aerator		1400 yuan each	
Bait feeder		400 yuan each	
Fishing boat	Cement	500 yuan each	
	Glass-reinforced plastic, big	800 yuan each	
	Glass-reinforced plastic, small	600 yuan each	
Fishnet		17 yuan/jin	Including a processing subsidy of 5 yuan/jin
Kilowatt-hour meter		1500 each	
Wires	Single core	45/m	70-80m
	Copper core	500 yuan/m	80-100m
	Cable	530 yuan/m	90-100m
Ridges		1500 yuan each	<30 mu fishpond

2. Distribution of LA compensation fees

BLFF is a state-owned fish farm managed by HDAPB, and its acquired land is state-owned land. LA compensation fees for such land are state-owned assets, so all land compensation fees and resettlement subsidies will be paid to HDAPB, while compensation fees for fry, equipment and facilities to their proprietors, namely the fishpond contractors.

After HDAPB has received land compensation fees and resettlement subsidies on behalf of BLFF, it will use them to pay endowment insurance premiums for the affected farm workers and their dependents (all APs in the Project are former workers of BLFF). HDAPB will pay about 71.4% of the premiums.

Table 3-7 Distribution of Compensation Fees for LA of BLFF

Township	Area type	Nature of land	Uniform AAOV (yuan/mu)	Multiple of land compensation fees	Multiple of resettlement subsidy	Multiple of young crop compensation fees	Compensation for facilities and equipment
BLFF	Tier-3	State-owned	1350	8	12	1	
Amount (yuan/mu)			Cultivated land	27000		1350	
			Fishpond	29700		2200	See Table 3-3
Received by				HDAPB (used for endowment insurance for workers and dependents, and a transition subsidy of 500 yuan/mu mainly)		Proprietors (land and fishpond contractors)	Proprietors (fishpond contractors)

The LA and resettlement work of the Project is based on the Notice of the Provincial Government on Publishing the Uniform AAOVs and Location-based Land Prices for Land Acquisition of Hubei Province, which has been developed in light of the Land Administration Law of the People's Republic of China and based on practical conditions.

The working team of Hohai University thinks that the resettlement policies applied to the Project comply with the applicable laws, regulations and policies of the state, Hubei Province and Huanggang City on LA compensation and resettlement, and are highly transparent. The compensation contract was based on consultation and many restoration programs were provided.

3.4 Resettlement Measures

In order to make up income losses suffered by the fishpond contractors from LA, the NED Construction Headquarters and HDAPB have taken the following measures:

1. Cash compensation

The NED Construction Headquarters has paid LA compensation fees totaling 40.554 million yuan to HDAPB, will pay the balance of 57.929 million yuan by June 2014, and compensate for property losses of the fishpond contractors in cash, including compensation fees for young crops and ground attachments. As of December 2012, full compensation totaling 4.2 million yuan had been paid to the fishpond contractors, including compensation fees for young crops, fry transfer costs, facilities and equipment compensation costs, and transition subsidies.

2. Offering commercial land

The NED Construction Headquarters will offer a per capita commercial land of 20 m² in the new district for each worker (not for dependents) of Baitan Lake Fish Farm as a long-term means of their living. These lands will be managed in a unified manner by the new community committee of APs with income distributed by share. Due to the NED development is still in an early infrastructure construction stage, the location and implementation plan of the commercial land provided to Baitan Lake Fish Farm is under consultation and coordination.

3. Aquaculture restoration

HDAPB will make the new aquaculture surface of Xingfu Fish Farm first available to the households willing to carry on aquaculture from BLFF. It is estimated that 36 households with 137 persons are willing to carry on aquaculture in Xingfu Fish Farm, and will contract 750 mu of water surface at an average rental rate of 200 yuan/mu per annum. Xingfu Fish Farm has a total aquaculture surface of 2,050 mu, including 500 mu of fry breeding ponds and 1,550 mu of well-equipped intensive fishponds. There are 100 intensive fishponds in total, measuring 15-20 mu each, with an average depth of 2.5m.



Figure 3-1 Aquaculture Water Surface of Xingfu Fish Farm



Figure 3-2 Location of Xingfu Fish Farm

Except Xingfu Fish Farm, extensive water areas in and around Huanggang City located beside the Yangtze River are available for aquaculture. For this reason, 40 households with 151 persons from BLFF plan to contract other nearby fishponds at similar rental rates to carry on aquaculture.

