

# Resettlement Plan

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Project Number: 46079  
January 2014

## PRC: Guangdong Chaonan Water Resources Development and Protection Demonstration Project

Prepared by the Chaonan Water Supply Company under the Chaonan Water Affairs Bureau of the Chaonan District Government, Guangdong Province, People's Republic of China for the Asian Development Bank.

## CURRENCY EQUIVALENTS

(as of 24 January 2014)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1652
\$1.00	=	CNY6.0527

## ABBREVIATIONS

ADB	–	Asian Development Bank
AAOV	–	average annual output value
AH	–	affected household
CNY	–	Chinese yuan
CFB	–	Chaonan Finance Bureau
CLRB	–	Chaonan Land Resources Bureau
CWAB	–	Chaonan Water Affairs Bureau
CWSC	–	Chaonan Water Supply Company
DI	–	design institute
EA	–	executing agency
GDP	–	gross domestic product
FSR	–	feasibility study report
HH	–	household
IA	–	implementing agency
LAR	–	land acquisition and resettlement
LARD	–	Land Acquisition and Resettlement Division
M&E	–	monitoring and evaluation
MLSSP	–	Minimum Living Standard Security Program
PMO	–	project management office
PPTA	–	project preparatory technical assistance
PRC	–	People's Republic of China
RP	–	resettlement plan
TOR	–	term of reference

## NOTES

- (i) The fiscal year (FY) of the Government of the People's Republic of China and its agencies ends on 31 December. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2010 ends on 31 December 2013.
- (ii) In this report, "\$" refers to US dollars.

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ADB-Financed Guangdong Chaonan  
Water Resources Development and  
Protection Demonstration Project

# Resettlement Plan

Chaonan Water Supply Company under the Chaonan Water Affairs Bureau  
of the Chaonan District Government Projects  
Guangdong Province, People's Republic of China


January 2014

Letter of Commitment  
For  
Resettlement Plan

P46079-PRC: Guangdong Chaonan Water Resources Protection and Conservation  
Demonstration Project

The Chaonan District Government (CDG) has applied for a loan from the Asian Development Bank (ADB) to finance the Guangdong Chaonan Water Resources Development and Protection Demonstration Project. The project will abide to the social safeguard requirements of AD's Safeguard Policy Statement (2009), and therefore a resettlement plan has been prepared. This resettlement plan will constitute the basis for land acquisition and resettlement of the project.

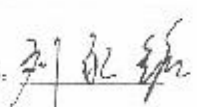
CDG endorses the contents and measures of the resettlement plan. CDG confirms to implement all measures as laid out in the resettlement plan. CDG has discussed the draft resettlement plan with relevant agencies and affected villages and obtained their consent. CDG has no objection to posting the resettlement plan on the ADB website according to ADB standard procedures.

Signature: 

Name and position: Chen Yanwan

Executive deputy district administrator

Unit: Chaonan district government

Signature: 

Name and position: Liu Yongming

District administrator

Unit: Chaonan district government

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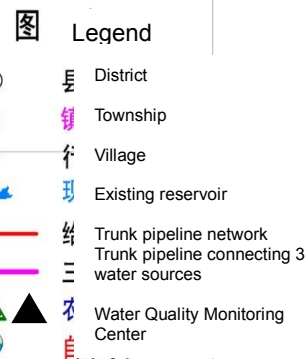
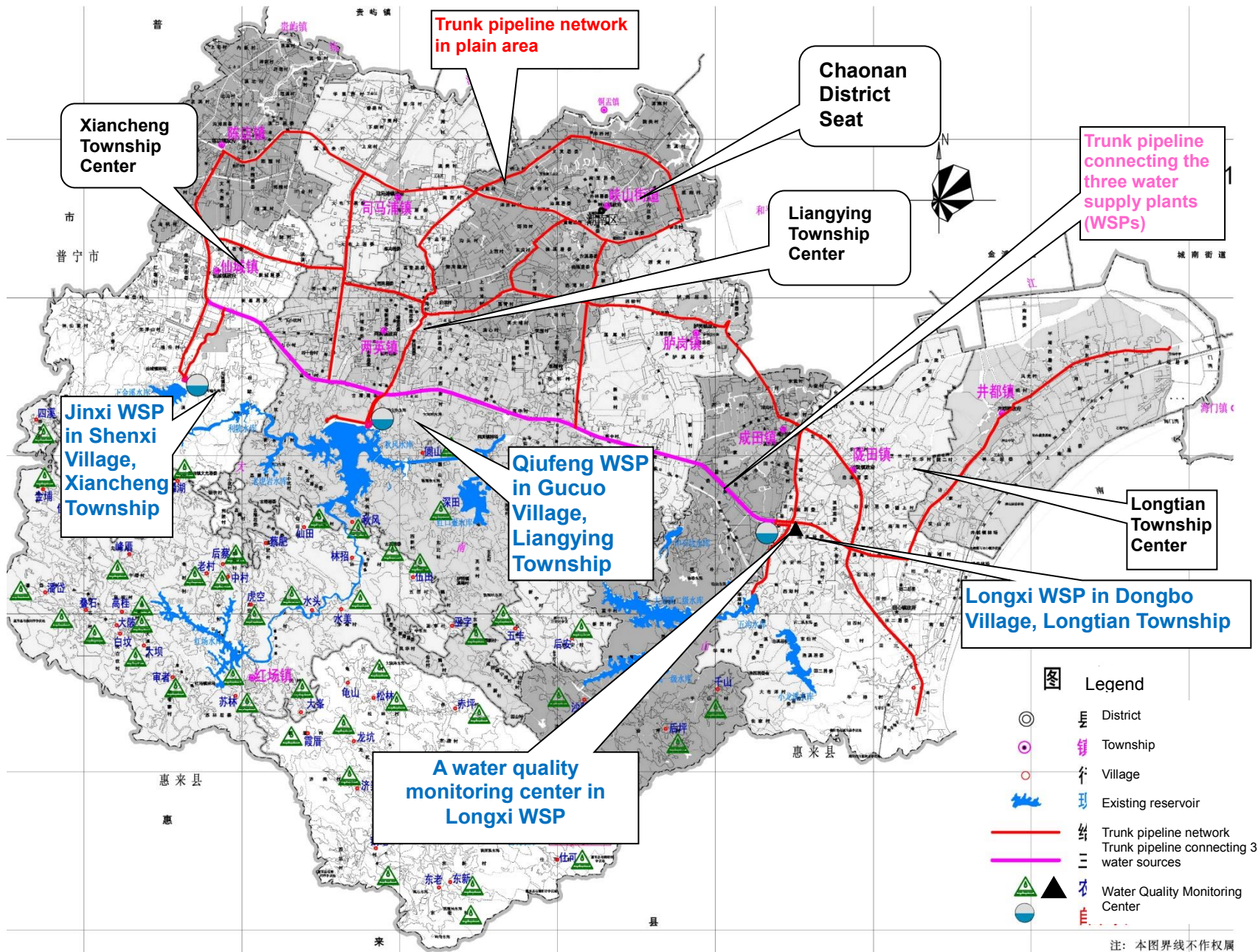
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Source: Feasibility study report.

## I. PROJECT DESCRIPTION

### A. Project Composition

1. The proposed Guangdong Chaonan Water Resources Development and Protection Demonstration Project (project) includes three outputs: (i) improved water resources protection, including public awareness on environment and sanitation; water conservation reforestation; research on pollution source and control measures; and pilot programs on solid waste collection and treatment; (ii) improved water supply infrastructure, including expansion or upgrade of water supply plants (WSPs) and related pipelines, etc.; and (iii) strengthened institutional and staff capacity.

2. Of the three outputs, output 1 will be on lands that are not currently cultivated or contracted to villagers for farming or economic forestry; and so, no land acquisition and resettlement (LAR) will be involved. Output 2 (inclusive urban and rural water supply system) has LAR impact. Output 2 consists of five suboutputs: (i) expansion of the Qiufeng WSP in Gucuo Village of Liangying Township, (ii) reconstruction of the Jinxi WSP in Shenxi Village of Xiancheng Township, (iii) construction of the Longxi WSP in Dongbo Village of Longtian Township, (iv) installation of about 1,000 kilometers (km) of pipelines; and (v) establishment of a water quality monitoring center.

3. The Chaonan district government (CDG) is the executing agency (EA) responsible for overall planning and management of the project. The Chaonan Water Supply Company (CWSC) under the Chaonan Water Affairs Bureau (CWAB) is the implementing agency (IA) of output 2.

### B. Resettlement Plan

4. The main objective of this resettlement plan (RP) is to provide an effective guideline to Chaonan's officials that will be responsible to implement resettlement activities in fashion fitting sound planning principles which comply with relevant laws and regulations of the People's Republic of China (PRC) and the requirements of the Asian Development Bank's (ADB) Safeguard Policy Statement (2009).

5. This RP is prepared in accordance with relevant PRC laws and regulations and the requirements for involuntary resettlement of ADB's Safeguard Policy Statement (2009). The information included in the RP is mainly from the project feasibility study report (FSR) and field surveys. The RP will be updated based on the final design of project construction drawings; and submitted to ADB for review and approval before implementation of LAR, and before ADB's awarding of civil works.

## II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

### A. Permanent Land Acquisition and Resettlement Impact

6. Output 2 needs to acquire permanently a total of 79.33 *mu* or 5.3 hectares (ha)<sup>1</sup> of collective land for expanding and/or constructing three WSPs. Permanent land acquisition impacts by suboutput and by village are presented in Table 1.

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<sup>1</sup> Output 2 will probably need another 0.75 *mu* of land to build valve wells that connect and control the pipelines. Specific data and land status will be verified when the drawings design of project construction are finalized.



**Table 1: Scope of Permanent Land Acquisition**

No.	Suboutput	Land Acquisition ( <i>mu</i> )						Owner-ship	Indirectly Affected Village and/or People
		Farm-land	Orchard land	Construction land	Waste-land	Water pond	Total		
1	Expansion of Qiufeng WSP	0.00	20.39	0.00	4.61	0.00	25.00	Collective	Gucuo Village/ 9,811 people
2	Reconstruction of Jinxi WSP	5.73	0.00	2.61	0.00	1.66	10.00	Collective	Shenxi Village/ 20,227 people
3	Construction of Longxi WSP	44.33	0.00	0.00	0.00	0.00	44.33	Collective	Dongbo Village/ 10,248 people
	<b>Total</b>	<b>50.06</b>	<b>20.39</b>	<b>2.61</b>	<b>4.61</b>	<b>1.66</b>	<b>79.33</b>		<b>3 Villages/ 40,286 people</b>

WSP = water supply plant.

Sources: Feasibility study report and project preparatory technical assistance consultants.

7. All lands to be acquired are not contracted to individual households, but reserved by village committees for some projects. The land is not used for farming or other livelihood activities; and so, all villagers are only indirectly affected. In case of Gucuo and Shenxi villages, the lands to be acquired are under collective management; while the 44.33 *mu* farmland in Dongbo Village was temporarily leased to two directly affected individual households with 15 persons for 5 years (2010–2015). Part of the land compensation paid to the village will be used to compensate these two households for not being able to continue use of the land. The remaining 35 *mu* of affected collective village land will have only indirect impacts on households.

