

# Resettlement Plan

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July 2013

## People's Republic of China: Yunnan Chuxiong Urban Environment Improvement Project

Prepared by the ADB-financed Project Management Office of the Chuxiong Prefecture Government and the Lufeng County Government for the Asian Development Bank.

## CURRENCY EQUIVALENTS

(as of 26 July 2013)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1630
\$1.00	=	CNY6.1347

## ABBREVIATIONS

AAOV	–	average annual output value
ADB	–	Asian Development Bank
AH	–	affected household
AP	–	affected person
CCG	–	Chuxiong City Government
CPPMO	–	Chuxiong Yi Autonomous Prefecture PMO
DMS	–	detailed measurement survey
FGD	–	focus group discussion
HD	–	house demolition
LA	–	land acquisition
LEF	–	land-expropriated farmer
M&E	–	monitoring and evaluation
MLS	–	minimum living security
PMO	–	project management office
PRC	–	People's Republic of China
RIB	–	resettlement information booklet
RP	–	resettlement plan

## WEIGHTS AND MEASURES

<i>mu</i>	–	666.7 m <sup>2</sup>
km	–	kilometer

## GLOSSARY

<b>Affected person (or household)</b>	–	Those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
<b>Compensation</b>	–	Money or payment in kind to which the people affected are entitled in order to replace the lost asset, resource or income
<b>Entitlement</b>	–	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base
<b>Income restoration</b>	–	Reestablishing income sources and livelihoods of people affected
<b>Resettlement</b>	–	Rebuilding housing, assets, including productive land, and public infrastructure in another location

- Resettlement impact** – Loss of physical and non-physical assets, including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms
- Resettlement plan** – A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation

#### **NOTE**

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

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**ADB-financed Yunnan Chuxiong Urban  
Environment Improvement Project**

# **Lufeng Urban Infrastructure and Environment Improvement Subproject Resettlement Plan**

**ADB-financed Project Management Office of the Chuxiong Prefecture  
Government**

**Lufeng County Government**

**26 July 2013**

# 禄丰县人民政府

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禄政函〔2013〕58号

## 禄丰县人民政府关于利用亚行贷款城市 基础设施建设及环境改善子项目 移民安置计划的承诺函

亚洲开发银行：

禄丰县按照有关规定编制了利用亚行贷款城市基础设施建设禄丰县城市道路与环境改善子项目移民安置计划，该计划符合中央、地方法律法规及亚行非自愿性移民的相关政策。移民计划根据项目可研报告、实地测量和社会经济调查结果编制，禄丰县对该计划内容予以确认，并保证按计划开展用地、安置及补偿等相关工作。在项目详细工程设计完成后，将对该计划进行合理调整修编，并在项目正式动工前提交亚行确认。



(联系人：施学勇；电话：13578498222)

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# 禄丰县发展和改革局文件

禄发改函〔2013〕01号

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## 利用亚行贷款楚雄州城市基础设施建设禄丰县基础设施及环境改善子项目移民安置计划信息公开确认函

州亚行办：

我县已于10月22日将经亚行审核通过的移民安置计划发送至我县国土局和受影响村村委会，并已将移民安置手册发放至受影响人。

禄丰县发展和改革局

2013年10月22日

# Yunnan Province Lufeng County Government

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Chuzhenghan [2013] No. 136

## ENDORSEMENT LETTER FOR THE RESETTLEMENT PLAN

Lufeng County Government has prepared the Resettlement Plan (RP) for Lufeng Urban Infrastructure and Environment Improvement Subproject under Yunnan Chuxiong Urban Environment Improvement Project, which is funded by a loan from Asian Development Bank (ADB).

The RP fully Complies with requirements of the relevant laws, regulations and policies of the People's Republic of China and Lufeng County Government. It also complies with ADB's policy on involuntary resettlement.

This RP is based on the feasibility study reports (FSRs), site measurement and socioeconomic surveys. We hereby confirm the content of this RP and will guarantee that land acquisition, resettlement and compensation budget be provided according to the provisions of aforesaid RP.

This RP will be updated and approved by ADB before its implementation when the detailed design is completed.

Lufeng County Government  
October 21<sup>st</sup>, 2013



## Letter of Commitment

The Lufeng County Government (LCG) has applied for a loan from the Asian Development Bank (ADB) for this Project through the Ministry of Finance of the People's Republic of China (the "PRC"). Therefore, this Project must be implemented in accordance with ADB's social safeguard policies. This resettlement plan (RP) represents a key requirement of ADB and becomes a basis of the land acquisition, house demolition and resettlement work of this Project. This RP complies with the applicable laws of the PRC, the applicable local regulations, and ADB's Safeguard Policy Statement (June 2009).

LCG hereby acknowledges the contents of this RP, and warrants that the budgetary funds under this RP will be included in the general budget of this Project and made available on time. LCG also promises to conduct land acquisition, house demolition and resettlement in accordance herewith during project implementation. LCG has discussed the first draft of this RP with the administrative departments concerned and obtained their consensus. LCG hereby authorizes the Lufeng County Project Management Office (Lufeng PMO) to implement this Project and the related resettlement work, and other governments in the Project area to implement this Project and the related resettlement work within their jurisdictions.

Lufeng County Government  
County head:  
Date: \_\_\_\_\_,2013



# Executive Summary

## 1. Introduction

1. Lufeng County Urban Environment Improvement Project (Project) is one of subprojects of the ADB-financed Yunnan Chuxiong Urban Environment Improvement Project, and consists of four components: (i) river management and flood control - some segments of the East River and the West River; (ii) urban development - road network and attachments; (iii) urban environmental health and sustainable development - urban solid waste management; and (iv) capacity building. Components (i) and (ii) involve land acquisition (LA), house demolition (HD) and resettlement, but Components (iii) and (iv) do not.

2. The river management and flood control component involves the management of a 2.0km segment of the East River and a 4.082km segment of the West River, and the urban development component involves the construction of 6 urban roads with a total length of 7.55km. Because the implementing agency will implement part of the 4.082km segment of the West River with their own fund, a due diligence report on LA of the segment is prepared as Appendix 7 of this resettlement plan.

## 2. Range of Land Acquisition and resettlement

3. A total of 1,096.01mu of collective land will be acquired permanently for the Project, including 1,082.43 mu of cultivated land (98.76%), and 13.58 mu of housing land (1.24%), which will affect 673 households with 2,874 persons directly. 33.8 mu of collective cultivated land will be occupied temporarily, which will affect 35 households with 111 persons. All residential houses to be demolished for the Project are rural residential houses, with a total area of 7,053 m<sup>2</sup>, including 5,167 m<sup>2</sup> in masonry concrete structure (73.26%), 280 m<sup>2</sup> in masonry timber structure (3.97%), 1,431 m<sup>2</sup> in earth timber structure (20.29%) and 175 m<sup>2</sup> in simple structure (2.48%), which will affect 49 households with 196 persons, including 12 households with 53 persons to be affected by LA. 28 Yi minority people will be affected by the LA and resettlement. In addition, the Project will affect some ground attachments and infrastructure, such as trees, livestock pens and enclosing walls. 5 villages in one town of Lufeng County are affected by the LA and resettlement.

4. The Project is included in the state planning in 2010, and is expected to mobilize in 2013 and be completed in 2015. LA, HD, compensation and resettlement will begin in November 2013 and be completed in December 2015. The estimated resettlement cost of the Project is 448.25 million yuan, including basic LA (and occupation) cost, HD cost, taxes and contingencies, accounting for 58.2% of the total budget of the Project.

## 3. Policy framework and entitlements

5. This Resettlement Plan (RP) is based on the Land Administration Law of the PRC (2004), the Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28), Land Administration Regulations of Yunnan Province (September 1999, Bulletin No.31 of the 9th People's Congress of Yunnan Province), the Notice of the Land and Resources Department of Yunnan Province on forwarding the Working Paper of the Ministry of Land and Resources on the Development of Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition (YPLR [2005] No.188), the Notice of the Lufeng County Government on Issuing the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105) and ADB's Safeguard Policy Statement (June 2009).

6. All affected persons (APs) will be compensated and resettled in accordance with the above policies and regulations. Compensation for the LA includes land compensation fees, resettlement subsidies and young crop compensation fees. The compensation rate for irrigated land is 86,040 yuan/mu and that for housing land 86,040 yuan/mu (129 yuan/m<sup>2</sup>). The compensation rates for young crops are 1,200 yuan/mu for summer/spring crops on irrigated land and 600 yuan/mu for autumn/winter crops on irrigated land. Temporarily occupied land is compensated at rates for young crops, for each season of occupation. The compensations are based on full replacement value. The cash compensations for structures, ground attachments are based on replacement value too without any depreciation, in case of structural losses.

7. Land compensation fees and resettlement subsidies are used as resolved at the village congress. Based on local practices and the APs' expectation, young crop compensation fees are paid directly to the affected households (AHs), while land compensation fees and resettlement subsidies are distributed in following ways mainly: (i) land compensation fees are paid to and managed by the village group collectively, and their use and the distribution of the income thereon is resolved at a meeting of household heads; and (ii) resettlement subsidies (accounting for 66.67%) are distributed in one of two ways mainly: (a) one-time average distribution among the registered population plus land reallocation; and (b) direct distribution to the AHs without land reallocation.

8. The compensation rates for residential house demolition are 950 yuan/m<sup>2</sup> for masonry concrete structure, 700 yuan/m<sup>2</sup> for masonry timber structure, 450 yuan/m<sup>2</sup> for earth timber structure and 200 yuan/m<sup>2</sup> in simple structure. In addition, moving subsidy is provided at 2,000 yuan/household, transition subsidy 5 yuan/m<sup>2</sup>/month for 12 months in total and early moving reward 3,000 yuan/household (30 days advanced than due date)..

#### **4. Resettlement and restoration**

9. Income restoration measures for the APs include (i) returning 10% acquired land for resettlement and economic development, (ii) cash compensation, (iii) skills training and (iv) priority employment for the Project. Since the APs live in the county town or suburb mainly, their main income sources are non-farm employment and individual business, and agricultural income accounts for 2%-15% of gross village/community income only.

10. The AHs plan to use the compensation for joint bazaar construction, greenhouse construction, business advances, transport vehicle purchase and expansion of household stockbreeding. After the HD, 97.97% of the AHs choose new housing site allocation with self-construction of houses and 2.04% unified apartment construction.