4. Free training and nonagricultural employment

Huanggang City is close to the Wuhan urban agglomeration, and the rapid growing regional economy has generated considerable nonagricultural job opportunities. In the project area, most young laborers are willing to shift to nonagricultural jobs. According to interviews, over 70% of the APs aged 20-40 years have been employed in nonagricultural sectors, and are paid 2,500-3,800 yuan/month. Some more elderly APs do such jobs as environmental sanitation, gardening, landscaping, security and assistance in nearby areas, and are paid 1,600-2,000 yuan/month. The Huangzhou District Labor and Social Security Bureau will provide free skills training, employment information and guidance services to the APs.

5. Social security

HDAPB has covered basic endowment insurance for urban workers for the affected former workers of BLFF according to the applicable policy. The monthly basic pension includes a basic pension and an individual account pension, where the basic pension is 20%

of the average monthly pay of local workers in the year preceding one's retirement, and the individual account pension is the balance of the individual account divided by 120. Individuals only need pay about 28.6% of the premiums. And 80% of the total premium paid by individual and employer will go to personal account, the rest to the public account. However, the dependents of the former workers of BLFF have not been covered by endowment insurance, but the Huanggang District Aquatic Products Bureau has promised to cover endowment insurance for urban residents for the dependents of these farm workers. The new policy of the social security for LEFs was issued by NED in the end of 2013 (refer Table 5.3 of the RP).

4 Income and Satisfaction Survey of the Affected Households

4.1 Sampling Survey

4.1.1 Profile and Scope of Survey

86 households with 327 persons have been affected by LA in the Project. In July 2013, the task force sampled 43 households (50% of all AHs) for a questionnaire survey, and held FGDs and key informant interviews in the project area, covering family population, age structure, educational level, labor force, land resources, and income and expenditure.

4.1.2 Survey Methods

The task force conducted a questionnaire survey by random sampling in addition to structured interviews to learn income and expenditure, satisfaction with LA compensation and resettlement, and comments on and attitudes to resettlement, and also held FGDs with the Land Division of the NED Construction Headquarters, HDAPB, and BLFF to learn policies on LA compensation and resettlement, and their implementation.

4.2 Basic Information of the Sample Households

4.3

4.3.1 Basic Information on Population

4.3.2

The 43 sample households have a total population of 165, 3.84 per household on average, including 80 females, accounting for 48.48%. All the samples are of urban status in household registration, where males mostly deal with aquaculture, while married women and old people mostly do housework and some farm work. Some are still state farmer workers and the rest are dependents.

(1) Age and gender structure

Among the 165 samples, 43 are aged below 16 years, accounting for 26.06%, including 22 males (25.88% of all male samples) and 21 females (26.25% of all female samples); 91 aged 16-59 years, accounting for 55.15%, including 47 males (55.29% of all male samples) and 44 females (55% of all female samples); and 31 aged 60 years or above, accounting for 18.79%, including 16 males (18.82% of all male samples) and 15 females (18.75% of all female samples).

(2) Educational level

Among the 122 adult samples aged 16 years or above, 16 have received primary school or below education, accounting for 13.11%; 49 have received junior high school education, accounting for 40.16%; 40 have received senior high school/technical secondary school education, accounting for 32.79%, and 17 have received junior college or above education, accounting for 13.93%. See Table 4-1.

Table 4-1 Demographics of the Population Affected by LA

Index	Males		Females		Total	
	Number	%	Number	%	Number	%
Age						
<16 years	22	25.88%	21	26.25%	43	26.06%
16-59 years	47	55.29%	44	55.00%	91	55.15%
≥60 years	16	18.82%	15	18.75%	31	18.79%
Subtotal	85	100.00%	80	100.00%	165	100.00%
Educational level						
Primary school or below	7	11.11%	9	15.25%	16	13.11%
Junior high school	25	39.68%	24	40.68%	49	40.16%
Senior high school / technical secondary school	21	33.33%	19	32.20%	40	32.79%
Junior college or above	10	15.87%	7	11.86%	17	13.93%
Subtotal	63	100.00%	59	100.00%	122	100.00%

4.3.3 Land Resources

The 43 sample households have a contracted (annually) land area of 1,235 mu before LA, including 248 mu of cultivated land and 987 mu of fishponds, averaging 28.72 mu per household (5.77 mu cultivated land and 22.95 mu of fishponds). The main crops are paddy rice, rape and vegetables, and the main fish are silver carp, grass carp and crucian. All contracted land has been lost after LA.