8. There is neither shelter nor structure on the land to be acquired. Therefore, there will be no physical displacement resulting from the land acquisition. The owners of any affected trees will be compensated for their losses.

## **B. Temporary Land Occupation and Resettlement Impact**

9. Output 2 needs to occupy a total of 2,721.16 *mu* of land temporarily for laying the pipelines, storing construction materials, constructing temporary access roads for civil works, and so on, including (i) 802.83 *mu* of state-owned land (i.e., 112,932 meters [m] of green belt) for laying trunk pipelines, as all the trunk pipes will be installed parallel to existing roads and for construction spoil disposal site; and (ii) 1,468.33 *mu* of collective land<sup>2</sup> for other uses. Temporary land occupation by land type and by use is given in Table 2; these numbers exclude 450 *mu* of industrial land that will be leased for spoil disposal. The number of displaced persons affected by temporary land occupation will be provided in an updated RP upon availability of the detailed technical design of the project components requiring temporary land occupation. The compensation and entitlements for temporary land occupation are in Tables 12 to 14.

<sup>2</sup> Accurate temporary land acquisition places can be provided at the stage of final design of project construction drawings according to the design institute.

**Table 2: Temporary Land Occupation Impact**

No.	Land Type		Temporary Uses				Total	Ownership
			Civil works (mu)	Material Storage Sites	Temporary Access Roads	Laying of Pipelines		
1	Farmland	Irrigated	16.20	24.73	97.83	298.76	<b>437.52</b>	Collective
		Non-irrigated	21.60	32.97	130.44	405.31	<b>590.32</b>	Collective
2	Orchard land		10.80	16.48	65.22	201.16	<b>293.66</b>	Collective
3	Woodland		5.40	8.24	32.61	100.58	<b>146.83</b>	Collective
4	Highway (Green belt)		0.00	0.00	0.00	802.83	<b>802.83</b>	State-owned
<b>17.</b>	<b>Subtotal</b>		<b>54.00</b>	<b>82.42</b>	<b>326.10</b>	<b>1,808.64</b>	<b>2,271.16</b>	

Sources: Feasibility study report and project preparatory technical assistance consultants.

### C. Measures to Minimize Land Acquisition and/or Occupation and Resettlement Impact

10. Permanent land acquisition area was minimized from early stage, and house demolition was avoided.

11. Through the design improvement, the quantity of temporary occupation of highway (green belt) was largely reduced from 1,755.18 *mu* to 802.83 *mu* by optimizing pipeline network design, which brings much less inconvenience to local residents in terms of noise, dust, traffic, and so on.

## III. SOCIOECONOMIC PROFILE

### A. Chaonan District

12. Chaonan District is one of seven districts and/or counties of Shantou Municipality. Chaonan District was established in 2003 by separating 11 townships from the former Chaoyang County.<sup>3</sup> Chaonan is within the southwest of Shantou Municipality, and it is mountainous in the south and flat in the north. The total land area of the district is 599.9 square kilometers (km<sup>2</sup>), and the total population is 1,346,500 in 2011. Chaonan District administrates 11 townships, including the district seat of Xiashan Township.

13. Chaonan's economy is dominated by secondary and tertiary industries. Manufacturing of textile, garments, chemical goods, and electronic products are the backbone of Chaonan's economy. As indicated in Table 3, agriculture only contributes 5.8% to Chaonan's total gross domestic product (GDP) in 2011.

<sup>3</sup> Chaoyang County was renamed as Chaoyang District under Shantou Municipality.

**Table 3: Socioeconomic Profile of Guangdong, Shantou, and Chaonan (2011)**

No.	Indicator	Unit	Guangdong Province	Shantou Municipality	Chaonan District
1	<b>Total population</b>	'000 person	86,371.90	5,294.40	1,346.5
1.1	Rural population	%	47.70	45.00	85.0
1.2	Urban population	%	52.30	55.00	15.0
1.3	Han	%	98.50	99.90	99.9
1.4	Male	%	51.50	50.10	50.3
1.5	Female	%	48.50	49.90	49.7
2	<b>Land area</b>	km <sup>2</sup>	179,812.70	2,248.00	599.9
3	<b>Population density</b>	person/km <sup>2</sup>	584.00	2,409.00	2,244.0
4	<b>GDP (2011)</b>	CNY million	5,321,028.00	127,574.00	20,008.0
4.1	Primary industry	%	5.00	5.80	5.8
4.2	Second industry	%	49.70	50.90	59.0
4.3	Tertiary industry	%	45.30	43.30	35.2
5	<b>Per capita GDP</b>	CNY	50,807.00	23,596.00	14,859.0
6	<b>Urban per capita annual income</b>	CNY	26,897.50	17,473.89	N.A. <sup>d</sup>
7	<b>Rural per capita annual net income<sup>a</sup></b>	CNY	9,371.70	7,893.00	5,076.0
8	<b>Rural Dibao<sup>b</sup></b>	person	1,841,000.00	86,466.00	27,142.0
		%	4.50	3.60	2.4 <sup>c</sup>
9	<b>Urban Dibao</b>	person	400,000.00	25,453.00	443.0
		%	0.89	0.80	0.2

% = percentage, CNY = Chinese yuan, GDP = gross domestic product, km<sup>2</sup> = square kilometer, N.A. = not applicable.

<sup>a</sup> Data from the Guangdong Statistical Yearbook 2012.

<sup>b</sup> Dibao refers to those covered by the government's minimum living standard security program (or minimum allowance program).

<sup>c</sup> Urban poverty line (Dibao) of Chaonan District is CNY250/month/person, while rural poverty line is CNY2,500/year/person; and both are lower than other districts.

<sup>d</sup> No official data are found due to few urban residents.

Sources: Guangdong and Chaonan Statistical Yearbooks 2012, and Shantou statistical bulletin 2012.

## **B. Liangying, Longtian, and Xiancheng Townships**

14. Liangying Township has 30 villages with a total population of 198,559 in 2011. Manufacturing of knitted garments is traditionally the pillar industry of this township. Liangying is the richest among three affected townships in terms of GDP, per capita GDP, and rural per capita net income. As indicated in Table 4, Liangying Township's rural per capita net income of CNY6,058 in 2011 is 19.3% higher than Chaonan District average of CNY5,076.

15. Xiancheng Township administrates 12 villages, with a total area of 54.7 km<sup>2</sup>; and a total population of 121,427 in 2011. Factories of garments, stationery, and chemical fiber invested by home and oversea contribute mainly to the township's economy. However, the agricultural

population in this township accounts for 96.3% of its total, higher than the proportion in the other two townships. It produced the least GDP among the three townships at only CNY631.2 million. Its per capita GDP of CNY 5,198 is also the lowest among the three townships.

16. There are 31 villages under Longtian Township. The total population in Longtian Township is 141,908 in 2011. Electrical wires, plastic sack, and especially socks and its related chain manufacturing is the main economic activity in this township. Longtian Township is the poorest in terms of rural per capita net income in 2011 at only CNY 4,122.

17. General information of Liangying , Longtian, and Xiancheng townships are in Table 4.

**Table 4: Socioeconomic Information of Liangying, Longtian, and Xiancheng Townships (2011)**

Indicator	Unit	Chaonan District	Liangying Township	Xiancheng Township	Longtian Township
No. of villages	no.	232.00	30.00	12.00	31.00
Villages with tap water	%	62.90	93.30	100.00	90.30
Villages with telephone connection	%	100.00	100.00	100.00	100.00
Villages with cable television	%	100.00	100.00	100.00	100.00
Total population	person	1,346,480.00	198,559.00	121,427.00	141,908.00
Agricultural population	%	85.00	93.80	96.30	95.10
Nonagricultural population	%	15.00	6.20	3.70	4.90
Population density	person/km <sup>2</sup>	2,244.00	2,742.50	2,219.90	1,999.00
Land area	km <sup>2</sup>	599.90	85.20	54.70	71.40
Farmland area	<i>mu</i>	265,464.00	42,194.00	27,867.00	31,362.00
Per capita farmland area	<i>mu</i>	0.23	0.25	0.27	0.26
GDP	CNY million	20,008.00	3,318.10	631.20	1,283.50
Gross agricultural product	CNY million	2,094.00	171.00	146.70	263.00
Per capita GDP (2011)	CNY	14,859.00	16,710.00	5,198.00	9,044.00
Rural per capita annual net income	CNY	5,076.00	6,058.00	4,458.00	4,122.00
Rural Dibao <sup>a</sup>	person	27,142.00	3,678.00	2,008.00	3,251.00
	%	2.40	2.00	1.70	2.40
Color television among rural households	%	114.80	100.00	100.00	100.00
Computer coverage rate among rural households	%	22.70	N.A.	N.A.	N.A.
Coverage of rural cooperative medical service	%	N.A.	91.00	100.00	85.60

Indicator	Unit	Chaonan District	Liangying Township	Xiancheng Township	Longtian Township
Baby delivery in hospitals	%	98.50	95.00	100.00	98.00
Coverage of tap water (by person)	%	66.40	93.20	75.60	20.20
Enrollment rate of school-aged children	%	100.00	100.00	100.00	100.00
Enrollment rate of school-aged girls	%	100.00	100.00	100.00	100.00
Primary school graduates entering into junior middle schools	%	99.00	98.00	99.00	99.70
Graduation from junior middle schools	%	98.50	95.00	98.50	97.00
Junior secondary school graduates entering into high schools	%	91.10	90.00	81.00	73.00

(...) = data not available, % = percentage, CNY = Chinese yuan, GDP = gross domestic product, km<sup>2</sup> = square kilometer, N.A. = not applicable, No. = number.

<sup>a</sup> Dibao refers to those covered by the government's minimum living standard security program (or minimum allowance program).

Sources: Chaonan Statistical Yearbook 2012 and township governments.

### C. Three Affected Villages

18. Land acquisition for the project involves three villages of Chaonan District. They are Gucuo Village of Liangying Township, Shenxi Village of Xiancheng Township, and Dongbo Village of Longtian Township.

19. As shown in Table 5, 590 *mu* or 83.1% of the farmland is contracted to 1,200 households in Gucuo Village; and the rest (120 *mu*) is reserved by the village for development purpose, and is temporarily used for free by 18 households who are the former village committee members. It is a kind of welfare to them from the current village committee.

20. Shenxi Village has a total of 2,400 *mu* of farmland, of which 2,000 *mu* or 83.3% is contracted to individual households; and 400 *mu* is reserved by the village. Of the reserved land, 370 *mu* was leased out at an extremely low rate of CNY220 per *mu* per year;<sup>4</sup> and 30 *mu* not leased. Besides, the village has an area of 9,500 *mu* of wood land which is not contracted or leased to households.