11. LCG has established a special fund of 300,000 yuan to provide skills training to laborers of the AHs (in which about 50% are female laborers). In addition, the Lufeng PMO has established a special fund of 479,800 yuan to support vulnerable groups together with the county civil affairs bureau.

#### **5. Public participation and information disclosure**

12. At the project preparation stage, the Lufeng PMO conducted extensive public participation activities by various means (e.g., meetings, interviews, focus group discussions (FGD), public participation meetings and community consultation) under the instruction of the technical assistance experts of the PPTA, and the affected groups and persons have been informed of key information of this RP, and consulted on resettlement policies, expectations,

programs and restoration measures. Key points of discussion and reasonable requirements of the APs have been incorporated into this RP.

13. The Resettlement Information Booklet (RIB) will be distributed to the AHs by the end of August 2013. In addition, this RP will be distributed to the affected village groups, and made freely available to the APs at village/community committees and the Resettlement Office at any time. The RP will be published on ADB's website by the end of August 2013.

## 6. Grievance redress

14. The Lufeng PMO, housing and urban-rural construction bureau, and the affected town government and village committees are responsible for coordinating and settling grievances and appeals arising from resettlement. The APs may file appeals about any aspect of resettlement, including collective land acquisition, temporary land occupation, HD and compensation rates.

## 7. Key Agencies

15. Chuxiong Prefecture Project Leading Group is the executing agency of the Project, the Lufeng PMO is the implementing agency (IA) of the Project, and the Jinshan Town Government, and the affected village and community committees are responsible for the implementation of this RP.

## 8. Implementation schedule

16. The resettlement schedule of the Project is prepared based on the progress of the project construction and LA implementation. The implementation schedule is to be updated with overall project progress, as shown below:

No.	Resettlement	Task	Agency responsible	Time	Remarks
<b>1</b>	<b>Information disclosure</b>				
1.1	RIB	5 villages with 33 groups	PMO, Resettlement Office / town government	Aug. 2013	
1.2	Disclosure of the RP on ADB's website		IA, PMO, ADB	Aug. 2013	
<b>2</b>	<b>RP and budget</b>				
2.1	RP and budget approval (compensation rates)	448,249,400 yuan	County government, PMO	Nov. 2013	
2.2	Village-level income restoration programs	5 affected villages	Village committees	Nov. 2013	
2.3	RP update after detailed design	/	EA, PMO	Oct. 2013	If necessary
<b>3</b>	<b>Detail Measure Survey</b>				
3.1	DMS on LA and HD		Resettlement Office	Oct. 2013	
<b>4</b>	<b>Compensation agreement</b>				
4.1	Village-level land compensation agreement	5 affected villages	Resettlement Office / AHs	Nov. 2013	
4.2	Household land compensation agreement	673 AHs	Resettlement Office / AHs	Nov. 2013	
4.3	House compensation agreement	49 AHs	Resettlement Office / AHs	Nov. 2013	
<b>5</b>	<b>House resettlement</b>				
5.1	Selection and approval of housing sites	49AHs	County government, village committees, AHs	Nov– Dec. 2013	
5.2	Preparation of housing sites	2 places	County government, village committees	Dec. 2013	

No.	Resettlement	Task	Agency responsible	Time	Remarks
5.3	House Demolition	49AHs	Resettlement Office / AHs	Dec. 2013	
5.4	Building new houses	49 AHs	Village committees or AHs	Dec. 2013 – Dec. 2014	
5.5	Moving into new houses	49 AHs	AHs	Dec. 2014	
<b>6</b>	<b>Implementation of restoration measures</b>				
6.1	Distribution of land compensation fees to AHs and land reallocation	5 affected villages	Town government, village committees	Dec. 2013	
6.2	Implementation of village-level income restoration programs	5 affected villages	Village committees	2013-2015	
6.3	Income restoration through business and employment	710 AHs	Town government, village committees, labor force	2014-2015	
6.4	Implementation of training program	710 AHs	Labor and social security bureau	Dec. 2013 – Dec. 2014	
6.5	Identifying vulnerable households and implementing assistance measures	167 AHs	Civil affairs bureau, labor and social security bureau, PMO	2013 -2014	
6.6	Identifying and hiring households for employment under the Project	About 1,000 APs	PMO, labor force, contractor	Dec. 2013 – Dec. 2018	
<b>7</b>	<b>Capacity building of resettlement agencies</b>				
7.1	PMO staff training	10 persons	ADB	Sep. 2013	
7.2	Training of county, town and village officials	50 persons	PMO	Sep. – Oct. 2013	
<b>8</b>	<b>Monitoring &amp; Evaluation</b>				
8.1	Baseline survey	One report	External M&E agency	Dec. 2013	
8.2	Establishing an internal M&E agency	As per the RP	PMO, IA	Oct. 2013	
8.3	Appointing an external monitoring agency	One	PMO	Nov. 2013	
8.4	Internal monitoring reporting	Quarterly (as required)	PMO, IA	From Nov. 2013	
8.5	External monitoring reporting	Semiannual report	External M&E agency	Jan. 2014	1 <sup>st</sup> report
				Sep. 2014	2 <sup>nd</sup> report
8.6	External monitoring reporting	Annual report	External M&E agency	Jan. 2015	3 <sup>rd</sup> report
				Jul. 2015	4 <sup>th</sup> report
8.7	External evaluation and completion report	One report	IA, PMO, External M&E agency	Jul. 2016	
<b>9</b>	<b>Public consultation</b>		IA	Ongoing	
<b>10</b>	<b>Grievance redress</b>		IA	Ongoing	
<b>11</b>	<b>Civil construction</b>				
11.1	Commencement of the construction		Winning bidder	Dec. 2013	
11.2	Completion of the construction			Dec. 2018	

## 9. Monitoring & Evaluation and reporting

17. Resettlement implementation is subject to internal and external monitoring. Internal monitoring is performed by the Chuxiong PMO and Lufeng PMO, and an internal monitoring report is submitted to ADB semiannually. The Chuxiong PMO will appoint an independent agency to conduct external monitoring and evaluation (M&E) semiannually, and M&E costs are included in the resettlement budget. An external monitoring report is submitted to ADB

semiannually during the resettlement implementation and annually within two years after the completion of resettlement.

#### **10. Resettlement budget**

18. All costs incurred during the LA and resettlement shall be included in the general budget of the Project. Based on prices of 2012, the resettlement costs of the Project are 448,249,400 yuan, including rural LA costs of 95,599,600 yuan or 21.33% of total costs, compensation fees for temporary land occupation of 209,600 yuan or 0.05%, compensation fees for rural residential house demolition of 8,865,500 yuan or 1.98%, compensation fees for infrastructure and ground attachments of 29,302,100 yuan or 6.52%, resettlement planning and monitoring costs of 614,000 yuan or 0.14%, taxes, and training and management costs of 267,684,000 yuan or 59.72%, and contingencies of 10% of total costs.

## Glossary

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

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## ABBREVIATIONS

AAOV	-	Average Annual Output Value
ADB	-	Asian Development Bank
AH	-	Affected Household
AP	-	Affected Person
DMS	-	Detailed Measurement Survey
FGD	-	Focus Group Discussion
LCG	-	Lufeng County Government
LEF	-	Land-expropriated Farmer
M&E	-	Monitoring and Evaluation
MLS	-	Minimum Living Security
PMO	-	Project Management Office
PRC	-	People's Republic of China
RIB	-	Resettlement Information Booklet
RP	-	Resettlement Plan

## Units

Currency unit	=	Yuan (CNY)
1.00 yuan	=	\$0.15
1 hectare	=	15 mu

# 1. Overview of the Project

## Introduction

1. This RP is prepared for the Lufeng County Urban Environment Improvement Project (Project), one of subprojects of the Yunnan Chuxiong Urban Environment Improvement Project, in accordance with relevant policies and regulations of ADB, the PRC, Yunnan Province and Lufeng County on LA, HD and resettlement, including the Safeguard Policy Statement (June 2009), Land Administration Law of the PRC (amended on August 28, 2004), Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim) (May 18, 2008), Notice of the Lufeng County Government on Issuing the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105).
2. Lufeng PMO prepared this RP with assistance of Chuxiong PMO and Hohai University, a consulting agency. The key data and information is from 4 sources: (i) the Feasibility Study Report of the Project, relevant governmental documents; (ii) information provided by functional departments concerned, e.g., policy documents, work summaries, statistics; (iii) information provided by the affected town and village groups, e.g., basic information and statistical reports; and (iv) information obtained through FGDs, interviews and questionnaire survey.

## Project Description

3. The Project consists of four components: (i) river management and flood control - some segments of the east and west rivers; (ii) urban development - road network and attachments; (iii) urban environmental health and sustainable development - urban solid waste management; and (iv) capacity building. Components (i) and (ii) involve LA, HD and resettlement, but Components (iii) and (iv) do not.
4. The river management and flood control component involves rehabilitation of a 2.0km segment of the East River and a 4.082km segment of the West River, while the urban development component involves the construction of 6 urban roads with a total length of 7.55km. See Table 1-1 for the components and resettlement impacts of the Project, and Figure 1-1 and Figure 1-2 for schematic maps. Because the implementing agency will implement part of the 4.082km segment of the West River with their own fund, a due diligence report on LA of the segment is prepared as Appendix 6 of this resettlement plan.