4.4 Income and Expenditure

In 2012 before LA, the average annual net income of the 43 sample households was 76,337 yuan, the per capital annual net income is slightly higher than the per capita disposable income of urban residents of Huanggang City of 16,720 yuan in 2012. And the average annual expenditure of the sample households was 32,060 yuan, including nonproductive expenses of 22,603 yuan, accounting for 70.5%, and other expenses of 9,457 yuan, accounting for 29.5%. See details in Table 4-2.

Table 4-2 Income and Expenditure of the Sample Households before LA

Item		Per Household (yuan)	Percent (%)
Gross Income	Cultivation income	3567	1.17%
	aquaculture income	293593	96.10%
	Employment income	7700	2.52%
	Other income	632	0.21%
	Subtotal	305494	100.00%
Operating expenses		229157	
Net income		76337	
Expenditures	Nonproductive expenses	22603	8.65%
	Other expenses	9457	3.62%
	Subtotal	32060	100.00%

The livelihood restoration and resettlement measures are being implemented, and the income of the APs is being restored. The evaluation of their income restoration will be included in external M&E.

4.5 Satisfaction Survey and Analysis

During the questionnaire survey, the task force also conducted a survey on the satisfaction with compensation and resettlement. The results are shown in Table 4-3.

Table 4-3 Satisfaction of the Sample Households

Answer	Percent (%)						
	Information disclosure and policy transparency	DMS results	compensation rates for fry, equipment and facilities	Resettlement policies	Implementation of resettlement policies	Income restoration	Income sources and job opportunities after LA
Very dissatisfied	0	0	0	0	6.98	4.65	4.65
Dissatisfied	4.65	0	0	0	25.58	60.47	37.21
Neither, nor	23.26	13.95	18.60	32.56	44.19	23.26	23.26
Satisfied	46.51	53.49	51.16	46.51	23.26	11.63	34.88
Very satisfied	25.58	32.56	30.23	20.93	0	0	0
Total	100	100	100	100	100	100	100

It was found that many households were dissatisfied or very dissatisfied with the implementation of resettlement policies, mainly because the measures of offering land for industrial development and covering endowment insurance in such policies have not been taken to date. In addition, since some AHs are still in the process of economic transformation, and looking for new aquaculture places, job opportunities and income sources, they are also somewhat dissatisfied with income restoration.

4.6 Interview Minutes

In order to learn LA compensation and resettlement, and income restoration, the task force held some interviews in the project area in July 2013. See Table 4-4 for some minutes.

Table 4-4 Interview Minutes

<p>July 11-20, 2013</p> <p>Interview 1—Interviewee: Mr. Qi, NED Construction Headquarters</p> <p>The land in BLFF is state-owned farmland and was managed by HDAPB before LA. During LA, the right to use such land was withdrawn according to the land utilization plan for the NED. A compensation agreement was entered into the aquatic products bureau, and the first installment was paid last year. The fishpond contractors are former workers of BLFF and their dependents, whose compensation and resettlement is the responsibility of HDAPB. LA compensation and resettlement was successful. Subsequent compensation fees will be paid to the aquatic products bureau, and there is no financial problem here.</p> <p>Interview 2—Interviewee: Mr. Huang, HDAPB</p> <p>BLFF is a state-owned fish farm and was closed down in 2007. Its land resources are managed by HDAPB and its fishponds are leased on an annual basis. Since BLFF is</p>

within the construction land of the NED, its land can only be leased for short terms, and all local residents know that. The contractors have also been prepared for LA, and some of them have also leased fishponds elsewhere. The aquatic products bureau has made great efforts on their compensation and livelihoods, and paid compensation fees for young crops, fry transfer costs, facilities and equipment compensation costs, and transition subsidies, fully covering their losses. The bureau will also assist households willing to carry on aquaculture to lease new fishponds in Xingfu Fish Farm. Some commercial land and endowment insurance for the affected workers and dependents will also be available in the NED. However, these measures have to be taken over time. The work has been successful to date, and protected their interests very well.