21. Dongbo Village has not contracted any of the 848.1 *mu* of farmland to the villagers due to villagers' low enthusiasm for agricultural production. But the village temporarily leased all the land to 26 households in the village; and 1 household from outside of the village, with an annual rent of CNY300 per *mu*, also very low rate through which the village could keep the farmland from being wasted. In addition, the village has a large water pond area of 3,600 *mu* which is also leased out. The village's income from land renting is not distributed to villagers but managed by the village committee and used for village development and living facilities improving after villagers' meetings.

22. The laborers in the three villages are mostly engaged in nonagricultural jobs, either business at home; or workers in nearby factories and family workshops; or business and/or migrant workers in big cities of the Pearl River Delta, such as Guangzhou and Shenzhen. There

<sup>4</sup> It is a preferential measure to preventing farmland from being unused.

are 25 registered factories and around 40 family workshops in Gucuo Village, about 100 family workshops in Shenxi Village; and 18 registered factories and about 60 family workshops in Dongbo Village. Few families in these three villages are pure farmers.

23. More development data of each affected village are given in Table 5.

**Table 5: Development Data of the Three Affected Villages (2011)**

Indicator	Unit	Gucuo Village	Shenxi Village	Dongbo Village
No. of HHs	HH	1,632.0	3,317.0	1,868.0
Total population	person	9,811.0	20,227.0	10,248.0
Agricultural population	%	100.0	100.0	100.0
Male	%	46.0	50.4	49.0
Female	%	54.0	49.6	51.0
Land area	km <sup>2</sup>	5.9	12.7	4.7
Farmland area	<i>mu</i>	710.0	2,400.0	848.1
Contracted farmland area	<i>mu</i>	590.0	2,000.0	0.0
No. of contracted HH	HH	1,218.0	3,317.0	0.0
Reserved farmland area	<i>mu</i>	120.0	400.0	848.1
Reserved farmland leased	<i>mu</i>	120.0	370.0	848.1
Reserved farmland not leased	<i>mu</i>	0.0	30.0	0.0
Dibao <sup>a</sup>	HH	87.0	131.0	86.0
	person	163.0	318.0	233.0
	%	1.7	1.6	2.3
Coverage of tap water (by household)	%	100.0	60.0	0.0 <sup>b</sup>
Enrollment rate of school-aged children	%	100.0	100.0	100.0
Enrollment rate of school-aged girls	%	100.0	100.0	100.0
Illiteracy (adults)	%	1.6	1.4	1.1
Primary school (adults)	%	18.0	16.0	18.0
Junior middle school and above (adults)	%	80.4	82.0	80.9
Coverage of rural cooperative medical service	%	100.0	100.0	99.0
Baby delivery in hospitals	%	100.0	100.0	100.0

% = percentage, HH = household, km<sup>2</sup> = square kilometer

<sup>a</sup> Dibao refers to those covered by the government's minimum living standard security program (or minimum allowance program).

<sup>b</sup> Residents in this village are using pipes and taps for water from the reservoir without any treatment.

Source: Village authorities.

#### D. Affected Households

24. There are no affected households (AHs) in Gucuo and Shanxi villages (see Section E). A total of 50 *mu* of farmland, including the 44.33 *mu* to be acquired for constructing Longxi WSP in Dongbo Village, was leased to two households in 2010 for 5 years (2010–2015). Detailed household information is presented in Annex 1.

## 1. Land Resource and Income by Source

25. According to one household (AH1), he has rented a total of 65 *mu* of farmland for planting orange trees, including 22.165 *mu* to be acquired for the project; and 7 *mu* of water pond for fish raising in short term, which can bring his family an annual income of about CNY120,000.

26. Another household (AH2) has rented 25 *mu* of unused farmland for storing construction materials since this family is engaged in construction material trading which enables them to earn about CNY300,000 per year.

## 2. Assets

27. Table 6 presents the holdings of assets of the two households. As shown, the two households are rather wealthy. They have enough assets to sustain their livelihood and to live a modern life and access to information, communication, and transportation.

**Table 6: Other Assets**

Assets		Unit	AH1	AH2
Production and living assets	Agricultural vehicle	Set	1	
	Truck			4
	Car			
	Motorcycle		2	
	Color television		1	1
	Cell phone		3	5
	Washing machine		1	1
	Refrigerator		1	1
	Computer			1

AH = affected household, PPTA = preparatory project technical assistance.  
Sources: PPTA field surveys in Dec 2012 and Jan 2013.

## 3. Housing Conditions

28. AH1 owns a one-storey, brick-concrete structured house of 130 square meters (m<sup>2</sup>) in the village which was built in 2005; and they plan to add another storey on the top soon. AH1 has another house plot just next to the existing one for constructing a three-story house which they plan to complete within 5 years.

29. AH2 currently live in an old house of brick-wood structure with a floor area of 110 m<sup>2</sup>. They are doing a good business. They have another four-storey new house under construction and will be completed very soon. The new house will cost more than CNY1 million.

## IV. IMPACT ASSESSMENT

### A. Land and Income Losses of Affected Villages

30. As indicated in Table 2, the three affected villages will lose a total of 79.33 *mu* of reserved land, including 50.06 *mu* of farmland; 20.39 *mu* of orchard land; 2.61 *mu* of village construction land; 4.61 *mu* of wasteland; and 1.66 *mu* of water pond.

31. **Gucuo Village.** Expansion of the Qiufeng WSP will result in acquisition of 20.39 *mu* of orchard land and 4.61 *mu* of waste land in this village. The village has a total of 120.00 *mu* of orchard land, including the 20.39 *mu* to be acquired with sparse fruit trees. These fruit trees were untended for years with no economic return. Therefore, there will be no income loss; though they will lose about 17% of the reserved orchard land. There will be no impact to any households. On the contrary, the village will get a lump sum of CNY1,923,000 as cash compensation for land acquisition, which will be used for public welfare per decisions of villager representatives' meetings.

32. **Shenxi Village.** Reconstruction of the Jinxi WSP needs to acquire 5.73 *mu* of farmland, 2.61 *mu* of village construction land, and 1.66 *mu* of water pond in the village. This 1.6 *mu* of water pond has been unused for years. As for the 2.61 *mu* of village construction land, it has been temporarily used by the Jinxi WSP as green belt since 2006. Shenxi Village has a total of 2,400 *mu* of farmland, of which, 2,000 *mu* was contracted to individual households in 2011 for 7 years (2011–2018). The remaining 400 *mu* of farmland is reserved by the village, of which 370 *mu* is temporarily leased to some people from outside of the village for growing rice or vegetables at a rate of CNY220 per *mu* per year. The rest 30 *mu* of reserved farmland, including 5.73 *mu* to be acquired, is not leased to anyone; and has been unused for years. There will be no impact to any households. As a result, land acquisition of 5.73 *mu* or 0.24% of the village farmland will not cause any income loss; but will bring the village a total of CNY590,000 as land compensation.

33. **Dongbo Village.** Construction of the Longxi WSP needs to acquire 44.33 *mu* of farmland in Dongbo Village. Dongbo Village has a total of 848.1 *mu* of farmland. The 848.1 *mu* farmland is temporarily leased to 26 households in the village; and 1 household from outside of the village, with a low rent of CNY300 per *mu* per year which help generate an income of around CNY250,000 per year for the village. In addition, the village also has a total of 3,600 *mu* of water pond, which brings the village an annual income of about CNY450,000 by temporarily leasing to 45 households. The village, by losing 44.33 *mu* of farmland, will lose about CNY13,299 or 1.9% of the total income yearly if land acquisition starts after 2015. But the village will get a total of CNY3,546,400 as land compensation fund, which equals to the total rent of the 44.33 *mu* farmland for 266 years constantly. The village will use part of the land compensation fund to compensate the two households for their loss resulted from termination of the land lease agreement due to permanent land acquisition.

34. Overall, land acquisition has negligible impact on the three villages, as most of the lands to be acquired are village-reserved and unused land which brought no benefits or very limited benefits to the villages. In fact, the compensation will be a significant benefit for the three affected villages.



## B. Income Losses of Affected Households

35. The 44.3 *mu* farmland in Dongbo Village is currently rented by two households. As stated in previous section that one of the households, AH1 has an annual household income of CNY120,000, which mainly comes from cultivation of oranges. This household will lose 28.4% of their total income if 34.1% of their leased farmland is acquired, no replacement land could be available in an appropriate time, and if it continues to make its living from oranges.

36. The other household, AH2, will be informed the land acquisition in advance; and given enough time to rent other land for their business. Their income loss will be compensated according to the rent agreement with the village.

37. Details of land and income losses of the two AHs are given in Table 7.

**Table 7: Land and Annual Income Losses of Affected Households**

Household	Rented Farmland Area ( <i>mu</i> )	Rented Pond Area ( <i>mu</i> )	Annual HH Income (CNY)	Income by Source (CNY)			Land Loss		Income Loss	
				Orange-trees Cultivation	Fish-breeding	Business	Qty ( <i>mu</i> )	%	Qty (CNY)	%
AH1	65	7	120,000	100,000	20,000	0	22.165	34.1	34,100	28.4
AH2	25	0	300,000	0	0	300,000	22.165	88.7	300,000 <sup>a</sup>	100.0

% = percentage, AH = affected household, CNY = Chinese yuan.

<sup>a</sup> In case that they cannot rent land for current business for 1 year.

Sources: Project preparatory technical assistance field surveys in December 2012 and January 2013.

## C. Temporary Land Occupation for Construction Activities

38. The project will occupy 725.1 *mu* state-owned land for a construction spoil disposal site. The present land is an unused industrial land. It was agreed with the owner that these lands can be temporarily used by the IA as the spoil disposal site of the project without any cost. After the project completion, the land will be returned back to the current owner, as described in Annex 2 in details.

39. The project will also occupy 1,468.33 *mu* of collective land for various construction activities. The number of AHs cannot be determined until contract award but the impacts are expected to be minor and households will be fully compensated for any output or income losses, and their land will be returned in a similar or improved condition after construction.

## V. INFORMATION DISCLOSURE, CONSULTATION, AND PARTICIPATION

### A. Completed Public Participation Activities

40. A number of consultation sessions among local people, and township and district governments were carried out during the feasibility study and in preparation of the RP and the environmental impact assessment (Table 8). The results of public consultation with the three affected village committees, representatives of the three affected villages and the two directly AHs are summarized as below:

- (i) All the affected village committees support the project;

- (ii) All village representatives warmly welcome the project, and are willing to transfer their land use rights to the project; and hope that civil works can start as soon as possible;
- (iii) The two AHs completely understand and support the project. They try to find other land to continue their business to reduce their income loss; and
- (iv) Dongbao Village has agreed to assist the two AHs in land lease.