**Table 1-1: Scope of Construction and Resettlement Impacts of the Project**

No.	Subcomponent	Description	Impacts
1	Road 1	1,589 m long, 36 m wide	LA & HD
2	Road 2	1,393 m long, 24 m wide	LA & HD

<b>No.</b>	<b>Subcomponent</b>	<b>Description</b>	<b>Impacts</b>
3	Road 3	1,001 m long, 32 m wide	LA & HD
4	Extension of Zhuluoji Street	1,001 m long, 40 m wide	LA
5	North extension of Shiji Street	1,001 m long, 36 m wide	LA
6	North extension of Jinshan South Road	1,562 m long, 36 m wide	LA & HD
7	West River flood management	Design width 50m above the junction of the East and West rivers, including 30m wide landscaping belt on each side	LA & HD
		Design width 70m below the junction of the East and West rivers, including 30m wide landscaping belt on each side	LA
8	East River flood management	Design width 50m, including 30m wide landscaping belt on each side	LA

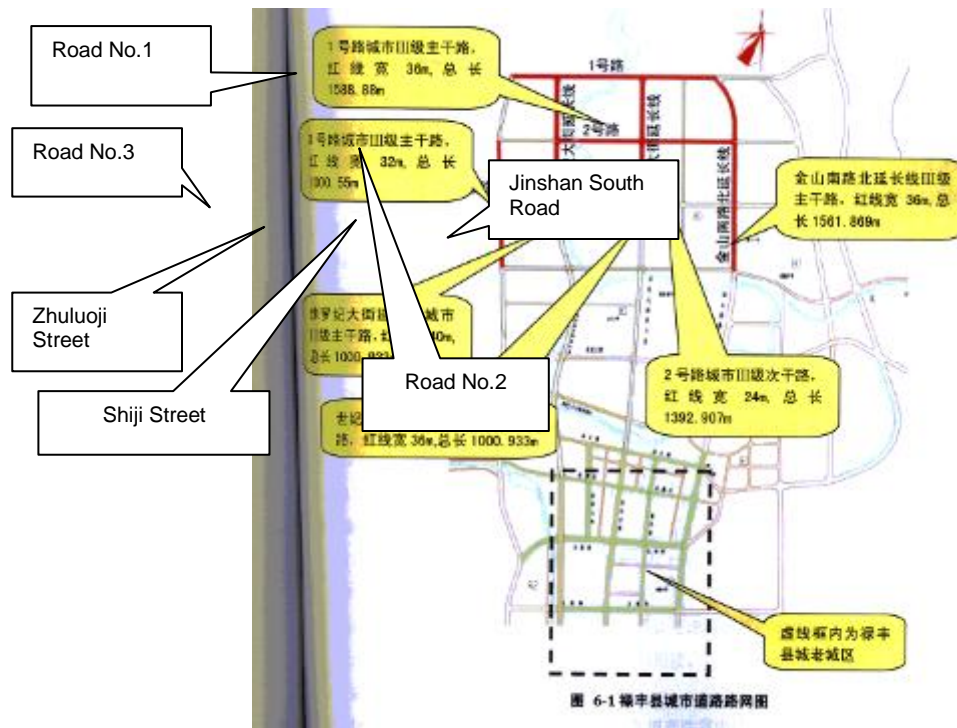


Figure 1-1: Schematic Map of the Road Construction Component





Figure 1-2: Schematic Map of the River Management Component

### Measures to Reduce Negative Impacts

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

Table 1-2 Scope of Construction and Resettlement Impacts of the Project

No.	Subproject	Original Plan		Improved Plan		Impact Reduction
		Details	Impacts	Details	Impacts	
1	Road 1	Link the east side and the north section of north extension of Jinshan South Road in	130 mu of collective land is acquired, and houses of 11 households, 1,703 m <sup>2</sup> in	Linkage after east side shortening and Jinshan South Road curving.	83.3mu of collective land is acquired, and 6 households, 1,030m <sup>2</sup> in area, are	Reduced 46.7mu of land acquisition, and 673 m <sup>2</sup> of 5 households of house demolition

No.	Subproject	Original Plan		Improved Plan		Impact Reduction
		Details	Impacts	Details	Impacts	
		vertical way.	area, are demolished.		demolished.	
2	Road 2	It is in a complete straight trend and its north side is linked with Road 1.	68.15 mu of collective land is acquired, and houses of 10 households, 1,606 m <sup>2</sup> in area, are demolished.	Link north side curving and Road 1.	46.82mu of collective land is acquired, and 4 households, 800m <sup>2</sup> in area, are demolished.	Reduced 21.33mu of land acquisition, and 806 m <sup>2</sup> of 6 households of house demolition
3	Management of The East River and West River	All land within the red-right is acquired, which involve resettlement.	798.32mu of collective land is acquired, and houses of 19 households with 3,008.25m <sup>2</sup> , are demolished, including 2 motor-pumped wells and part of school walls.	Implement an ecological way, with land occupation, not acquisition to avoid the impacts of demolition.	720.55mu of collective land is occupied without impacts of resettlement.	Reduced 68.77mu of land occupation, and 3,008.25m <sup>2</sup> of 19 households of house demolition, to prevent impact to school's and collective's public infrastructures
<b>Total</b>						Reduced 136.8 mu of land acquisition and 4487.25 m <sup>2</sup> of house demolition

## 2. Impacts of the Project

### Survey of LA and HD Impacts

6. During October - December 2011 and July - August 2012, the Lufeng PMO and technicians from Yunnan Provincial Design Institute conducted a preliminary survey and statistic in the project area, and developed the Feasibility Study Report of the Project.

7. On this basis, the Lufeng PMO with assistance of Hohai University conducted a socioeconomic survey on the AHs (involving 154 households, accounting for 21.69% of all AHs) from December 2011 to January 2012 and July to August 2012. In July and August 2012, a resettlement willingness survey was conducted (5 community FGDs were held, involving 159 households, accounting for 22.39% of all AHs).

8. According to the FSR and the survey results, the Project is to affect 5 villages/communities in one town of Lufeng County. See Table 2-1.

**Table 2-1: Administrative Divisions Affected by Resettlement**

Component	Subcomponent	Town	Village/community
Road construction component	Road 1	Jinshan	Beichang Village, Guanwa Community
	Road 2	Jinshan	Guanwa Community
	Road 3	Jinshan	Beichang Village, Guanwa Community
	North extension of Shiji Street	Jinshan	Beichang Village
	Extension of Zhuluoji Street	Jinshan	Guanwa Community
	North extension of Jinshan South Road	Jinshan	Beichang Village
River management component	Rehabilitation of East River and West River	Jinshan	Beichang Village, Guanwa Community, Xinhe Community, Nanmen Community, Beimen Community

### Impacts of Permanent Acquisition of Collective Land

9. 1,096.01 mu of collective land is acquired permanently for the Project, including 1,082.43 mu of cultivated land (98.76%), and 13.58 mu of housing land (1.24%), affecting 673 households with 2,874 persons directly. The Project will not involve state-owned land. See Table 2-2 and Table 2-3.

**Table 2-2: Summary of Permanently Acquired Collective Land (by Village Group)**

Village/ community	Village group	Permanently occupied land (mu)			HHs	Population
		Cultivated land	Housing land	Subtotal		
Beichang Village	Shangying 1	48.65	0	48.65	18	72
	Shangying 3	26.45	1.66	28.11	13	51
	Beichang 2	10.18	0	10.18	5	21
	Beichang 3	45.74	0	45.74	30	127
	Beichang 4	41.17	0.97	42.14	20	87
	Beichang 5	13.23	0	13.23	3	14
	Beichang 6	3.60	0	3.6	3	8
	Beichang 7	81.97	0	81.97	30	119
	Zhuangke	28.80	7.36	36.16	21	98
	Xiaobeichang	122.14	0	122.14	71	328
	Yaochong	54.02	0	54.02	16	66
	Subtotal	475.95	9.99	485.94	230	991
Guanwa Community	Chaijiaying 1	14.16	0	14.16	12	51
	Chaijiaying 2	15.13	0	15.13	12	53
	Chaijiaying 3	46.19	0	46.19	29	145
	Chaijiaying 4	30.59	0	30.59	43	154
	Zhujiaying	19.19	0	19.19	17	74
	Zhujiaying 4	8.40	0	8.4	12	47
	Xishan 2	36.57	0	36.57	27	138
	Xishan 3	34.62	3.36	37.98	37	158
	Xishan 4	37.14	0	37.14	34	150
	Xishan 5	33.91	0	33.91	30	114
	Subtotal	275.90	3.36	279.26	253	1084
Beimen	Beimen 1	17.98	0	17.98	9	38

Village/ community Community	Village group	Permanently occupied land (mu)			HHs	Population
		Cultivated land	Housing land	Subtotal		
	Beimen 2	5.77	0	5.77	3	10
	Caiyuan 2	5.46	0	5.46	7	32
	Caiyuan 3	9.06	0	9.06	13	36
	Caiyuan 4	15.57	0	15.57	13	47
	Caiyuan 5	28.59	0	28.59	16	66
	Subtotal	82.43	0	82.43	61	229
Xinhe Community	Jiuxue 1	78.48	0	78.48	26	109
	Jiuxue 2	15.35	0	15.35	12	57
	Jiuxue 3	27.79	0.23	28.02	28	108
	Changfang	55.33	0	55.33	21	99
	Subtotal	176.95	0.23	177.18	87	373
Nanmen Community	Xiashui 3	67.80	0	67.8	25	121
	Xiashui 4	3.40	0	3.4	17	76
	Subtotal	71.20	0	71.2	42	197
<b>Total</b>		<b>1082.43</b>	<b>13.58</b>	<b>1096.01</b>	<b>673</b>	<b>2874</b>
<b>Percent</b>		<b>98.76%</b>	<b>1.24%</b>	<b>100.00%</b>	<b>/</b>	<b>/</b>

**Table 2-3: Summary of Permanently Acquired Collective Land (by Component)**

Subcomponent	Permanently acquired collective land (mu)			HHs	Population
	Cultivated land	Housing land	Total		
Road 1	81.64	1.66	83.30	28	128
Road 2	40.12	7.36	47.48	52	200
Road 3	43.23	3.59	46.82	45	195
Extension of Zhuluoji Street	57.90	0	57.90	33	135
North extension of Shiji Street	57.90	0	57.90	59	230

North extension of Jinshan South Road	81.09	0.97	82.06	56	238
Subtotal of the road construction component	361.88	13.58	375.46	273	1126
East and West Rivers rehabilitation	720.55	0	720.55	400	1748
<b>Total</b>	<b>1082.43</b>	<b>13.58</b>	<b>1096.01</b>	<b>673</b>	<b>2874</b>
<b>Percent</b>	<b>98.76%</b>	<b>1.24%</b>	<b>100.00%</b>	<b>/</b>	<b>/</b>

## Temporary Land Occupation

10. The Road 1 and Road 3, and the extensions of Shijie Street and Jinshan South Road involve temporary land occupation. 33.8 mu of collective cultivated land is occupied temporarily, affecting 35 households with 111 persons. Since the LA area on both sides of the East and West rivers is sufficient for construction site access, material storage and other needs of temporary land occupation, no land is occupied temporarily for the river management component. See Table 2-4.