Interview 3—Interviewee: Mr. Yu, contractor of BLFF

I was formerly a worker of BLFF. After its closedown, I have dealt mainly with aquaculture. I knew that the NED was to be constructed a few years ago, and that the fishpond contracted by me would be acquired sooner or later. Last year, I received compensation fees for young crops, fry transfer costs, etc. timely, and sold aquaculture facilities and equipment to the government. I'm quite satisfied with the policy. In the future, I will contract fishponds elsewhere for aquaculture, which is not quite difficult. My income will also be secured due to my excellent aquaculture skills and experience, and market relations.

Interview 4—Interviewee: Mr. Zhong, contractor of BLFF

My family has 4 members and has contracted over 20 mu of fishponds, which have been acquired at a time. I knew that these fishponds would be acquired for development. I'm satisfied with the compensation, and the government has assisted in contracting nearby fishponds in Xingfu Fish Farm. I'm confident in my future life. My only concern is that my family members have not been covered by endowment insurance, though the government has made a promise. I expect that the government share some premiums so as to reduce my family's financial pressure. I also know that some commercial land will be offered, we can share the benefit. This can guarantee our interesting!

The affected fishpond contractors have received compensation for fries, facilities and equipment, and are generally satisfied with the compensation rates and resettlement policies. However, some livelihood restoration measures have not been taken yet, such as provide commercial land and endowment insurance, so further actions are needed to be taken soon.

4.7 Evaluation

It has been found that the former aquaculture surface area of the fishpond contractors was large, so their overall income was high, and their per capita disposable income slightly higher than the average of urban residents, mostly from aquaculture. The questionnaire survey shows that 100% of the sample households are satisfied with the DMS results, and

compensation policies and rates, and 95.35% with the disclosure and transparency of LA policies. However, only 34.88% say that their income is higher than pre-LA levels, and 65.12% expect more job opportunities. The AHs are expect the proposed restoration measures can be taken as soon as possible.

5 Public Participation and Grievance Redress

5.1 Public Participation and Consultation

According to the policies and regulations of the state, Hubei Province and Huanggang City on resettlement, the NED Construction Headquarters conducted public participation and information disclosure at the preparation and implementation stages in order to protect the lawful rights and interests of the APs, and reduce grievances and disputes. See Figures 5-1, 5-2, 5-3 and 5-4.

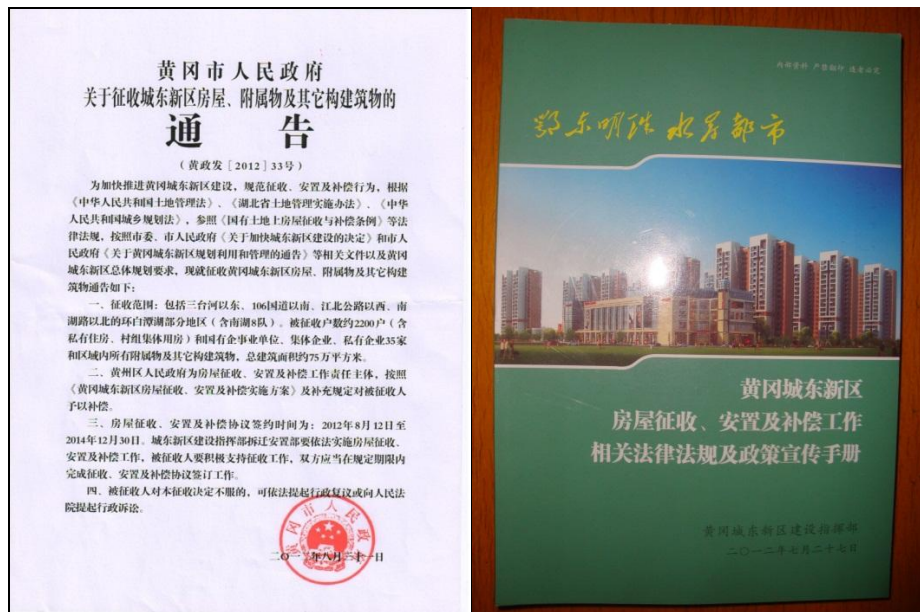


Figure 5-1 Announcement on LA for the NED Figure 5-2 Brochure of LA Policies for the NED