**Table 8: Consultation Activities**

Date	Participants	Number	Contents
Sep 2011	CWAB, CWSC, DI, Liangying township government agencies, and Gucuo village committee	17 (3 females and 14 males)	Introduction of the project output 2, especially expansion of the Qiufeng WSP; and introduction of ADB loan target and procedure
Oct 2011	CWAB, CWSC, DI, Chaonan District Land Resources Bureau, Chaonan District Planning Bureau, Liangying township government agencies, Gucuo village committee and representatives	65 (20 females and 45 males)	Assessment of the positive and negative impacts of expanding the Qiufeng WSP, land acquisition and building demolition minimized and/or avoided in initial FSR, collection of the attitudes and opinions towards expansion of the Qiufeng WSP, and site selection and land availability.
Nov 2011	CWAB, CWSC, Chaonan District Land Resources Bureau, Chaonan District Human Resources and Social Insurance Bureau, Liangying township government agencies, Gucuo village committee and representatives	50 (15 females and 35 males)	Site finalization; type, ownership, and status of the land to be acquired; policies and procedure of land acquisition; compensation standards of land acquisition; and resettlement measures of land acquisition (endowment insurance and land type change)
Dec 2011	CWAB, CWSC, Liangying township government agencies, Gucuo village committee and representatives	95 (38 females and 57 males)	Payment method of land compensation fund, priorities in employments opportunities during construction and operation, appealing approaches and procedure, pre-payment status of various land acquisition costs, and vote on application of land acquisition to government authority for approval
Dec 2012	PPTA consultant, CWAB, CWSC, Liangying township government agencies, Gucuo village committee and representatives	23 (10 females and 13 males)	Consultation on villagers' awareness of project output, land acquisition site, grievance redress mechanism, and payment method of compensation fund; consultation on satisfaction regarding compensation standards and resettlements measures; and consultation on opinions and suggestions about expansion of the Qiufeng WSP
Jan 2013	PPTA consultant, CWAB, CWSC, Liangying township government agencies, Gucuo village committee	10	Township and village socioeconomic survey

Date	Participants	Number	Contents
Sep 2011	CWAB, CWSC, DI, Xiancheng township government agencies, and Shenxi village committee	14 (2 females and 12 males)	Introduction of the project output 2, especially reconstruction of the Jinxi WSP; and introduction of ADB loan target and procedure
Oct 2011	CWAB, CWSC, DI, Chaonan District Land Resources Bureau, Chaonan District Planning Bureau, Xiancheng township government agencies, Shenxi village committee and representatives	62 (19 females and 43 males)	Assessment of the positive and/or negative impacts of reconstructing the Jinxi WSP, land acquisition and building demolition minimized and/or avoided in initial FSR, collection of the attitudes and opinions towards reconstruction of the Jinxi WSP, and site selection and land availability
Nov 2011	CWAB, CWSC, Chaonan District Human Resources and Social Insurance Bureau, Xiancheng township government agencies, Shenxi village committee and representatives	51 (14 females and 37 males)	Site finalization; type, ownership, and status of the land to be acquired; policies and procedure of land acquisition; compensation standards of land acquisition; and resettlement measures of land acquisition (endowment insurance and land type change)
Dec 2011	CWAB, CWSC, Xiancheng township government agencies, Shenxi village committee and representatives	76 (21 females and 55 males)	Payment method of land compensation fund, priorities in employments opportunities during construction and operation, appealing approaches and procedure, pre-payment status of various land acquisition costs, vote on application of land acquisition to government authority for approval
Dec 2012	PPTA consultant, CWAB, CWSC, Xiancheng township government agencies, Shenxi village committee and representatives	32 (6 females and 26 males)	Consultation on villagers' awareness of project output, land acquisition site, grievance redress mechanism, and payment method of compensation fund; consultation on satisfaction regarding compensation standards and resettlements measures; and consultation on opinions and suggestions about reconstruction of the Jinxi WSP
Jan 2013	PPTA consultant, CWAB, CWSC, Xiancheng township government agencies, Shenxi village committee	9	Township and village socioeconomic survey
Jul 2012	CWAB, CWSC, DI, Longtian township government agencies, and Dongbo village committee	15(4 females and 11 males)	Introduction of the project output 2, especially construction of the Longxi WSP; and introduction of ADB loan target and procedure
Aug 2012	CWAB, CWSC, DI, Chaonan District Land Resource Bureau, Chaonan District Planning Bureau, Longtian township government agencies, Dongbo village committee and representatives	68 (20 females and 48 males)	Assessment of the positive and/or negative impacts of constructing the Longxi WSP, land acquisition and building demolition minimized/avoided in initial FSR, collection of the attitudes and opinions towards construction of the

Date	Participants	Number	Contents
			Longxi WSP, and site selection and land availability
Sep 2012	CWAB, CWSC, Chaonan District Land Resources Bureau, Chaonan District Human Resources and Social Insurance Bureau, Longtian township government agencies, Dongbo village committee and representatives, two affected households	55 (10 females and 45 males)	Site finalization; type, ownership, and status of the land to be acquired; policies and procedure of land acquisition; compensation standards of land acquisition; resettlement measures of land acquisition (endowment insurance and land type change); compensation stands for standing fruit trees or land leveling and subsidy for transition period to the two affected households based on agreements and negotiation between CWSC, villages, and the affected households if land acquisition is inevitable.
Oct 2012	CWAB, CWSC, Longtian township government agencies, Dongbo village committee and representatives	113 (30 females and 83 males)	Payment method of land compensation fund, priorities in employments opportunities during construction and operation, appealing approaches and procedure, pre-payment status of various land acquisition costs, vote on application of land acquisition to government authority for approval
Dec 2012	PPTA consultant, CWAB, CWSC, PMO, Longtian township government agencies, Dongbo village committee and representatives, one affected household <sup>a</sup>	28 (7 females and 21 males)	Consultation on villagers' awareness of project output, land acquisition site, grievance redress mechanism, and payment method of compensation fund; consultation on satisfaction regarding compensation standards and resettlements measures; consultation on villagers' opinions and suggestions about construction of the Longxi WSP; and survey of one of the affected household
Jan 2013	PPTA consultant, CWAB, CWSC, PMO, Longtian township government agencies, Dongbo village committee	11	Township and village socioeconomic survey
Jun 2013	CWAB, CWSC, LARO, Chaonan District Land Resources Bureau, three village committees and representatives	110 (in three villages)	Disclosure of the draft RP
<b>Total</b>		<b>794 (Female: 219; Male: 575)</b>	

ADB = Asian Development Bank, CWAB = Chaonan Water Affair Bureau, CWSC = Chaonan Water Supply Company, DI = design institute, FSR = feasibility study report, LARO = Land Acquisition and Resettlement Office, PMO = project management office, PPTA = project preparatory technical assistance, RP = resettlement plan, WSP = water supply plant.

<sup>a</sup> The other household was not available at that time.

Sources: CWAB and CWSC.

## B. Consultation and Participation Plan

41. Notwithstanding the consultations already carried out, the project management office (PMO) or the IA and the local government will carry out additional consultations during the implementation of LAR. Table 9 presents the consultation and participation plan.

**Table 9: Consultation and Participation Plan**

Date	Participants	Number	Contents
Within 1 week after ADB's approval	CWAB, CWSC, LARO, CLRB, three village committees and representatives	110 (in three villages)	Disclosure of final RP; Consultation about APs' opinions on final RP
Half a year before actual LAR begins	CWAB, CWSC, LARO, CLRB, three village committees and two HHs	30 (Dongbo Village)	Notification of possible LAR starting time, and consultation about the two HHs' opinions and status of replacement land
2 weeks before actual LAR begins	CWAB, CWSC, LARO, CLRB, CFB, three village committees and representatives	110 (in three villages)	Notification of LAR starting time; and consultation about availabilities of various compensation funds, date and methods of disbursements

ADB = Asian Development Bank, AP = affected person, CFB = Chaonan District Finance Bureau, CLRB = Chaonan District Land Resource Bureau, CWAB = Chaonan Water Affair Bureau, CWSC = Chaonan Water Supply Company, HH = household, LAR = land acquisition and resettlement, LARO = Land Acquisition and Resettlement Office, RP = resettlement plan.

Sources: CWAB and CWSC.

## VI. LEGAL FRAMEWORK AND ENTITLEMENTS

### A. Legal Framework

42. In accordance with the Land Administration Law of the PRC, the Methods on Implementation of the PRC Land Administration Law in Guangdong Province (effective on 27 November 1999), the Guangdong Provincial Land Resources Department's Order No. 21 issued in 2011, the Regulations on Compensations of Land Acquisition in Shantou Municipality (amended and effective on 31 August 2000), and the requirements of ADB's Safeguard Policy Statement (2009)<sup>5</sup> for involuntary resettlement, all the three affected villages and the two directly affected households are entitled for cash compensation for transferring their land use rights to CWSC through the Chaonan District Land Resources Bureau. All the affected entities, villages, and/or households are eligible for cash compensation for having their land temporarily occupied by CWSC.

43. Main contents of the laws, regulations, and policies of the PRC and Guangdong Province are quoted in Annex 3.

<sup>5</sup> ADB. 2009. *Safeguard Policy Statement*. Manila.

44. ADB's basic principles for involuntary resettlement include the following:
- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. 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;
  - (ii) 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 (M&E) 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;
  - (iii) Improve, or at least restore, the livelihoods of all displaced persons through (a) 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; (b) prompt replacement of assets with access to assets of equal or higher value; (c) prompt compensation at full replacement cost for assets that cannot be restored; and (d) additional revenues and services through benefit-sharing schemes, where possible;
  - (iv) Provide physically and economically displaced persons with needed assistance, including the following: (a) 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; (b) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (c) civic infrastructure and community services, as required;
  - (v) 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;
  - (vi) 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;
  - (vii) 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;
  - (viii) 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;
  - (ix) Disclose a draft RP, 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 RP and its updates to affected persons and other stakeholders;
  - (x) 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 output of the project as a

- stand-alone operation;
- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the RP under close supervision throughout project implementation; and
- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the RP have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

**B. Main Differences between the ADB Policies and the Policies of the People's Republic of China**

45. Table 10 gives a comparison between ADB and PRC policy and states the difference in contents.

**Table 10: Gaps between the ADB Policy and the Policies of the People's Republic of China Regarding Involuntary Resettlement**

No.	ADB Policy on Involuntary Resettlement	Comparison with the PRC Policies	Actual Experiences in the PRC	Gap-filling Measures
1	Avoid resettlement, if possible.	Similar. Normally, it can be achieved through alternative options of technical and financial schemes.	In practice, the quantity of land acquired in the PRC each year is very large due to the broad scope and use of eminent domain.	Efforts were made to minimize LAR impacts during FSR, and further efforts will be made during detailed design.
2	If unavoidable, the provision of rehabilitation measures should be implemented to restore incomes and livelihoods.	Similar. People's governments at the county level and above will adopt practical measures to ensure that the farmers whose land is acquired shall not be made worse off.	In practice, cash compensation is provided rather than rehabilitation support.	Specific rehabilitation and support measures are included in this RP.
3	The lost property should be compensated at the replacement value.	Similar. Provision of compensation and subsidies. Land value is based on a multiple of annual gross output value and housing is assessed based on appraisal	Sometimes, housing appraisal include depreciation based on age.	This project does not have this issue (house demolition).
4	APs are fully aware of LAR, and they are fully consulted with.	Difference. In the PRC, the information disclosure usually takes place after RP approval.	APs want to have better information at earlier stages to ensure compensation and rehabilitation measures are acceptable.	ADB procedural requirements for consultation and disclosure are being followed.
5	Social and cultural sensitive	Similar. The policy has been trialed before being applied. The PRC is very experienced in this regard.	The PRC approach is equal treatment based on physical losses rather than socio-cultural impact. Normally, vulnerable groups are assisted through existing local government programs.	This project does not have this issue.
6	APs with lack of land or property ownership rights should still be eligible for compensation and rehabilitation; although ADB does	Some difference. In the PRC, people without land ownership for house plots do not get compensated for land; but the structure compensation is negotiated, if the rates	This is one of the most difficult LAR issues to address. Practical solutions must be found in lieu of local regulations. Some municipalities are more	This project does not have this issue.