**Table 2-4: Summary of Temporarily Occupied Land**

Subproject	Village	Group	Collective cultivated land (mu)	Affected		Planned period of occupation (month)	Purpose of temporarily occupied land
				HHs	Population		
Road 1	Beichang Village	Shangying 1	2	3	9	12	Temporary shed
		Shangying 3	3	2	8	12	Temporary shed
		Subtotal	5	5	17	/	/
Road 2	Beichang Village	Beichang 7	1	1	3	12	Temporary shed
		Zhuangke	2.5	3	10	12	Temporary shed
		Subtotal	3.5	4	13	/	/
North extension of Shiji Street	Beichang Village	Beichang 3	3	2	8	12	Temporary shed
		Beichang 4	1	1	4	12	Temporary shed
		Beichang 7	4	4	12	12	Temporary shed
		Subtotal	8	7	24	/	/
North extension of Jinshan South Road	Beichang Village	Shangying 1	2	3	9	12	Temporary shed
		Beichang 2	1.5	2	5	12	Temporary shed
		Beichang 3	6.5	6	18	12	Temporary shed

Subproject	Village	Group	Collective cultivated land (mu)	Affected		Planned period of occupation (month)	Purpose of temporarily occupied land
				HHs	Population		
		Beichang 4	2	2	5	12	Temporary shed
		Beichang 5	3	2	6	12	Temporary shed
		Beichang 6	0.8	1	3	12	Temporary shed
		Beichang 7	1.5	3	11	12	Temporary shed and spoil
		<b>Subtotal</b>	<b>17.3</b>	<b>19</b>	<b>57</b>	<b>/</b>	<b>/</b>
		<b>Total</b>	<b>33.8</b>	<b>35</b>	<b>111</b>	<b>/</b>	<b>/</b>

### Demolition of Residential Houses and Impact Analysis

11. All residential houses demolished for the Project are rural residential houses, with a total area of 7,053m<sup>2</sup>, including 5,167 m<sup>2</sup> in masonry concrete structure (73.26%), 280 m<sup>2</sup> in masonry timber structure (3.97%), 1,431 m<sup>2</sup> in earth timber structure (20.29%) and 175 m<sup>2</sup> in simple structure (2.48%). The demolition of residential houses affects 49 households with 196 persons. See Table 2-5 and Table 2-6 for the residential houses to be demolished.



**Table 2-5: Summary of Demolished Rural Residential Houses (by Village Group)**

Village	Group	Proposed demolition area (m <sup>2</sup> )					Affected	
		Masonry concrete	Masonry timber	Earth timber	Simple	Subtotal	HHs	Population
Beichang Village	Shangying 3	1,030	0	0	0	1,030	6	25
	Zhuangke	2,782	280	1,431	0	4,493	36	146
	Beichang 4	730	0	0	0	730	3	9
	Total	4,542	280	1,431	0	6,253	45	180
Xinhe Community	Jiuxue 3	100	0	0	75	175	1	5
Guanwa Community	Xishan 3	525	0	0	100	625	4	11
<b>Total</b>		<b>5,167</b>	<b>280</b>	<b>1431</b>	<b>175</b>	<b>7,053</b>	<b>49</b>	<b>196</b>
<b>Percent</b>		<b>73.26%</b>	<b>3.97%</b>	<b>20.29%</b>	<b>2.48%</b>	<b>100.00%</b>	<b>/</b>	<b>/</b>

**Table 2-6: Summary of Demolished Rural Residential Houses (by Component)**

Subcomponent	Proposed demolition area (m <sup>2</sup> )					Affected	
	Masonry concrete	Masonry timber	Earth timber	Simple	Subtotal	HHs	Population
Road 1	1030	0	0	0	1030	6	25
Road 2	2782	280	1431	0	4493	36	146
Road 3	625	0	0	175	800	4	16
North extension of Jinshan South Road	730	0	0	0	730	3	9
<b>Total</b>	<b>5167</b>	<b>280</b>	<b>1431</b>	<b>175</b>	<b>7053</b>	<b>49</b>	<b>196</b>
<b>Percent</b>	<b>73.26%</b>	<b>3.97%</b>	<b>20.29%</b>	<b>2.48%</b>	<b>100.00%</b>	<b>/</b>	<b>/</b>

12. Among the households affected by HD, 6 households are partial-demolishment, which will not require relocation; 4 households (8.16%) have a demolition area of 21-50 m<sup>2</sup>; 9 households (18.37%) have a demolition area of 51-100 m<sup>2</sup>; 17 households (34.69%) have a demolition area of 101-150 m<sup>2</sup>, and 19 households (38.78%) have a demolition area of 151 m<sup>2</sup> or more. See Table 2-7.

**Table 2-7: Degrees of Impact of Residential House Demolition**

Subcomponent	Town	Village	Number of households					Subtotal
			20 m <sup>2</sup> or less	21-50 m <sup>2</sup>	51-100 m <sup>2</sup>	101-150 m <sup>2</sup>	151 m <sup>2</sup> or more	
Road 1	Beichang Village	Shangying 3	0	0	0	3	3	6
Road 2	Beichang Village	Zhuangke	0	4	8	14	10	36
Road 3	Xincheng Community	Jiuxue 3	0	0	0	0	1	1
	Guanwa Community	Xishan 3	0	0	0	0	3	3
North extension of Jinshan South Road	Beichang Village	Beichang 4	0	0	1	0	2	3
<b>Total</b>			<b>0</b>	<b>4</b>	<b>9</b>	<b>17</b>	<b>19</b>	<b>49</b>
<b>Percent</b>			<b>0.00%</b>	<b>8.16%</b>	<b>18.37%</b>	<b>34.69%</b>	<b>38.78%</b>	<b>100%</b>

### **Infrastructure and Ground Attachments Affected by the Project**

13. The Project affects 10 types of ground attachments and infrastructure, including fruit trees, timber trees, livestock pens and enclosing walls. See Table 2-8 and

Table 2-9.

Table 2-8: Summary of Affected Ground Attachments (by Village Group)

Village	Guard rooms (m <sup>2</sup> )	Livestock pens (m <sup>2</sup> )	Brick enclosing walls (m <sup>3</sup> )	Wells (m <sup>3</sup> )	Ponds (m <sup>3</sup> )	Terraces (m <sup>2</sup> )	Fruit trees	Timber trees	Telegraph poles (number * km)	Pumping stations
Beichang Village	45	291	1231	0	0	901	104069	14193	10*0.2	2
Guanwa Community	90	0	697	15	1200	312.6	50302	2749	0	0
Beimen Community	0	15	56.7	0	500	35	0	0	0	1
<b>Total</b>	<b>135</b>	<b>306</b>	<b>1984.7</b>	<b>15</b>	<b>1700</b>	<b>1248.63</b>	<b>154371</b>	<b>16942</b>	<b>10*0.2</b>	<b>3</b>

Table 2-9: Summary of Affected Ground Attachments (by Component)

Subcomponent	Guard rooms (m <sup>2</sup> )	Livestock pens (m <sup>2</sup> )	Brick enclosing walls (m <sup>3</sup> )	Wells (m <sup>3</sup> )	Ponds (m <sup>3</sup> )	Terraces (m <sup>2</sup> )	Fruit trees	Timber trees	Telegraph poles (number * km)	Pumping stations
Road 1	0	180	88	0	0	255	1522	0	0	0
Road 2	0	91	176	0	0	344	2030	0	0	0
Road 3	0	15	753.7	15	1700	347.63	189	542	0	0
North extension of Shiji Street	0	0	0	0	0	0	1366	0	0	0
North extension of Jinshan South Road	0	5	37	0	0	302	5141	530	0	0
<b>Subtotal of the road construction</b>	<b>0</b>	<b>291</b>	<b>1054.7</b>	<b>15</b>	<b>1700</b>	<b>1248.63</b>	<b>10248</b>	<b>1072</b>	<b>0</b>	<b>0</b>
East and West rivers Rehabilitation	135	15	930	0	0	0	144123	15870	10*0.2	3
<b>Total</b>	<b>135</b>	<b>306</b>	<b>1984.7</b>	<b>15</b>	<b>1700</b>	<b>1248.63</b>	<b>154371</b>	<b>16942</b>	<b>10*0.2</b>	<b>3</b>

## Affected Population

### 2.1.1 Summary

14. The Project affects a total of 745 households with 3,128 persons in 5 villages/communities of Jinshan Town of Lufeng County. 710 households with 3,017 persons are affected permanently (directly), in which 661 households with 2,821 persons are affected by LA only, 37 households with 143 persons are affected by HD only, and 12 households with 53 persons are affected by both LA and HD; and 35 households with 111 persons are affected by temporary land occupation. See Table 2-10 and

Table 2-11.