Figure 5-3 Bulletin Board of LA Policies for the NED



Figure 5-4 Bulletin Board on Resettlement Information for the NED

During LA in BLFF, HDAPB conducted extensive consultation with the APs through FGDs and interviews. On this basis, it has laid down the compensation policies and rates, including fry transfer costs, transition subsidy, and facilities and equipment compensation costs. It will also assist the affected contractors in contracting fishponds in Xingfu Fish Farm and other nearby areas. During compensation and resettlement, consultation was generally smooth.

5.2 Grievance Redress

A sound grievance redress mechanism was in place during resettlement, involving BLFF, HDAPB, the NED Construction Headquarters, bureau for letters and visits, court, etc. The detailed grievance redress procedure is as follows:

- Stage 1: If any AP is dissatisfied with this RP, he/she may file an oral or written appeal to BLFF or HDAPB orally or in writing. In case of an oral appeal, BLFF or HDAPB shall handle such appeal and keep written records. Such appeal should be solved within two weeks.
- Stage 2: If the AP is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the NED Construction Headquarters after receiving such disposition, which shall make a disposition within two weeks.
- Stage 3: If the AP is dissatisfied with the disposition of Stage 2, he/she may file an appeal to the Huanggang PMO after receiving such disposition, which shall make a disposition within two weeks.
- Stage 4: If the AP is still dissatisfied with the disposition of Stage 3, he/she may file an appeal with the competent authorities level by level for arbitration in accordance with the Administrative Procedure Law of the PRC after receiving the above disposition.

The APs may file appeals about any aspect of resettlement, including compensation rates. The above grievance redress mechanism has been notified to the APs at a meeting or otherwise, so that the APs are fully aware of their right of appeal. Mass media will be utilized for publicity, and opinions and advice about resettlement will be compiled into messages for study and disposition by the resettlement agencies.

In practice, the compensation rates under the Project comply with the applicable regulations and policies, and compensation fees have been fully paid to the satisfaction of the APs. Some minor errors, such as omissions or mistakes in DMS registration, were corrected timely on spot.

5.3 Evaluation

In the compensation and resettlement work to date, no appeal or legal action arising from resettlement has arisen yet. The public participation and consultation processes of the Project have played an excellent role during resettlement.

6 Supplementary Action Plan

6.1 Resettlement Measures not yet Taken

As of the date of this report, LA for BLFF had been completed, but the livelihood restoration measures were being implemented, and some key measures had not been taken, including:

(1) The NED Construction Headquarters and HDAPB promised to provide a per capita commercial land of 20 m² to the affected workers of BLFF, but the site and size of the land for commercial development, and the mode of development had not been determined because the NED was still at the early stage of development. This measure has not begun to generate income for the AHs yet.

(2) The affected farm workers and their dependents had not been covered by endowment insurance, and contribution levels and percentages, and pension levels had to be further negotiated.

(3) The second installment for LA compensation payment of CNY 57.929 million is to be paid to HDAPB by June 2014.

6.2 Supplementary Action Plan

In order to promote the implementation of all resettlement measures, fulfill the resettlement objectives, and ensure that the living standards and production levels of the APs are well restored, the Huanggang PMO has drafted the following supplementary action plan:

(1) Urge the NED Construction Headquarters and HDAPB to finalize the plan for offering commercial spaces to the affected former workers of BLFF through extensive consultation, and implement such plan after its approval by the end of 2014;

(2) Coordinate with the Huangzhou District Labor and Social Security Bureau, and HDAPB to finalize the plan for endowment insurance for the affected farm workers and dependents through extensive consultation, and implement such plan after its approval by the end of 2014;

(3) HDAPB will assist affected villagers to (i) either lease fish ponds at Xinfu Fish Farm or other ponds and (ii) seek employment opportunities in NED, including provision of technical training; and

(4) Include the livelihood restoration of the APs in internal and external resettlement M&E, with focus on the implementation progress of these supplementary actions, and report to the Huanggang Project Leading Group and ADB semi-annually.