No.	ADB Policy on Involuntary Resettlement	Comparison with the PRC Policies	Actual Experiences in the PRC	Gap-filling Measures
	not require compensation for land in such cases, solutions must be found to ensure APs are no worse off.	under the legal provisions are not adequate.	progressive.	
7	Confirmation of the compensation entitlement	Similar	Sometimes, no cut-off date is stipulated or it is not adequately disclosed or enforced.	This RP includes cut-off dates of 31 May 2013 for the Jinxi and Qiufeng WSPs; 31 Aug 2013 for the Longxi WSP. Two notifications are given to APs, and the entitlements have been disclosed to APs. Results of compensation agreements and fund use will be made transparent in each village.
8	All the resettlement costs should be included into the project cost.	Some differences. Also refer to Article 12 of No.28 Decree. The total resettlement cost of the national key development project should include in the total project cost estimate.	All compensation and administrative costs are included. Some rehabilitation measures are covered by local government. There is no requirement or budget for external monitoring.	All the related resettlement costs and sources of funding are specified in the RP. External monitor costs have been added as per ADB requirements.
9	M&E on resettlement	Although the policy states the project should assist APs for their housing and income recovery, there is no requirement for socioeconomic monitoring.	Often, the government's responsibility for rehabilitation ends when compensation is paid. There is no follow-up monitoring to assess whether APs are better off.	This RP includes a rigorous M&E process, including internal and independent (external) processes.

ADB = Asian Development Bank, AP = affected person, FSR = feasibility study report, LAR = land acquisition and resettlement, M&E = monitoring and evaluation, RP = resettlement plan, PRC = People's Republic of China, WSP = water supply plant.

Source: ADB.

### C. Compensation Standards for Land Acquisition

46. Compensation rates for permanent land acquisition based on full consultation, which are higher than land prices made in relevant regulations (see Parts 4 and 5 in ANNEX 2), are given in Table 11. Besides, as indicated, all 25.00 *mu* land in Gucuo Village (20.39 *mu* of orchard land and 4.61 *mu* of wasteland) to be acquired is compensated at the rate for farmland. Similarly, 10.00 *mu* of land to be acquired in Shenxi Village (including 2.61 *mu* of construction land and 1.66 *mu* of water pond) is considered as farmland when compensating.

**Table 11: Compensation Standards for Land Acquisition**  
(CNY/*mu*)

Location	Gucuo Village		Shenxi Village			Dongbo Village
	Orchard land	Waste-land	Irrigated farmland	Water pond	Construction land	Non-irrigated farmland
Land compensation rate	74,000	74,000	57,000	57,000	57,000	77,000
Compensation for standing crops and scattered trees (lump sum)	3,000	3,000	2,000	2,000	2,000	3,000
<b>Total</b>	<b>77,000</b>	<b>77,000</b>	<b>59,000</b>	<b>59,000</b>	<b>59,000</b>	<b>80,000</b>

CNY = Chinese yuan.

Sources: Chaonan Water Supply Company and local government.

### D. Taxes and Fees

47. Government charges are as follows: (i) farmland occupation tax of CNY33,335/*mu* (CNY50/m<sup>2</sup>), (ii) farmland reclamation fee of CNY18,668/*mu* (CNY28/ m<sup>2</sup>), (iii) land transfer tax of CNY2,800/*mu*, and (iv) 2.1% of land compensation cost as administration fee. CWSC (IA) will be responsible for all the taxes and fees.

### E. Compensation Standards for Temporary Land Occupation

48. The construction period for laying pipelines will result in direct occupation of collective farmland, orchard land, and/or woodland for 3.50 years according to the design institute (DI).<sup>6</sup> All the collective land will be rehabilitated as prior to the project. Rehabilitation of farmland, orchard land, and/or woodland will take 1.65 years. Contractors will restore these lands to the original condition or better. Therefore, compensation for land occupation will cover 5.15 years in total. In addition, compensation for standing crops will also be paid to affected persons. Compensation standards for temporary occupation of collective land are given in Table 12.

49. Laying of pipelines will also need to temporarily occupy some state-owned land (green belt along the existing roads). Compensation standard for temporary occupation of green belt and for standing trees are listed in Table 13.

<sup>6</sup> According to local laws and regulations, temporary land occupation period should be no longer than 2 years. A permission from local land resource bureau will be required again if temporary land occupation period exceeds 2 years.

**Table 12: Compensation Standards for Temporary Occupation of Collective Land**

Land Type	AAOV (CNY/mu)	Occupation Period (year)	Compensation for Standing Crops and/or Trees (CNY/mu)	Total (CNY/mu)
Irrigated farmland	2,925	5.15	1,500	16,564
Non-irrigated farmland	2,306	5.15	1,153	13,028
Orchard land	2,306	5.15	6,000	17,875
Woodland	415	5.15	4,089	6,225

AAOV = average annual output value, CNY = Chinese yuan.

Sources: Chaonan Water Supply Company and local government.

**Table 13: Compensation Standards for Temporary Occupation of State-Owned Land**

Impact Type	Unit	Compensation Standard
Highway (Tax 1)	CNY/m	30 (d ≤ 30 cm) <sup>a</sup>
Highway (Tax 2: for occupying Green belt)	CNY/m <sup>2</sup> /day	3
Standing trees	CNY/tree	100

cm = centimeter, CNY = Chinese yuan, d = dimension, m = meter, m<sup>2</sup> = square meter.

<sup>a</sup> 10% increase as the pipe widened by every 10 cm in dimension.

Sources: Chaonan Water Supply Company and local government.

## F. Entitlement

50. For the loss associated with permanent land acquisition and temporary land occupation, the affected villages, entities and/or persons are entitled to the compensation stipulated in the entitlement matrix (Table 14).

Table 14: Entitlement Matrix

Type of Impact	Scope			Compensation Policy and Standards, Resettlement Measures	Entitled Person and/or Entity	Implementation Issues
	Land Type	Ownership	Qty (mu)			
Permanent land acquisition	Orchard land	Collective	20.39	CNY77,000/mu; <sup>a</sup>	Gucuo Village: 23 villagers	CWSC is responsible for the compensation of land acquisition. The Chaonan Finance Bureau, the Chaonan Human Resources and Social Insurance Bureau, the Chaonan Land Resources Bureau, township governments, and village committees will supervise, coordinate, and cooperate with the implementation of land acquisition and resettlement and provide advice, if any. 100% of the compensation fund for land acquisition will be paid to the three villages through the Chaonan Finance Bureau. Compensation and subsidy will be paid to the two households in Dongbo Village. Use of compensation fund will be decided through village meetings.
	Wasteland	Collective	4.61	Converting another 3.51 mu of farmland into construction land, refer to Section IX; and Endowment issuance for 23 villagers, refer to Section IX.		
	Irrigated farmland	Collective	5.73	CNY59,000/mu; <sup>b</sup>	Shenxi Village: 9 villagers	
	Water pond	Collective	1.66	Converting another 1.5 mu of farmland into construction land, and		
	Construction land	Collective	2.61	Endowment issuance for nine villagers.		
	Non-irrigated farmland	Collective	44.33	CNY80,000/mu; Converting another 6.65 mu of farmland into construction land; Endowment issuance for 45 villagers, refer to Section IX; Replacement land to the two HHs; Compensation for income and/or business loss to the two HHs based on negotiation; Compensation for standing orange	Dongbo Village: 45 villagers, 2 HHs	

Type of Impact	Scope			Compensation Policy and Standards, Resettlement Measures	Entitled Person and/or Entity	Implementation Issues
	Land Type	Ownership	Qty (mu)			
				trees to 1 HH based on negotiation;  Compensation for transporting construction material and land leveling on new site based on negotiation; and  Priority to the two HHs for endowment insurance.		
Temporary land occupation <sup>c</sup>	Irrigated farmland	Collective	437.51	CNY 16,564/mu	Various villages and/or households	CWSC is responsible for the compensation of temporary land occupation. Land restoration cost will be included in civil works.
	Non-irrigated farmland	Collective	583.35	CNY 13,028/mu		
	Orchard land	Collective	358.87	CNY 17,875/mu		
	Woodland	Collective	246.64	CNY 6,225/mu		
	Highway	State-owned	802.83 (112,932 m)	Tax 1: CNY30/m (d ≤ 30 cm); 10% increase as the dimension of pipe widened by every 10 cm  Tax 2: CNY3/m <sup>2</sup> /day for occupying the green belt)	Chaonan District Highway Administration Bureau	
	Trees		26,449 (tree)	CNY100/tree		

cm = centimeter, CNY = Chinese yuan, CWSC = Chaonan Water Supply Company, HH = household, m = meter, m<sup>2</sup> = square meter.

<sup>a</sup> The 10.00 mu of land (5.73 mu of farmland, 2.61 mu of village construction land, and 1.66 mu of water pond) to be acquired in Shenxi Village will be all compensated at the rate for farmland.

<sup>b</sup> The 25.00 mu of land (20.39 mu of orchard land [slope land] and 4.61 mu of wasteland) to be acquired in Gucuo Village will all be compensated at the rate for farmland.

<sup>c</sup> The land for the spoil disposal site (725.1 mu) is not included into the entitlement matrix because the land was been approved by the local government in July 2013. The implementing agency can use the land without any cost, and will return the land back to the current owner after the project completion. See Annex 2 for details.