**Table 2-10: Summary of Affected Population (by Village Group)**

Village/ community	Group	Permanent LA								Temporary land occupation		Total	
		Affected by LA only		Affected by HD only		Affected by both LA and HD		Permanently affected population		HHs	Population	HHs	Population
		HHs	Population	HHs	Population	HHs	Population	HHs	Population				
Beichang Village	Shangying 1			0	0	0	0	18	72	6	18	24	90
	Shangying 3	8	31	1	5	5	20	14	56	2	8	16	64
	Beichang 2	5	21	0	0	0	0	5	21	2	5	7	26
	Beichang 3	30	127	0	0	0	0	30	127	8	26	38	153
	Beichang 4	20	87	3	9	0	0	23	96	3	9	26	105
	Beichang 5	3	14	0	0	0	0	3	14	2	6	5	20
	Beichang 6	3	8	0	0	0	0	3	8	1	3	4	11
	Beichang 7	30	119	0	0	0	0	30	119	8	26	38	145
	Zhuangke	16	72	31	120	5	26	52	218	3	10	55	228
	Xiaobeichang	71	328	0	0	0	0	71	328	0	0	71	328
	Yaochong	16	66	0	0	0	0	16	66	0	0	16	66
Subtotal	220	945	35	134	10	46	265	1125	35	111	300	1236	
Guanwa Community	Chaijiaying 1	12	51	0	0	0	0	12	51	0	0	12	51
	Chaijiaying 2	12	53	0	0	0	0	12	53	0	0	12	53
	Chaijiaying 3	29	145	0	0	0	0	29	145	0	0	29	145
	Chaijiaying 4	43	154	0	0	0	0	43	154	0	0	43	154
	Zhujiaying	17	74	0	0	0	0	17	74	0	0	17	74
	Zhujiaying 4	12	47	0	0	0	0	12	47	0	0	12	47
	Xishan 2	27	138	0	0	0	0	27	138	0	0	27	138
	Xishan 3	35	151	1	4	2	7	38	162	0	0	38	162
	Xishan 4	34	150	0	0	0	0	34	150	0	0	34	150
	Xishan 5	30	114	0	0	0	0	30	114	0	0	30	114
Subtotal	251	1077	1	4	2	7	254	1088	0	0	254	1088	
Beimen Community	Beimen 1	9	38	0	0	0	0	9	38	0	0	9	38
	Beimen 2	3	10	0	0	0	0	3	10	0	0	3	10

Village/ community	Group	Permanent LA								Temporary land occupation		Total	
		Affected by LA only		Affected by HD only		Affected by both LA and HD		Permanently affected population		HHs	Population	HHs	Population
		HHs	Population	HHs	Population	HHs	Population	HHs	Population				
	Caiyuan 2	7	32	0	0	0	0	7	32	0	0	7	32
	Caiyuan 3	13	36	0	0	0	0	13	36	0	0	13	36
	Caiyuan 4	13	47	0	0	0	0	13	47	0	0	13	47
	Caiyuan 5	16	66	0	0	0	0	16	66	0	0	16	66
	Subtotal	61	229	0	0	0	0	61	229	0	0	61	229
Xinhe Community	Jiuxue 1	26	109	0	0	0	0	26	109	0	0	26	109
	Jiuxue 2	12	57	0	0	0	0	12	57	0	0	12	57
	Jiuxue 3	28	108	1	5	0	0	29	113	0	0	29	113
	Changfang	21	99	0	0	0	0	21	99	0	0	21	99
	Subtotal	87	373	1	5	0	0	88	378	0	0	88	378
Nanmen Community	Xiashui 3	25	121	0	0	0	0	25	121	0	0	25	121
	Xiashui 4	17	76	0	0	0	0	17	76	0	0	17	76
	Subtotal	42	197	0	0	0	0	42	197	0	0	42	197
<b>Total</b>		<b>661</b>	<b>2821</b>	<b>37</b>	<b>143</b>	<b>12</b>	<b>53</b>	<b>710</b>	<b>3017</b>	<b>35</b>	<b>111</b>	<b>745</b>	<b>3128</b>



**Table 2-11: Summary of Affected Population (by Component)**

Subcomponent	Permanent LA								Temporary land occupation		Total	
	Affected by LA only		Affected by HD only		Affected by both LA and HD		Permanently affected population		HHs	Population	HHs	Population
	HHs	Population	HHs	Population	HHs	Population	HHs	Population				
Road 1	23	108	1	5	5	20	29	133	5	17	34	150
Road 2	47	174	31	120	5	26	83	320	4	13	87	333
Road 3	43	188	2	9	2	7	47	204	7	24	54	228
Extension of Zhuluoji Street	33	135	0	0	0	0	33	135	0	0	33	135
North extension of Shiji Street	59	230	3	9	0	0	62	239	0	0	62	239
North extension of Jinshan South Road	56	238	0	0	0	0	56	238	19	57	75	295
<b>Subtotal of the road construction component</b>	<b>261</b>	<b>1073</b>	<b>37</b>	<b>143</b>	<b>12</b>	<b>53</b>	<b>310</b>	<b>1269</b>	<b>35</b>	<b>111</b>	<b>345</b>	<b>1380</b>
East and West rivers Rehabilitation	400	1748	0	0	0	0	401	1748	0	0	401	1748
<b>Total</b>	<b>661</b>	<b>2821</b>	<b>37</b>	<b>143</b>	<b>12</b>	<b>53</b>	<b>710</b>	<b>3017</b>	<b>35</b>	<b>111</b>	<b>745</b>	<b>3128</b>

## 2.1.2 Affected Vulnerable Groups

15. 167 vulnerable households with 319 persons are affected by the Project, including 116 low-income households with minimum living security (MLS), 3 five-guarantee households, 39 households affected by disability, and 8 women-headed households. The affected vulnerable population accounts for 10.57% of the permanently affected population. See Table 2-12 for the summary.

**Table 2-12: Summary of Affected Vulnerable Groups**

Village	Number of village groups	Number of HHS	Details					Vulnerable population	Household population	Household labor force	Males	Females	Affected by	
			MLS HHS	HHS guarantee	Five- by disability	HHS affected by disability	Women-headed HHS						Old living alone	LA (HH)
Beichang Village	8	38	20	0	10	8	0	66	152	60	75	77	30	8
Guanwa Community	7	26	4	1	21	0	0	30	123	52	61	61	25	1
Beimen Community	6	20	16	2	2	0	0	23	72	35	32	40	20	0
Nanmen Community	2	36	32	0	4	0	0	58	159	99	68	91	36	0
Xinhe Community	4	46	44	0	2	0	0	142	198	95	96	102	46	0
<b>Total</b>	<b>27</b>	<b>167</b>	<b>116</b>	<b>3</b>	<b>41</b>	<b>8</b>	<b>0</b>	<b>319</b>	<b>704</b>	<b>341</b>	<b>332</b>	<b>371</b>	<b>158</b>	<b>9</b>

## 2.1.3 Affected Ethnic Minorities

16. The permanently affected population of 3,017 includes minority population of 28, all being Yi people, accounting for 0.93% of the affected population. See Table 2-13.

**Table 2-13: Summary of Directly Affected Minority Population**

Village	Affected by LA only	Affected by HD only	Affected by both LA and HD	Total	Percent (%)
Beichang Village	4	0	5	9	32.1
Guanwa Community	10	0	9	19	67.9
Beimen Community	0	0	0	0	0
Xinhe Community	0	0	0	0	0
Nanmen Community	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>0</b>	<b>14</b>	<b>28</b>	<b>100.0</b>

### 3. Socioeconomic Profile

#### Socioeconomic Profile of the Project Area

##### 3.1.1 Socioeconomic Profile of Lufeng County

17. Lufeng County has a land area of 3,536 km<sup>2</sup>, consists of 3 townships, 11 towns and 163 villages (and communities), and is inhabited by 25 ethnic minority groups, including Han, Yi, Miao, Hui and Lisu. At the end of 2010, the county's population was 423,200.

18. Lufeng County has a cultivated area of 356,700 mu, and abounds in paddy rice, corn, wheat, pea, broad bean, cured tobacco and rapeseed. The county's agricultural output value accounts for 19.77% of its GDP (see Table 3-1). Lufeng County is located in the cultural tourism circle of the international tourist destination city of Kunming, and abounds with distinctive ancient biological resources and historical ethnic cultural resources.

**Table 3-1: Socioeconomic Profile of Lufeng County in 2010**

No.	Item	Unit	Lufeng County
1	Land area	km <sup>2</sup>	3536
1.1	Cultivated area	0,000 mu	35.67
2	Population	0,000 persons	42.31
2.1	Agricultural population	0,000 persons	35.36
2.2	Nonagricultural population	0,000 persons	6.95
2.3	Minority population	0,000 persons	10.62
3	GDP	00 million yuan	85.34
3.1	Primary industries	00 million yuan	16.87
3.2	Secondary industries	00 million yuan	32.01
3.3	Tertiary industries	00 million yuan	36.46
3.4	Per capita GDP	yuan/person	20,171
4	Per capita disposable income of urban residents	yuan/person.year	16,726
5	Per capita net income of farmers	yuan/person.year	4,584

Data source: 2010 National Economic and Social Development Statistical Bulletin of Lufeng County

##### 3.1.2 Socioeconomic Profile of the Affected Town

19. Jinshan Town affected by the Project is the county town, location of Lufeng County Government, consists of 23 villages (and communities), with a population of 44,825, including 39,402 Han people, 4,117 Yi people and 1,306 people of other ethnic minority groups.

20. Jinshan Town has a cultivated area of 51,210 mu, 1.1 mu per capita in average, suitable for the cultivation of paddy rice and corn. The town has a woodland area of 443,422 mu. In 2010, farmers' per capita net income was 5,389 yuan, from secondary and tertiary industries, crop cultivation and stockbreeding mainly.

**Table 3-2: Socioeconomic Profile of the Affected JinshanTown**

Town	HHs	Population	Agricultural population	Labor force	Cultivated area (mu)	Average population per household	Per capita cultivated area (mu)	Rural economic income (0,000 yuan)	Per capita net income of farmers (yuan)
Jinshan	11366	44,825	46,566	28,830	51,210	3.94	1.14	55,395.7	5,389

Data source: 2010 Statistical Report of Jinshan Town

### 3.1.3 Socioeconomic Profile of the Affected Villages

21. The 5 villages (communities) affected by the Project have an average population of 2.32-3.93 per household, a per capita cultivated area of 0.02-0.74 mu, and farmers' per capita net income of 5,198-5,913 yuan. The traditional crops of the affected villages are paddy rice and wheat. Agricultural income accounts for 2%-15% of gross income. See Table 3-3.

**Table 3-3: Socioeconomic Profile of the Affected Villages**

Village	HHs	Population	Agricultural population	Labor force	Cultivated area (mu)	Average population per household	Per capita cultivated area (mu)	Rural economic income (0,000 yuan)	Per capita net income of farmers (yuan)	Percent of agricultural income (%)
Beichang Village	880	3345	3345	2202	2474	3.80	0.74	9558	5883	15
Guanwa Community	1414	5561	4885	3222	2801.4	3.93	0.57	9880.95	5198	10
Xinhe Community	1175	4064	1985	2438	1010.47	3.46	0.51	9311.82	5379	8
Beimen Community	2591	6011	2162	3606	937	2.31	0.43	13119	5913	12
Nanmen Community	4024	11642	2682	6985	230	2.89	0.09	38900	5500	6

Data source: statistics provided by the affected villages

## Socioeconomic Profile of the Affected Population

### 3.1.4 Basic Economic Profile of the Affected Population

22. According to the sampling survey on the AHs, of the 710 households with 3,017 persons affected directly by the Project, 154 households with 658 persons were surveyed, accounting for 21.66% of all AHs. See

Table 3-4.