The East New District construction headquarters will be in charge of the implementation of above supplementary action plan which needs to be completed by the end of December 2014. Huanggang PMO will take charge of the coordination and management, as well as internal monitoring and periodical reporting to ADB the progress on these actions and their results.

7 Conclusion and Suggestions

7.1 Conclusion

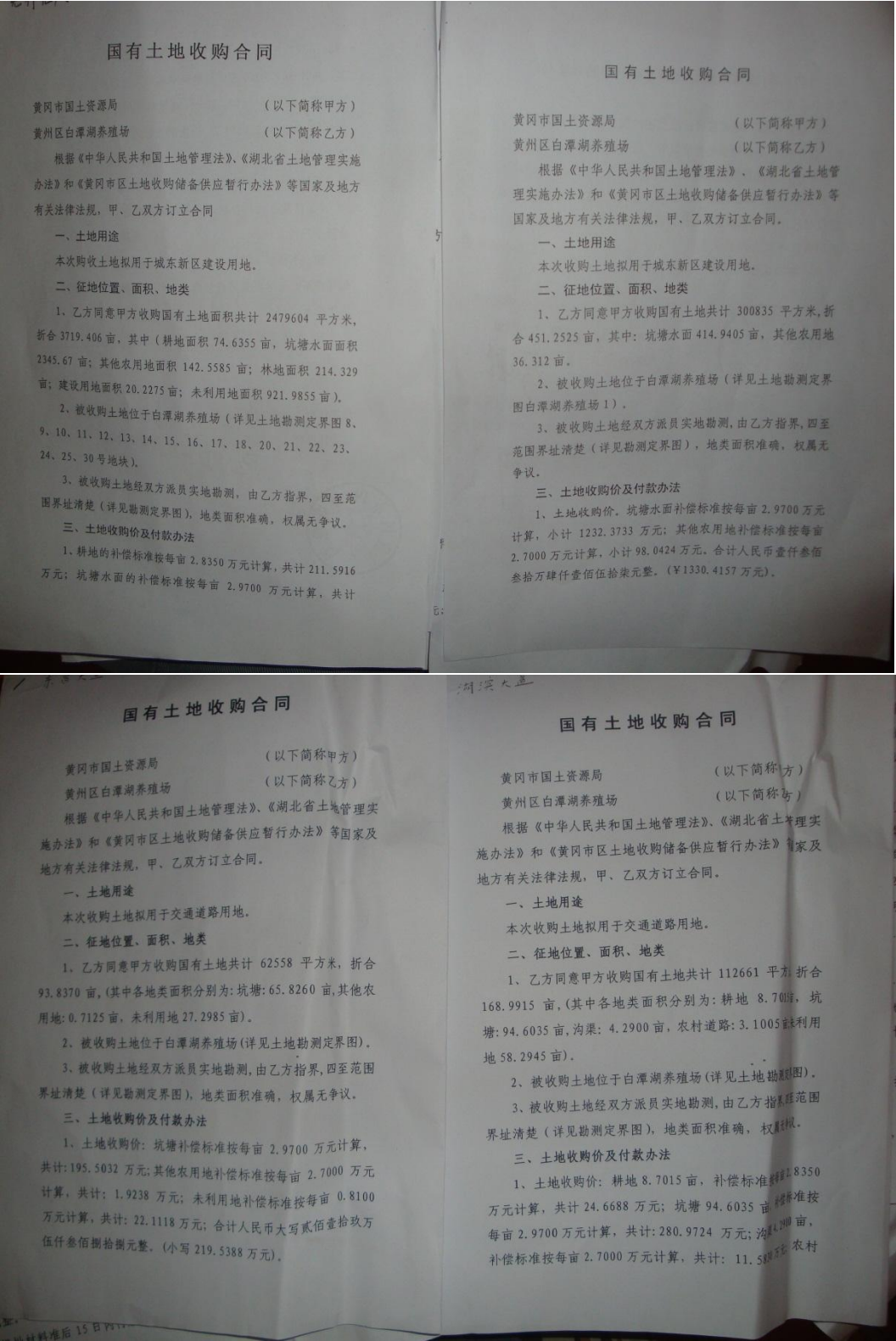
Since BLFF is state-owned, land compensation fees have been paid to HDAPB, and are managed as state-owned assets. The APs received young crop compensation fees, a transition subsidy, and a fry transfer and facility subsidy, and compensation for facilities and equipment; the livelihood and income restoration measures for the APs include provision of commercial land of 20 m² per capita (worker) for unified development, offering new standard fishponds for lease, free skills training and assistance in reemployment, and endowment insurance. The above compensation and resettlement policies comply with the applicable state, provincial and municipal laws and regulations, and provide effective social security for the successful completion of LA and resettlement. There has been no prominent LA or resettlement issue, but commercial land, and endowment insurance for workers and dependents are not available yet. In addition, 4 associated facilities will not induce to any impacts of Land Acquisition and Resettlement.