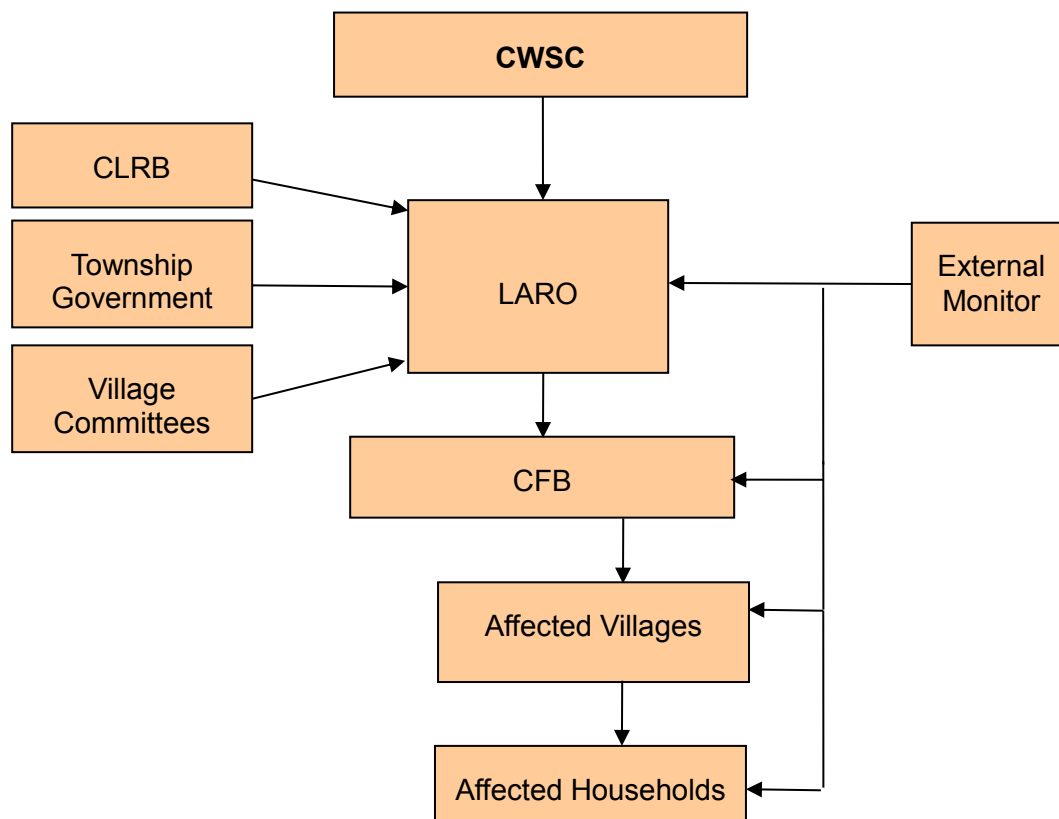
Sources: CWSC and local government.

## VII. INSTITUTIONAL ARRANGEMENT

### A. Institutional Set-up and Fund Flow

51. CWSC is the implementing agency of output 2. A land acquisition and resettlement division (LARD) has been set up under CWSC to manage the LAR issues. Actual LAR will be carried out by LARD with the assistance of the Chaonan Land Resources Bureau (CLRB) township governments and affected village committees. Compensation fund for land acquisition will be disbursed to affected villages through the Chaonan Finance Bureau (CFB). Dongbo Village will use part of the compensation fund to compensate the AHs if land acquisition happens before 2015. The institutional set-up and fund flow is shown in Figure 1 below.

**Figure 1: Institutional Set-up and Fund Flow**



CFB = Chaonan Finance Bureau, CLRB = Chaonan Land Resources Bureau, CWSC = Chaonan Water Supply Company, LARO = Land Acquisition and Resettlement Office.  
Sources: CWSC and local government.

### B. Responsibilities

52. Responsibilities of relevant agencies are shown in Table 15.

**Table 15: Responsibilities**

<b>Agency</b>	<b>Responsibilities</b>	<b>Time Frame</b>
<b>PMO</b>	Oversee RP implementation Reporting implementation of LAR to ADB	2013–2018
<b>CWSC</b>	Preparing RP Entrusting external monitoring agency Organizing public consultation and participation Disclosing resettlement information, including distribution of RIB/RP Payment of compensation fund Implementation of resettlement measures Carrying out internal M&E and report to ADB and the PMO Settling conflicts and problems	2013–2016
<b>CLRB</b>	Providing documents and information of relevant LAR polices Taking part in RP preparation Directing, coordinating, and monitoring LAR activities Settling conflicts and problems Issuing land occupation license for the subproject	2013–2016
<b>LARO</b>	Taking part in RP preparation, reviewing and approving RP Implementing RP Comforting AP's grievance Applying relevant resettlement procedures Signing resettlement compensation agreements with APs	2013–2016
<b>CFB</b>	Taking part in RP preparation Coordinating and monitoring LAR activities Disbursing compensation fund to affected villages	2013–2015
<b>Township Government</b>	Assisting CLRB, CWSC, and LARO, to carry out LAR in a transparent way Solving conflicts and problems Reporting to CLRB, LARD, and district governments on problems without resolution at township level	2013–2016
<b>Village Committee</b>	Participating in preparation of resettlement plan Assisting CWSC for public consultation Assisting LARO to implement RP Participating in socioeconomic survey Assisting household survey	2013–2016
<b>External Monitor</b>	Providing the technical advice to LAR Monitoring RP implementation and reporting to PMO Evaluating the results or RP implementation	2014–2016

ADB = Asian Development Bank, AP = affected person, CFB = Chaonan Finance Bureau, CLRB = Chaonan Land Resources Bureau, CWSC = Chaonan Water Supply Company, LAR = land acquisition and resettlement, LARD = Land Acquisition and Resettlement Division, LARO = Land Acquisition and Resettlement Office, M&E = monitoring and evaluation, PMO = project management office, RIB = resettlement information booklet, RP = resettlement plan.

Source: ADB.

### **C. Capacity Building**

53. The project preparatory technical assistance (PPTA) consultants and the PMO have organized a series of training to resettlement staff on (i) ADB's policy requirements on involuntary resettlement; (ii) national LAR policies; and (iii) good practices of similar projects in other provinces. More training will be organized in 2013 before LAR begins.

54. In addition to the various training arrangements, the following measures have been and will be taken by CWSC to strengthen the capacity building:
- (i) CWSC have sufficient staff, fund, and equipment;
  - (ii) CWSC will establish resettlement-related database; and
  - (iii) CWSC have organized and will organize frequent coordination meetings among all involved agencies.

### **VIII. GRIEVANCE REDRESS MECHANISM**

55. A common grievance redress mechanism for all safeguard-related grievances is established for the project. The PMO environment and social officers will be responsible for implementation of the grievance redress mechanism. These staff will instruct the contractors and construction supervision companies on how to proceed with any public concerns received. Any disagreement related to temporary and permanent land acquisition and compensation will be first reported to the PMO for solutions, and then settled according to the following procedures if no satisfactory agreements can be reached:

**Step 1.** If any affected person (AP) is aggrieved by any aspect of the land acquisition, he/she can state his/her grievance and appeal to the village committee in oral or in written form. If an oral appeal is made, the village committee will record it on paper and process it. Village committee will make a decision on or resolve it in 2 weeks.

**Step 2.** If the aggrieved AP is not satisfied with the decision of the village, the aggrieved AP can state the grievance and appeal to the township government in oral or in written form. The township government will make a decision on or resolve it in 2 weeks.

**Step 3.** If the aggrieved AP is not satisfied with the decision of the township, he/she can appeal to CDG after receiving the decision; the city government will reach a decision in 2 weeks.

56. At any point, the AP is dissatisfied with the grievance process, he/she may appeal to the civil division of a people's court according to the civil court procedure.

57. The APs may also express grievance, especially for issues that relate to contractors, to the Chaonan PMO or the external monitoring agency, who would then report it to the Chaonan PMO. Alternatively, the APs may submit a complaint to the ADB's project team to try to resolve 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 APs may appeal directly to ADB in accordance with ADB's Accountability Mechanism (2012).<sup>7</sup>

58. All agencies will accept grievances and appeals from the APs for free, and costs so reasonably incurred will be disbursed from the contingencies. During the whole construction period of the project, these appeal procedures shall remain effective to ensure that the APs can use them to address relevant issues. The above grievance redress system has been communicated to the APs during the preparation of the RP from December 2011 to October 2012, so that the APs know their right of appeal. In addition, the appeal process will be published to affected population on mass media in October 2013.

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<sup>7</sup> Before submitting a complaint to the Accountability Mechanism, the APs should make a good faith effort to solve their problems by working the concerned ADB operation department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism. <http://www.adb.org/site/accountability-mechanism/main>.



## IX. RESETTLEMENT MEASURES

### A. Resettlement Measures for Three Villages

59. **Endowment insurance.** In addition to cash compensation for land acquisition, a certain number<sup>8</sup> of villagers from the three affected villages will be provided with endowment insurance<sup>9</sup> based on the quantity of land acquisition according to the laws and regulations of the PRC and Guangdong Province. Therefore, 23 persons in Gucuo Village, 9 persons in Shenxi Village, and 45 persons in Dongbo Village will be provided with 15-year endowment insurance. CWSC is responsible for the endowment insurance fee. The name list of villagers to be provided with endowment insurance will be decided through village meetings and priorities will be given to the poor and other vulnerable people prior to actual land acquisition which is supposed to relieve their burden and improve their life.

60. **Land-use type change.** Each of the three villages will enjoy a preferential policy according to the Guangdong provincial government's Order No. 41 issued in 2009 that is land use type change for a certain area<sup>10</sup> (from farmland to construction land). As a result, 3.51 *mu* of reserved farmland in Gucuo Village, 1.5 *mu* of reserved farmland in Shenxi Village,<sup>11</sup> and 6.65 *mu* of reserved farmland in Dongbo Village will be changed into house plots or collective industrial land. None of the land to be changed is contracted or leased to individual households. Therefore, no secondary land acquisition-related issues will occur. CWSC is responsible for the fee of changing land type. Final use and use right of the land after type changed will be decided through villagers' meetings. The villagers will be further benefited from more employment opportunities which are generated from new factories if the land after use type change is to be used as industrial land through villagers' meetings.

61. **Employment during project construction and operation.** As estimated by the design institute who carried out the feasibility study, 200 unskilled laborers daily during construction for about 42 months and 100 permanent positions during operation will be required for construction of output 2 under the project. CWSC promised to negotiate with contractors to give priorities to local residents, especially women, poor, or labors from households to be affected by temporary land occupation in the three affected villages on employment opportunities during project construction and operation.

### B. Resettlement Measures for Affected Households

62. Dongbo Village will provide replacement land (at least half a year before land acquisition) for the two households to continue their orange cultivation and business operation, which means the village will not lease out any farmland but reserve some for the two households during 2013–2015.

63. Dongbo Village will also compensate the household who is engaged in orange cultivation by paying for standing trees on the 22.165 *mu* of land to be acquired and for income loss caused

<sup>8</sup> No. = land acquisition area/per capita farmland area\*persons above 16 years old in previous year/total population.

<sup>9</sup> In the PRC, rural residents above 60 years old can receive CNY50 monthly as pension from the government without any previous payment; but those who below 60 need to pay for endowment insurance till 60 years old if they want a pension.

<sup>10</sup> Land area for type change = 15% of acquired farmland area; 10% of acquired wasteland or woodland area.

<sup>11</sup> The 10.00 *mu* of land in Shenxi Village to be acquired (5.73 *mu* of farmland, 2.61 *mu* of village construction land, and 1.66 *mu* of water pond) is all considered as farmland when implementing this resettlement measure as well as land compensation that is mentioned in the entitlement matrix, which is actually another resettlement measure and/or preferential policy.

by land acquisition. Actual compensation rates, depending on the starting time of land acquisition, will be decided through negotiation.