**Table 3-4: Summary of Sampling Rates in Socioeconomic Survey**

Village	Group	Number of AHs	Number of sampling households	Sampling rate (%)
Beichang Village	Shangying 1	18	4	22.2
	Shangying 3	14	5	35.7
	Beichang 2	5	2	40.0
	Beichang 3	30	3	10.0
	Beichang 4	23	5	21.7
	Beichang 5	3	1	33.3
	Beichang 6	3	1	33.3
	Beichang 7	30	5	16.7
	Zhuangke	52	11	21.2
	Xiaobeichang	71	15	21.1
	Yaochong	16	3	18.8
	Subtotal	265	55	20.8
Guanwa Community	Chaijiaying 1	12	3	25.0
	Chaijiaying 2	12	3	25.0
	Chaijiaying 3	29	6	20.7
	Chaijiaying 4	43	9	20.9
	Zhujiaying	17	4	23.5
	Zhujiaying 4	12	3	25.0
	Xishan 2	27	6	22.2
	Xishan 3	38	8	20.1
	Xishan 4	34	7	20.6
	Xishan 5	30	6	20.0
	Subtotal	254	55	21.7
Beimen Community	Beimen 1	9	2	22.2
	Beimen 2	3	1	33.3
	Caiyuan 2	7	2	28.8
	Caiyuan 3	13	3	23.1
	Caiyuan 4	13	3	23.1
	Caiyuan 5	16	4	25.0
	Subtotal	61	15	24.6
Xinhe Community	Jiuxue 1	26	5	19.2
	Jiuxue 2	12	3	25.0
	Jiuxue 3	29	6	20.7
	Changfang	21	5	23.8

	Subtotal	88	19	21.6
Nanmen Community	Xiashui 3	25	6	24.0
	Xiashui 4	17	4	23.5
	Subtotal	42	10	23.8
<b>Total</b>		<b>710</b>	<b>154</b>	<b>21.7</b>

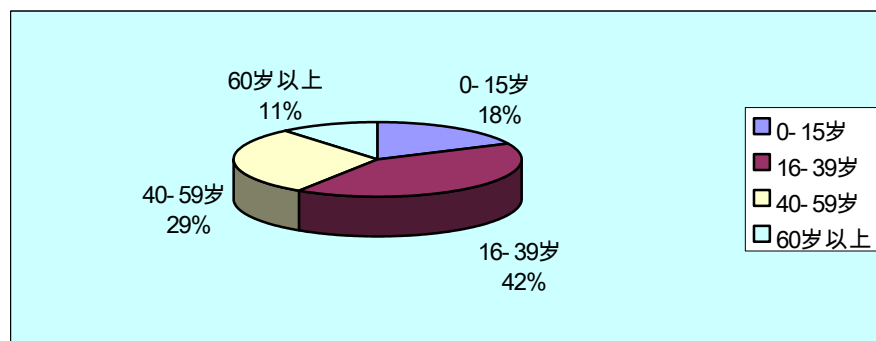
Data source: Sampling socioeconomic survey on 154 households by the consulting agency.

**(i) Ethnic and gender analysis**

23. The 154 sample households have a total of population of 658, labor force of 402 and an average population of 4.27 per household. There are 5 minority households with 21 persons, all being Yi people, accounting for 3.19% of the total population. 80% Yi people moved into the affected communities through marriage with Han people long time ago. They have the same life style, using Chinese, and same economic level with Han people; there are 325 women, accounting for 49.39%; women's work includes crop cultivation, housework and outside employment mainly.

**(ii) Age structure**

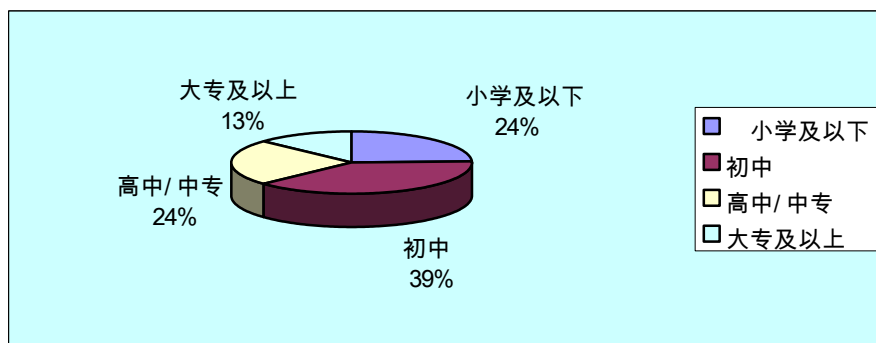
24. Among the 658 sample persons, 118 are aged 0-15 years, accounting for 17.9%; 272 are aged 16-39 years, accounting for 41.3%; 194 are aged 40-59 years, accounting for 29.5%; and 74 are aged 60 years or above, accounting for 11.3%. See Figure 3-1.



**Figure 3-1: People Distribution with Different Age**

**(iii) Educational level**

25. Among the 658 sample persons, 161 have received primary school education or under, accounting for 24.7%; 253 have received junior high school education, accounting for 38.5%; 158 have received senior high school or secondary technical school education, accounting for 24.0%; and 86 have received college or above education, accounting for 13.1%. See Figure 3-2.



**Figure 3-2: People Distribution with Different Education Level**

**(iv) House structure and size**

26. The houses of the 154 sample households are in masonry concrete or earth timber structure mainly, with a total of 19,795.16 m<sup>2</sup>, 128.54 m<sup>2</sup> per household on average and 30.08 m<sup>2</sup> per capita.

**(v) Farmland resources**

27. The 154 sample households with 658 persons have an average cultivated area of 1.98 mu per household and 0.46 mu per capita. The cultivated land is irrigated and non-irrigated land mainly, and the main crops are paddy rice and corn. Some land is used to grow vegetables, economic forests and fruits, with average annual net income of 1,350 yuan per mu.

**(vi) Household properties**

28. Among the 154 sample households, an average household has 1.32 TV sets, 0.62 refrigerator, 0.24 air-conditioner, 0.41 hi-fi, 2.53 fixed telephones / mobile phones, 0.78 bicycle / motorcycle, 0.08 tractor, and 0.04 pump. Based on household properties, the AHs have a medium living standard in the project area.

**(vii) Household income and expenditure**

29. The 154 sample households with 658 persons have per capita gross annual income of 7,074.36 yuan, in which crop farming income is 739.11 yuan, accounting for 10.45%. The main income sources are non-farm employment, trading/catering services, building and transport. Per capita annual expenditure is 4,294.85 yuan<sup>1</sup>. See Table 3-5.

**Table 3-5: Sampling Survey on Household Income and Expenditure of the AHs**

Item		Household average (yuan)	Per capita (yuan)	Percent (%)
Annual household	Crop farming income	3156	739.11	10.45%
	Forestry income	343.43	80.43	1.14%

<sup>1</sup> Income is much higher than expenditure because due to traditional practices, villagers would save most of income for future house construction, old age support, children's education and other unexpected expenses.

Item		Household average (yuan)	Per capita (yuan)	Percent (%)
income	Stockbreeding income	532	124.59	1.76%
	Industrial income	850	199.06	2.81%
	Building income	3982.86	932.75	13.18%
	Transport income	3200	749.41	10.59%
	Trading / catering service income	5387.32	1261.67	17.83%
	Other non-agricultural income <sup>1</sup>	4623.8	1082.86	15.31%
	Labor service income	6823	1597.89	22.59%
	Income from collective distribution <sup>2</sup>	956.12	223.92	3.17%
	Property income	353	82.67	1.17%
	<b>Subtotal</b>	<b>30207.53</b>	<b>7074.36</b>	<b>100.00%</b>
Annual household expenditure	Household operating expenses	5328	1247.78	29.05%
	Nonproductive expenses	12856.38	3010.86	70.10%
	Other	154.62	36.21	0.84%
	<b>Subtotal</b>	<b>18339</b>	<b>4294.85</b>	<b>100.00%</b>
<b>Net Income</b>		<b>26176.1</b>	<b>6130.23</b>	

Data source: Sampling socioeconomic survey on 154 households by the consulting agency.

### 3.1.5 Survey on Expected Resettlement Modes

#### i. Sampling resettlement willingness survey

30. According to the sampling resettlement willingness survey on the AHs, 148 households affected by the LA were sampled, accounting for 21.99% of the total 673 households affected by the LA; 11 households affected by HD were sampled, accounting for 22.45% of the total 49 households affected by HD. See Table 3-6.

**Table 3-6: Summary of Sampling Rates in Resettlement Willingness Survey**

Village/ community	Sampling of households affected by LA			Sampling of households affected by HD		
	All households affected by LA	Sample households	Sampling rate	All households affected by LA	Sample households	Sampling rate
Beichang Village	230	51	22.17%	45	10	22.22%
Guanwa Community	253	34	13.44%	3	1	30.30%
Beimen Community	61	20	32.79%	0	0	/

<sup>1</sup> This refers mainly to individual business income other than the items listed above, such as income from hardware and electric appliance distribution, home decoration and repair.

<sup>2</sup> This refers mainly to income from the distribution of compensation fees for LA from other projects and house lease, etc.



Xinhe Community	87	30	34.48%	1	0	0.00%
Nanmen Community	42	13	30.95%	0	0	/
Total	673	148	21.99%	49	11	22.45%

Data source: Sampling socioeconomic survey on 159 households by the consulting agency.