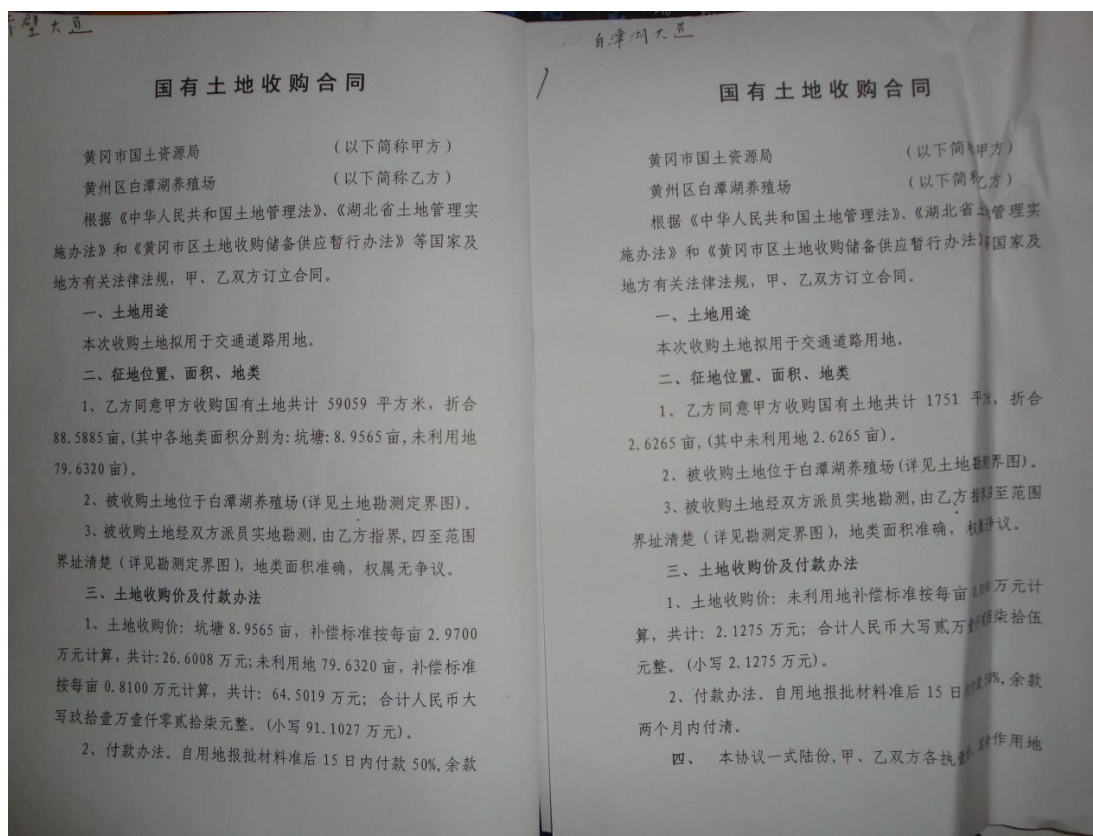
The second installment for LA compensation payment of CNY 57.929 million is to be paid to HDAPB by June 2014 when the remaining lands are transferred to NED.

7.2 Suggestions

These livelihood restoration measures should be accelerated, and their implementation and the livelihood restoration of the APs included in the M&E system of the Project. M&E will be conducted semi-annually, and M&E reports submitted to the Huanggang Project Leading Group and ADB until the income of the APs is fully restored.

Appendix 1: Compensation Agreement for LA





Appendix 2: Payment Voucher of Compensation Fees for an AH