64. The other household who is doing business of trading construction material will be compensated for business and/or income loss, and they will also get compensation and/or subsidy for transporting material and land leveling on new site. Actual rate will be based on negotiation.

65. The two households will be given priorities when considering the name list of 45 villagers for endowment insurance related with land acquisition at villagers' meetings.

## X. BUDGET AND IMPLEMENTATION SCHEDULE

### A. Budget

66. Table 16 presents the budget for permanent land acquisition and temporary land occupation. The total budget will be CNY113,928,716, including (i) basic cost of CNY46,816,959 as compensation for permanent land acquisition and temporary occupation and land rehabilitation cost; (ii) taxes and fees of CNY54,708,078; (iii) other costs of CNY6,058,611; and (iv) contingency of CNY6,345,068. CWSC will bear all the costs (including various taxes and fees). The land compensation will be paid to the three affected villages through the Chaonan Finance Bureau.

**Table 16: Land Acquisition and Resettlement Budget**

Item		Unit	Quantity	Unit Cost (CNY)	Cost (CNY)
<b>A. Basic Cost</b>					<b>46,816,959</b>
A1. Compensation for Permanent Land Acquisition (including compensation for standing crops and scattered trees in a lump sum)	Gucuo Village	<i>mu</i>	25.00	77,000.00	1,925,000
	Shenxi Village	<i>mu</i>	10.00	59,000.00	590,000
	Dongbo Village	<i>mu</i>	44.33	80,000.00	3,546,400
<b>Subtotal</b>					<b>6,061,400</b>
A2. Compensation for Temporary Land Occupation (including compensation for standing crops and/or trees)	Irrigated farmland	<i>mu</i>	440.50	16,564.00	7,296,442
	Non-irrigated farmland	<i>mu</i>	587.33	13,028.00	7,651,735
	Orchard land	<i>mu</i>	293.67	17,875.00	5,249,351
	Woodland	<i>mu</i>	146.83	6,225.00	914,017
	Trees	tree	26,713.00	100.00	2,671,300
<b>Subtotal</b>					<b>23,782,845</b>
A3. Land Rehabilitation Fee [1]	Farmland levying	<i>mu</i>	1,020.86		10,433,200
	Irrigation works restoration	km			2,041,700
	Orchard land levying	<i>mu</i>	358.87	12,200.00	4,378,214
	Irrigation works restoration	<i>mu</i>		333.30	119,600
<b>Subtotal</b>					<b>16,972,714</b>
<b>B. Taxes and Fees</b>					<b>54,708,078</b>
B1. Tax and fee for land acquisition	Farmland occupation tax	<i>mu</i>	79.33	33,335.00	2,644,466
	Farmland reclamation fee	<i>mu</i>	79.33	18,668.00	1,480,932
	Land transfer tax	<i>mu</i>	79.33	28,000.00	2,221,240
	Administration fee	<i>mu</i>	79.33	2.1% of land compensation	12,390
	Highway (Tax 1)	m	112,932.00	Tax 1: CNY30.00/m (d	5,343,200

Item		Unit	Quantity	Unit Cost (CNY)	Cost (CNY)
				≤ 30 cm); a 10% increase as pipe dimension widened by every 10 cm	
		m <sup>2</sup>	535,221.00	Tax 2: CNY3.00/m <sup>2</sup> /day for occupying the green belt	40,376,000
<b>Subtotal</b>					<b>52,078,228</b>
B2. Endowment Insurance Fee	Gucuo Village	person	23.00	9,000.00	207,000
	Shenxi Village	person	9.00	9,000.00	81,000
	Dongbo Village	person	45.00	9,000.00	405,000
<b>Subtotal</b>					<b>693,000</b>
B3. Land Use Type Change Fee	Gucuo Village	<i>mu</i>	3.51	81,500.00	286,065
	Shenxi Village	<i>mu</i>	1.50	81,500.00	122,250
	Dongbo Village	<i>mu</i>	6.65	81,500.00	541,975
<b>Subtotal</b>					<b>950,290</b>
B4. Vegetation Restoration Fee		<i>mu</i>	246.64	4,000.00	986,560
<b>Subtotal</b>					<b>986,560</b>
<b>C. Other Costs</b>					<b>6,058,611</b>
C1. Preparation Cost		2.5% of A			1,170,424
C2. Design and Survey Cost		3.0% of A			1,404,509
C3. Land Survey Defined Fee		1.0% of A			468,170
C4. Administration fee for land acquisition and occupation					815,111
<i>Administration fee for land acquisition</i>		2.1% of A1			<i>Included in Part B (Taxes and Fees)</i>
<i>Administration fee for temporary land occupation</i>		2.0% of (A2 +A3)			815,111
C5. Consultation Fee		0.2% of A			93,634
C6. Administration (including internal monitoring) fee during implementation		3% of A			1,404,509
C7. External Monitoring		1.5% of A			702,254
<b>D. Contingency</b>		12.0% of (A+C)			<b>6,345,068</b>
<b>Total</b>					<b>113,928,716</b>

% = percentage, CNY = yuan, HH = household.

A: equals 802.83 *mu*; B: Average occupied period estimated as 30 days.

Sources: Chaonan Water Supply Company and local government estimates.

## B. Implementation Schedule

67. Implementation schedule of land acquisition and resettlement is presented in Table 17.

**Table 17: Implementation Schedule**

No.	Tasks	Target	Responsible Agency	Status and Deadline
<b>1</b>	<b>Preparation of LAR Plan</b>			
1.1	Draft RP		CWSC and PPTA consultants	By the end of September 2013
1.2	Information disclosure	Three villages, two HHs	CWSC	Done in 2011 and 2012
1.3	Approval of LAR plan		Chaonan district government	October 2013
1.4	Disclosure of draft RP	Three villages, two HHs	CWSC	October 2013
1.5	ADB's approval and posting on ADB website		ADB	October 2013
1.6	Submit final RP with details of temporary land occupation to ADB for approval prior to award of contracts		ADB, CWSC	January 2014
1.7	Disclosure of final RP	Three villages, two HHs	CWSC	Within 1 week after ADB's approval of final RP
<b>2</b>	<b>Implementation</b>			
2.1	Signing village land compensation agreements		CWSC, Chaonan district government, three villages	Done in 2011 and 2012 according to local procedure
2.2	Application for land acquisition		CWSC	Done in 2012
2.3	Approval of land acquisition		Guangdong provincial government	LAR for Jinxi and Qiufeng WSPs approved in April 2013; LAR for Longxi WSP to be approved in August 2013
2.4	Cut-off date		Chaonan district government	31 May 2013 for Jinxi and Qiufeng WSPs; Estimated to be 31 Aug 2013 for Longxi WSP
2.5	Disbursement of compensation fund, and payment of endowment insurance and land type change fees	Three villages	CWSC, Chaonan District Finance Bureau	Within 1 month after ADB's approval
2.6	Land transfer		Three villages, Chaonan District Land Resources Bureau, and EA	Within 2 weeks after paying compensation to affected villages
2.7	Formal land use certificate issued to CWSC		Chaonan District Land Resources Bureau	2014

No.	Tasks	Target	Responsible Agency	Status and Deadline
<b>3</b>	<b>Monitoring and Reporting</b>			
3.1	Internal monitoring and report	Quarterly	CWSC	First report due 1 month after land transfer
3.2	External monitoring and report	Semiannual	External monitoring agency	First report due 3 months after land transfer and confirmation of temporary land occupation

ADB = Asian Development Bank, CWSC = Chaonan Water Supply Company, EA = executing agency, HH = household, LAR = land acquisition and resettlement, PPTA = project preparatory technical assistance, RP = resettlement plan, WSP = water supply plant.

Sources: CWSC and local government estimates.

## XI. MONITORING AND REPORTING

68. CWSC, with the support of CFB, CLRB, township governments, and villages, will carry out internal monitoring of the RP implementation. CWSC will report to the PMO on the progress of its RP implementation, while the latter will then report to ADB quarterly.

69. Meanwhile, CWSC and the PMO will engage an independent monitor to carry out external M&E for LAR under this project (output 2). Semiannual reports will be required during implementation, of which the first report will be due 3 months after land transfer. Thereafter, two annual monitoring reports will be prepared to evaluate the impacts of the project (output 2) on the livelihoods and lifestyles of the affected villages and households, including households to be affected by temporary land occupation; and ensure that there are no remaining issues. If issues should arise, remedial measures should be prepared and agreed with ADB and implemented prior to project completion.

70. A term of reference for external M&E for this project is prepared and given in Annex 4.

## ANNEX 1: INFORMATION OF AFFECTED HOUSEHOLDS

Item	AH1	AH2
Poor HH under RMLSSP	No	No
HH size (person)	10	5.0
Rented farmland area ( <i>mu</i> )	65.0	25.0
Rented pond area ( <i>mu</i> )	7.0	0.0
Annual HH income (CNY)	120,000.0	300,000.0
Orange trees cultivation (CNY)	100,000.0	0.0
Fish breeding (CNY)	20,000.0	0.0
Migrant work (CNY)	0.0	0.0
Business (CNY)	0.0	300,000.0
Land loss (%)	34.1	88.7
Income loss (%)	28.4	100.0
Support the project?	Yes	Yes
Want to continue making living like before?	Do not know now	N.A.
Any requests?	No	N.A.
Production and living assets	Agricultural vehicle	1.0
	Truck	
	Car	
	Motorcycle	2.0
	Color television	1.0
	Cell phone	3.0
	Washing machine	1.0
	Refrigerator	1.0
	Computer	1.0

AH = affected household, HH = household, N.A. = not applicable, RMLSSP = Rural Minimum Living Standard Security Program.

Sources: Household surveys and consultations with village committees held in December 2012 and January 2013.

## ANNEX 2: LAND FOR CONSTRUCTION SPOIL DISPOSAL SITE FOR THE PROJECT

1. The selected site for construction spoil disposal is located in the Chaonan (Shenzhen) Industrial Park in Tianxin Town, a lowland with a total area of 483,400 square meters (or 725.1 *mu*) between the Jingtian Highway and the Shenzhen–Shantou Expressway (at longitude of 116°32'27.88" E and latitude of 23° 9'13.72" N). The current situation of the site is a wasteland mainly with shrubs and herbaceous plants. No farmland is located here; and so, spoil disposal will not have any effect on local agricultural production. There are currently some unused structures and no attachments on the land (see the land master plan and the photo below). Within a radius of 1,200 meters of the land, there are also neither village inhabitants nor facilities, such as schools or hospitals. So, impact on the nearby inhabitants is little during construction by the noise and dust from construction machines.

2. This land used to be managed by a state-owned agriculture and forestry farm, belonging to Jingdu Town and Longtian Town, for wind protection and sand fixation with non-profit. So the land was mainly unused land because it was low lying and unsuitable for farmland.