**ii. Willingness survey on households affected by LA**

31. The survey findings are as follows, and see Table 3-7 for details.

a. Awareness:

- Among the households affected by LA, 41.2% of the respondents are aware that the Project to be constructed, 31.1% are not quite clear, and 27.7% are unaware. And
- 75% of the respondents are aware of the compensation policy for LA and 25% are unaware.

b. Attitude:

- 96.6% of the respondents agree to the construction of the Project and 91.2% support LA. And
- 95.9% of the respondents think the Project is beneficial to the state, 99.3% think it is beneficial to the collective, and 87.2% think it is beneficial to individuals.

c. Distribution and use of compensation fees:

- 10.1% of the respondents expect compensation fees to be fully paid to the village group;
- 38.5% of the respondents expect compensation fees to be fully paid to the AHs;
- 12.8% of the respondents expect compensation fees to be paid half to the village group and half to the AHs;
- 29.1% of the respondents expect compensation fees to be mostly paid to the village group and a small part thereof to be paid to the AHs; and
- 9.5% of the respondents expect compensation fees to be mostly paid to the AHs and a small part thereof to be paid to the village group.

d. Use of compensation fees for LA:

- 56.8% of the respondents expect the village group to invest compensation fees centrally (building bazaars, malls, etc.);
- 10.2% of the respondents expect the village group to deposit compensation fees into a bank to earn interests; and
- 33% of the respondents expect compensation fees to be distributed evenly to the actual registered population of the village group at a time.

e. Distribution of interest income on compensation fees:

- 8.4% of the respondents choose distribution by LA area;
- 76.6% of the respondents choose distribution by population; and
- 8.4% of the respondents choose other distribution modes.

f. Production and livelihood restoration after LA:

- 38.5% of the respondents plan to continue to farm;
- 36.5% of the respondents plan to be converted into urban status in household registration;
- 52.7% of the respondents plan to get employed by enterprises;
- 20.9% of the respondents plan to do business;
- 80.4% of the respondents plan to participate in social endowment insurance (e.g., new-type rural social endowment insurance, endowment insurance for LEFs);
- 52.7% of the respondents plan to attend skills training (employment skills, cultivation and stockbreeding skills, construction skills and catering services mainly); and
- 2% of the respondents plan to secure future basic livelihoods by other means.

**Table 3-7: Public Opinion Questionnaire for Households affected by LA**

No.	Question	Answer	Percentages of choices (%)								Total
			1	2	3	4	5	6	7	8	
1	Are you aware that the Project is about to be constructed?	(1) Yes; (2) Not quite clear; (3) No	91.2	5.4	3.4	/	/	/	/	/	100
2	Do you approve of the construction of the Project?	(1) Yes; (2) No; (3) Don't care	96.6	2	1.4	/	/	/	/	/	100
3	To whom is the Project beneficial?	(1) State; (2) Collective; (3) Individuals	95.9	99.3	87.2	/	/	/	/	/	/
4	Are you aware of the compensation policy for LA?	(1) Yes; (2) No	75	25	/	/	/	/	/	/	100
5	Are you willing to accept LA to support the Project?	(1) Yes; (2) No	91.2	8.8	/	/	/	/	/	/	100
6	After LA, you will:	(1) continue to farm; (2) be converted into urban status; (3) get employed; (4) do business; (5) participate in social insurance; (6) attend skills training; (7) other	38.5	36.5	52.7	20.9	80.4	52.7	2	/	/
7.1	Your family has ___ laborers.	(1) 0; (2) 1; (3) 2; (4) 3; (5) 4; (6) 5; (7) 6; (8) Over 6	2.7	6.8	53.4	14.9	15.5	4.7	2	/	100
7.2	How many of them do farm work mainly?	(1) 0; (2) 1; (3) 2; (4) 3; (5) 4; (6) 5; (7) 6; (8) Over 6	12.2	29.7	49.3	4.1	4.1	0.7	/	/	100
7.3	How many of them will need employment assistance from the government after LA?	(1) 0; (2) 1; (3) 2; (4) 3; (5) 4; (6) 5; (7) 6; (8) Over 6	30.4	29.1	36.5	2	2	/	/	/	100

No.	Question	Answer	Percentages of choices (%)								Total
			1	2	3	4	5	6	7	8	
8	What's your preferred mode of distribution of compensation fees for LA?	(1) Fully paid to group; (2) Fully paid to AHs; (3) Half to group and half to AHs; (4) Most to group and a small part to AHs; (5) Most to AHs and a small part to group	10.1	38.5	12.8	29.1	9.5	/	/	/	100
9	If compensation fees are paid fully or partly to the village group, what's your preferred mode of distribution?	(1) Centralized investment; (2) Depositing with a bank to generate interests; (3) One-time average distribution among the registered population	56.8	10.2	33	/	/	/	/	/	100
10	What's your preferred mode of distribution of any income on compensation fees?	(1) Distribution by LA area; (2) Distribution by population; (3) Other, specify	8.4	83.2	8.4	/	/	/	/	/	100
11	What are your greatest concerns about LA? Please choose top 3.	(1) Compensation fees are paid fully and timely; (2) Information on the distribution of compensation fees is transparent; (3) Livelihood or employment issues after LA are solved; (4) Participate in Project construction as labor; (5) Compensation rates are increased; (6) Land for resettlement is made available as soon as possible	35.8	23	44.6	4.1	12.8	2.7	/	/	/
12	What's your preferred type(s) of free training offered by the government	(1) Cultivation skills; (2) Construction skills; (3) Catering services; (4) Employment skills; (5) Housekeeping services; (6) Motor vehicle repair; (7) Driving, transport; (8) Business and management	27.7	11.5	7.4	29.1	3.4	6.1	4.7	6.8	/

Data source: Sampling socioeconomic survey on 159 households by the consulting agency.

### iii. Willingness survey on households affected by HD

32. The survey findings are as follows, and see Table 3-8 for details. Table 3-8

(i) Awareness:

- Among the households affected by HD, 57.1% of the respondents are aware the Project to be constructed, 28.6% are not quite clear, and 14.3% are unaware. And
- 85.7% of the respondents are aware of the compensation policy for HD and 14.3% are unaware.

(ii) Attitude:

- 64.3% and 57.1% of the respondents approve of the construction of the Project and support HD respectively. And
- 100% of the respondents think the Project is beneficial to the state, collective and individuals.

(iii) Resettlement:

- 92.9% of the respondents choose housing site allocation while only 7.1% choose unified construction; and
- 57.1% of the respondents prefer to be resettled in the same village group, 35.8% prefer to be resettled in the same village/community, and 7.1% prefer to be resettled in the same township.

(iv) Concerns:

- 50% of the respondents are most concerned about housing site selection, housing price, and an open and transparent housing site and housing selection process respectively;
- 42.9% are most concerned about housing location; and
- 21.4% and 7.1% of the respondents are concerned about housing size and preferential lending respectively.

**Table 3-8: Public Opinion Questionnaire for Households affected by HD**

No.	Question	Answer	Percentages of choices (%)					Total
			1	2	3	4	5	
1	Are you aware that the Project is about to be constructed?	(1) Yes; (2) Not quite clear; (3) No	88	8	4	/	/	100
2	Do you approve of the construction of the Project?	(1) Yes; (2) No; (3) Don't care	64.3	28.6	7.1	/	/	100
3	To whom is the Project beneficial?	(1) State; (2) Collective; (3) Individuals	100	100	100	/	/	/
4	Are you aware of the compensation policy for HD?	(1) Yes; (2) No	85.7	14.3	/	/	/	100
5	Are you willing to accept HD and resettlement to support the Project?	(1) Yes; (2) No	57.1	42.9	/	/	/	100
6	What's your preferred mode of resettlement?	(1) Unified construction; (2) Housing site allocation; (3) Cash compensation	7.1	92.9	/	/	/	100
6.1	In case of housing site allocation, the government plans to construct 5-storied buildings; you expect to:	(1) be completed at a time; (2) construct 2-3 stories first, and be completed in 3 years; (3) construct 2-3 stories first, and be completed in 5 years	66.7	16.7	16.7	/	/	100
6.2	In case of unified construction, what's your preferred housing size?	(1) <80 m <sup>2</sup> ; (2) 80-120 m <sup>2</sup> ; (3) 120-150 m <sup>2</sup> ; (4) >150 m <sup>2</sup>	/	100	/	/	/	100
7	What's your preferred location of resettlement housing?	(1) The same village group; (2) The same village/community; (3) The same township; (4) Other	57.1	35.8	7.1	/	/	100

No.	Question	Answer	Percentages of choices (%)					
			1	2	3	4	5	Total
8	What are your greatest concerns about HD? Please choose top 3.	(1) Housing location; (2) Preferential lending; (3) Housing size; (4) Open, transparent site/housing selection process; (5) Land/housing price	42.9	7.1	21.4	50	50	/

Data source: Sampling socioeconomic survey on 159 households by the consulting agency.

## **4. Legal Framework and Policies**

### **Laws, Regulations and Policies Applicable to LA and Resettlement**

33. The resettlement policies of the Project have been developed in accordance with the laws and regulations of the PRC, and ADB's relevant policies, including:

**i. ADB policies**

- (a) Safeguard Policy Statement, June 2009
- (b) Gender and Resettlement Checklist, February 2003

**ii. Laws, regulations and policies of the PRC**

- (c) Land Administration Law of the PRC (amended on August 28, 2004)
- (d) Notice on Further Improving the Rural Housing Site Management System, and Protecting Farmers' Rights and Interests Practically (March 2, 2011)
- (e) Urgent Notice of the General Office of the Ministry of Land and Resources on Performing the Administration of Land Acquisition and House Demolition Practically (MLA [2011] No.72)
- (f) Guidelines of the State Council on Carrying out Trials on New-type Rural Social Endowment Insurance (SC [2009] No.32)

**iii. Regulations and policies of Yunnan Province**

- (g) Opinions of the Yunnan Provincial Government on Strengthening Farmland Protection and Promoting Scientific Urbanization (YPG [2011] No.185)
- (h) Notice of the Land and Resources Department of Yunnan Province on the Announcement and Implementation of the Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim) (May 18, 2008)

**iv. Regulations and policies of Chuxiong Prefecture**

- (i) Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers of Chuxiong Prefecture (Announcement No.13 of the Chuxiong Prefecture Government) (September 5, 2009)
- (j) Notice of the Chuxiong Prefecture Government on Issuing the Detailed Rules for the Implementation of Basic Endowment Insurance for Land-expropriated Farmers of Chuxiong Prefecture (December 3, 2009)
- (k) Opinions of the General Office of the Chuxiong Prefecture Government on Exploring Ways of Promoting the Orderly Circulation of Rural Land Contracted Management Rights Actively (Interim) (CPGO [2009] No.22)
- (l) Notice of the Chuxiong Prefecture Government on Doing a Better Job in Minimum Living Security for Destitute Rural Residents (CPG [2007] No.49)

**v. Regulations and policies of Lufeng County**

- (m) Notice of the Lufeng County Government on Issuing the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105)
- (n) Notice of the Lufeng County Government on Issuing the Interim Measures for the Basic Endowment Insurance for Land-expropriated Farmers of Lufeng County (LCG [2011] No.92)

## **Abstract of ADB Policies**

### **4.1.1 Involuntary Resettlement**

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

35. Basic principles include:

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks.
- (ii) 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.
- (iii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns.
- (iv) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- (v) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic

- infrastructure and community services, as required.
- (vi) 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.
  - (vii) 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.
  - (viii) 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 non-land assets.
  - (ix) 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.
  - (x) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
  - (xi) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
  - (xii) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
  - (xiii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

#### **4.1.2 Gender and Development**

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

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



## **Laws and Policies of the PRC**

37. See Appendix 1 and Appendix 2 for an abstract of laws and regulations of the PRC and policies of Yunnan Province (see the list in Section 4.1).