Land to Be Used for the Spoil inside Industrial Zone ( in red color)



Current Status of the Land

3. In September 2007, the Agreement for the Land Compensation and Property Transfer was signed by the Chaonan Industry Park and the land owners (the governments of Jingdu Town and Longtian Town). Since then, the land had been transferred to the industrial land owned by the Chaonan Industry Park. The land compensation was paid to the towns by July 2008 without any leftover problems in land compensation and transference. Now this land is managed by the Management Committee of the Chaonan Industrial Park, which is a branch of the Chaonan district government.

4. After consultation with the Chaonan Industry Park, the Chaonan District Water Supply Company (CWSC), the implementing agency of the project, made an agreement with the Chaonan Industry Park that this land will be used as the spoil disposal site for the Asian Development Bank project without any compensation. The Agreement for the Land Occupation was signed in July 2013 between the Chaonan Industrial Park and CWSC. The approval for the land used as the spoil disposal site was issued by the Chaonan District Urban Comprehensive Administration Bureau.

5. After completion of the project, CWSC will be responsible for the land leveling before returning the land back to the Chaonan Industry Park for other industrial development.



### **ANNEX 3: LAWS AND REGULATIONS OF THE PEOPLE'S REPUBLIC OF CHINA AND GUANGDONG PROVINCE**

#### **1. Land Law of the People's Republic of China**

6. **Article 47.** For land acquired, compensation shall be given in accordance with the original use of the land.

7. Compensation for the cultivated land acquired includes land compensation, resettlement subsidies as well as compensation fee for attachments and standing crops. Compensation fee for the cultivated land requisitioned shall be 6–10 times of the average annual output value (AAOV) in the last 3 years. Resettlement subsidies will be calculated on the basis of the agricultural population. The agricultural population will be calculated on the basis of the amount of cultivated land acquired divided by the per capita average land holding prior to land acquisition. Resettlement subsidies for per the agricultural person shall be 4–6 times of the AAOV in the past 3 years. However, the maximum resettlement subsidies for cultivated land per hectare shall not exceed 15 times of the AAOV in the past 3 years.

8. Additional resettlement subsidies may be provided for those who cannot maintain their original living standards on the basis of land compensation fee and subsidies for resettlement the payment pursuant to the provisions of the above-mentioned article subject to the approval of governments of the provinces, autonomous regions, and municipalities directly under the central government. However, the total of land compensation fee and subsidies for resettlement will not exceed 30 times of the AAOV in the past 3 years.

#### **2. The Tentative Bylaws of Farmland Occupancy Tax of the People's Republic of China**

9. **Article 5.** The farmland occupation tax is set as follow:

- (i) CNY10–CNY50 per square meter (m<sup>2</sup>) for rural area with per capita farmland between 1 *mu* and 2 *mu* (*area* refers to the county);
- (ii) CNY6–CNY30/m<sup>2</sup> for rural area with per capita farmland between 2 *mu* and 3 *mu*; and
- (iii) CNY5–CNY25/m<sup>2</sup> for rural area with per capita farmland over 3 *mu* (*area* refers to the county), the tax is.

#### **3. Decision on Deepening Reform and Strengthening Land Management by the State Council**

10. **Article 12: Improving the land compensation.** County government or above must take concrete measures to ensure the living standards of the affected persons (APs) can at least restored. The Guangdong provincial government must make and publicize the AAOV and the comprehensive land prices for each county and city. The compensation for the same types of land should remain consistent. All the relevant resettlement cost in the national key development project should be included in the total project cost estimates.

11. **Article 13: Proper rehabilitation measures for the farmers with the lost land.** The county government or above must take concrete measures to ensure the sustainability of APs. The local government must put the farmers with lost land into the urban employment system and provide the social security system for them if the lands are in the planned urban area; if the lands are outside of the planned urban area, the local government must retain the certain areas of farmland for the farmers with lost land within its jurisdictions or provide the employment for them.

12. **Article 14: Improvement of land acquisition procedures.** The information disclosure to the APs and their consent should be documented and submitted as part of the land acquisition application portfolio.

13. **Article 15: Strengthening the supervision and management in the land acquisition process.** Land should not be acquired before the APs obtain replacement land or sufficient compensation. The Guangdong provincial government must make compensation allocation schemes for the collective-owned land. The principle is that the major compensation fund should be allocated to the affected households. The affected villages must publish and supervise by their representatives the compensation fund and its allocation. The relevant government agencies, such as agricultural, civil affairs, and others, should strengthen supervision of the compensation fund delivery and utilization.

4. **Guangdong Provincial Land Resource Department's Order No. 21 (issued in 2011)**

**Protective Compensation Standards for Land Acquisition in Guangdong Province**  
(CNY/mu)

Location	Area Class	Farmland	Orchard Land	Woodland	Pond	Wasteland
Liangying Township	V	39,000	30,000	13,733	40,500	12,000
Xiancheng Township, Longtian Township	VI	35,100	27,000	12,400	36,467	10,800

5. **Regulations on Compensations of Land Acquisition in Shantou Municipality**

**Compensation Standards for Land Acquisition in Shantou Municipality**  
(CNY/mu)

Location	Area Class	Farmland/Pond	Other Land	Wasteland
Chaonan District	IV	68,478	56,782	12,500

## ANNEX 4: TERMS OF REFERENCE FOR EXTERNAL MONITORING AND EVALUATION

### 1. Purpose of Resettlement Monitoring and Evaluation

1. According to the Asian Development Bank's (ADB) resettlement policy, the resettlement work of the project will be subject to external monitoring and evaluation (M&E). The land acquisition and resettlement (LAR) work of project will be tracked and evaluated by checking the progress, funds, and management of LAR; and making a comparative analysis of the variation and restoration of the production level and standard of living of affected persons (APs) by LAR. While reports are submitted to the project management office (PMO) regularly—twice a year during implementation, information and suggestions will also be provided as a reference for decision making. Through external M&E, ADB and the implementing agencies can fully understand if the LAR work is implemented on schedule and in accordance with the quality standard; point out existing issues; and propose suggestions for improvement.

### 2. Scope of Resettlement Monitoring and Evaluation

- (i) M&E of implementation progress of land acquisition, including
  - a) progress of land acquisition;
  - b) provision of replacement land; and
  - c) progress of temporary land occupation.
- (ii) M&E of availability and utilization of funds, including
  - a) availability of funds and timely payment to affected entities and/or APs; and
  - b) utilization of village land compensation funds (planned vs. actual).
- (iii) M&E of the standard of living of the APs, including
  - a) production level and standard living of the two affected households (AHs) and 10% sample of households (HHs) affected by temporary land occupation before LAR;
  - b) production level and standard living of the two AHs and 10% sample of HHs affected by temporary land occupation after LAR; and
  - c) benefits of villagers from the use of land compensation and from endowment insurance.
- (iv) Capacity evaluation of the implementing agencies, public participation, complaints, and appeals.

### 3. External Monitoring Agency

2. The external resettlement M&E work of the project will be undertaken by an external monitoring agency entrusted by the PMO and accepted by ADB.

### 4. Organization of Resettlement Monitoring and Evaluation

- (i) The PMO will entrust the external monitoring agency to take charge of the survey, data collection, and computational analysis for M&E; and to review the corresponding findings.
- (ii) The external monitoring agency will set up a "resettlement M&E taskforce of the project" whose task is to monitor and evaluate the resettlement work of the project, prepare the M&E outline, select monitoring targets, take charge of field survey, monitoring and in-house analysis, and prepare resettlement M&E reports according to the ADB requirements.
- (iii) During the field monitoring and survey by the taskforce, the PMO and implementing agency will offer assistance in staffing and traffic.

## **5. Methods of Resettlement Monitoring and Evaluation**

- (i) A combination of field survey, computational analysis, and comprehensive expert evaluation will apply to M&E.
- (ii) The survey will be conducted comprehensively. The progress, funds, organization, and management of implementation will be surveyed in all aspects.
- (iii) The sampling rate of survey: three affected villages (100%); two HHs (100%) affected by land acquisition; and 10% sample of HHs affected by temporary land occupation.
- (iv) The complete survey will be conducted in the methods of structured survey (questionnaire survey), discussion and literature search, etc.
- (v) Except written materials, photos, audio, and video records, real objects will also be collected.

## **6. Monitoring Indicators**

### **6.1 Baseline Survey**

3. The external monitoring agency will make a baseline survey of the affected villages and HHs. The baseline data include the production level and standards of living of AP. The baseline survey, as well as the follow-up monitoring and post-project evaluation, will cover and not limited to the following socioeconomic indicators of targeted HHs:

- (i) Level of education of adults by gender;
- (ii) Employment status of adults by gender;
- (iii) Land area by type;
- (iv) Income by source;
- (v) Expenditure by type;
- (vi) Major assets ownership; and
- (vii) Cropping pattern (cultivated area of each crop).

### **6.2 Regular Monitoring and Evaluation**

4. During the implementation of the resettlement plan (RP), the external monitoring agency will monitor the following indicators (fully or partly) twice a year:

- (i) Disbursement and amount of compensation fees;
- (ii) The survey and coordination of and suggestions for key issues of AP and the implementing agency during implementation;
- (iii) The restoration and resettlement of the vulnerable groups, support to the vulnerable groups;
- (iv) Restoration and reconstruction of ground affiliated and special facilities;
- (v) Provision of replacement land and restoration of production and livelihoods for two AHs;
- (vi) Name list of villagers to be provided with endowment insurance (through villager meetings);
- (vii) Final use and use right of land after use type change (through villager meetings);
- (viii) Schedule for the above activities (applicable at any time);
- (ix) Use of compensation fees for land and income of the villagers;
- (x) Employment of affected villagers, and increase in employment income of labor;
- (xi) Whether the APs benefit from the project;
- (xii) Degree of satisfaction or problems identified;
- (xiii) The degree of participation and consultation of APs during implementation; and
- (xiv) Resettlement training and its results.

## 7. Reporting of External Resettlement Monitoring and Evaluation

5. The external monitoring agency shall submit a resettlement monitoring report to the PMO semiannually during project construction. A yearly evaluation report will also be prepared for at least 2 years by the external monitoring agency after LAR completion. Then, the PMO will report to ADB.

### Reporting Schedule of the External Monitoring Agency

Date	Item
Within 1 week after ADB's approval	Signing contract with independent external monitoring agency and preparing TOR of M&E
Within 2 weeks after ADB's approval	Preparing work plan of external M&E, including preparing TOR of survey and form; establishing monitoring system; confirming tasks; and confirming monitoring points
Within 3 months after ADB's approval	Baseline survey
Due 3 months after land transfer	Submitting no. 1 M&E report
Due 9 months after land transfer	Submitting no. 2 M&E report
2015	Submitting nos. 3 and 4 M&E reports
2016	Submitting no. 5 M&E report followed by a resettlement completion report

ADB = Asian Development Bank, M&E = monitoring and evaluation, TOR = term of reference.

Source: ADB.

## 8. Monitoring Budget

6. The PMO will hire an independent external monitoring agency to carry out the external M&E on resettlement for the project. The budget for monitoring of the project is CNY702,254 or 1.5% of the basic cost (i.e., compensation budget), including monitoring on implementation of the social action plan and the gender action plan of the project.