### **Main Differences between ADB Policies and PRC Laws**

#### **Compensation and resettlement for houses**

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

#### **Compensation for land**

- Difference: ADB policies require that compensation should be sufficient to offset any income loss, and restore long-term income-generating potential. Chinese standards are based on AAOV.
- Solution: An early-stage solution is to provide replacement land, which is hardly practical in Jinshan Town. Cash compensation is the preference of most people, though they cannot ensure the rational use of such compensation. Therefore, further technical support is needed to monitor the income of seriously affected households, especially those in vulnerable groups, and local governments should provide assistance to those in need.

#### **Compensation and resettlement of vulnerable groups**

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

#### **Consultation and disclosure**

- Difference: ADB policies require APs are fully informed and consulted as soon as possible. Chinese provisions have improved the transparency of disclosure and compensation. However, APs still play a weak role in project decision-making, and the disclosure period is usually too short.
- Solution: Consultation has begun at the early stage (before and during the technical assistance). The Lufeng PMO agrees to disclose the RP to APs as required by ADB.

#### **Lack of legal title**

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

### **Resettlement monitoring, evaluation and reporting**

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

### **Compensation Principles of the Project**

38. The principles for compensation and entitlement of the Project have been developed in accordance with the regulations and policies of the PRC and ADB, with the aim of ensuring that APs obtain sufficient compensation and assistance measures so that their production and livelihoods are at least restored to pre-project levels and the compensation for young crops will be paid as per market replacement value..

39. According to ADB's requirements, the compensation will be:

- (i) The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Depreciation will not be applied to the compensation of losses of structures.
- (ii) In the case of physically displaced persons, the IA will provide (i) relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services as required; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) opportunities to derive appropriate development benefits from the project.
- (iii) In the case of economically displaced persons, regardless of whether or not they are physically displaced, the IA will promptly compensate for the loss of income or livelihood sources at full replacement cost. The IA will also provide assistance such as credit facilities, training, and employment opportunities so that they can

improve, or at least restore, their income-earning capacity, production levels, and standards of living to predisplacement levels. The IA will also provide opportunities to displaced persons to derive appropriate development benefits from the project See Table 4-1.

**Table 4-1: Resettlement Principles of the Project**

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

### **Cut-off Date of Compensation**

40. The cut-off date for the eligibility for compensation is September 30, 2012, which was disclosed during the preparation of the Feasibility Study Report and the public participation and consultation for the project. Any newly claimed land, newly built house or settlement in the project area by the APs after this date is not entitled to compensation or subsidization. Any building constructed or tree planted purely for extra compensation is not counted in.

### **Compensation Rates**

#### **4.1.3 Permanent LA**

##### **4.6.1.1 Compensation Rates**

41. According to the Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim) (July 1, 2009), and the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105), the compensation rates for permanent LA of the Project are shown in Table 4-2. The average annual output value (AAOV) in the affected area is 2,868 yuan per mu. The compensation for land is 28,680 yuan per mu, 10 times of the AAOV. In addition, the compensation for resettlement is 57,360 yuan per mu, 20 times of the AAOV. The compensation for land will be paid to affected village groups, while resettlement subsidies (accounting for 66.67%) are distributed in two ways mainly: (i) one-time average distribution among the registered population plus land reallocation; and (ii) direct distribution to the AHs without land

reallocation. The total compensation is 30 times of the AAOV. The compensation is acceptable to the AHs. The compensation for housing land will be paid to AHs directly.

**Table 4-2: Compensation Rates for Permanent LA**

No.	Land type	Land compensation (yuan/mu)	Resettlement subsidy (yuan/mu)	Total (yuan/mu)
1	Irrigated land	28680	57360	86040
2	Housing land			86040

Source: AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105)

#### 4.6.1.2 Compensation Rates for Young Crops

42. According to the Land Administration Regulations of Yunnan Province, young crops on affected cultivated land are compensated for at the actual output value per harvest of the current season. See Table 4-3.

**Table 4-3: Compensation Rates for Young Crops**

Land type	season	Compensation rate (yuan/mu)
Irrigated land	Summer/spring crops	1,200
	Autumn/winter crops	600

Source: AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105)

#### 4.1.4 Compensation for Temporary Land Occupation

43. Compensation for temporary land occupation includes compensation fees for temporary land occupation and land reclamation costs. All land occupied temporarily by the Project is irrigated land. These costs are paid directly to the proprietors based on the actual period of occupation. See Table 4-4.

**Table 4-4: Compensation Rates for Temporary Land Occupation**

Item		Unit	Compensation rate
Compensation fees for temporary land occupation	Irrigated land	yuan/mu-year	800-1,200
Land reclamation costs	Irrigated land	yuan/mu	5,000

#### 4.1.5 Compensation Rates for HD

44. All residential houses demolished for the Project are rural residential houses, and are compensated at replacement cost based on market appraisal, which is not less than the benchmark compensation rates for HD fixed for the Project. In addition to compensation for HD, the households affected by HD also receive a moving subsidy, a transition subsidy and other subsidies (see Table 4-5). 3 resettlement modes are available at the option of the AHs: (i) cash compensation; (ii) property swap; and (iii) cash compensation and house plot reallocation.

**Table 4-5: Compensation Rates for HD**

Nature	Type of compensation	Unit	Benchmark rate (yuan)	Remarks	
Rural	房屋补偿	Housing land	yuan/m <sup>2</sup>	129	Actual rates are based on market

Nature	Type of compensation	Unit	Benchmark rate (yuan)	Remarks	
residential house demolition	Masonry concrete	yuan/m <sup>2</sup>	950	appraisal (without regard to depreciation) and not less than the benchmark rates.	
		Masonry timber	yuan/m <sup>2</sup>		700
		Earth timber	yuan/m <sup>2</sup>		450
		Simple	yuan/m <sup>2</sup>		200
	Subsidies	Moving subsidy	yuan/household	2000	Paid at a time, sufficient for two moves
		Transition subsidy	yuan/m <sup>2</sup> /month	5	Usually 12 months
		Early moving reward	yuan/household/day	100	Granted if an AH moves and its house demolished in advance of the specified period

#### 4.1.6 Compensation for Attachments and Infrastructure

45. The attachments affected by the Project are fruit trees and timber trees mainly. According to the Notice of the Lufeng County Government on Issuing the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105), the compensation rates for the attachments and infrastructure are shown in Table 4-6 and

**Table 4-7.** The pumping stations will be reconstructed by the owner after compensation by the Project.

**Table 4-6: Compensation Rates for Fruit Trees and Forests**

Type of trees		Unit	Specification (diameter at breast height, cm)	Compensation rate (yuan)
Fruit trees	Fruit-bearing	tree	<3cm	10-15
		tree	3-5cm	15-20
		tree	>=5cm	20-30
		tree	Newly grown in the current year	8-10
	Non-fruit-bearing	tree	<5cm	80
		tree	5-10cm	180
		tree	>=10cm	240
Timber trees	Non-grown	timber	<5cm	4-6
		timber	5-10cm	8-10
		timber	Newly grown in the current year, <1m high	1

Type of trees		Unit	Specification (diameter at breast height, cm)	Compensation rate (yuan)
		timber	Newly grown in the current year, >=1m high	3
		tree	Firewood forest	4
	Grown	tree	5-10cm	10-15
		tree	10-15cm	15-25
		tree	>=15cm	25-50

**Table 4-7: Compensation Rates for Attachments and Infrastructure**

Item	Unit	Compensation rate
Simple structure (including earth walls, brick-wall and simple tile houses, pigpens, cowsheds)	yuan/m <sup>2</sup>	100-120
Brick enclosing walls	yuan/m <sup>2</sup>	120-150
Concrete terraces	yuan/m <sup>2</sup>	30
Water wells	yuan/m <sup>2</sup>	140
Ponds	yuan/m <sup>2</sup>	140
Low-voltage lines (including poles)	yuan/km	20000

#### 4.1.7 Rates of Taxes and Other Costs

46. Relevant taxes and other costs are presented in Table 4-8.

**Table 4-8: Taxes and Other Rates on Resettlement**

No.	Item	Rate	Policy basis
1	Land reclamation costs	10500 yuan/mu	Measures of Yunnan Province for the Collection and Utilization of Land Reclamation Costs (YPGO [2009] No.34)
2	Fees for compensated use of new construction land	9333.38 yuan/mu	Notice of the Ministry of Finance, the Ministry of Land and Resources, and the People's Bank of China on Adjusting the Policy on Fees for Compensated Use of New Construction Land (CZ [2006] No.48), Notice of the Ministry of Finance, and the Ministry of Land and Resources on Adjusting Collection Levels of Fees for Compensated Use of New Construction Land in Some Areas (CZ [2009] No.24)
3	Compensation fees for land quality	186667.6 yuan/mu	Opinions of the Yunnan Provincial Government on Strengthening Farmland Protection and Promoting Scientific Urbanization (YPG [2011] No.85)
4	Farmland occupation tax	17333.33 yuan/mu	Measures for the Implementation of Farmland Occupation Tax of Yunnan Province (Decree No.149 of the Yunnan Provincial Government, October 30, 2008)
6	Basic pensions for LEFs	20000 yuan/mu	Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers of Yunnan Province (YPG [2008] No.226)
6	LA management costs	2.1% of total LA	Notice of the Yunnan Provincial Planning Commission and Finance Department on Adjusting Management Cost Rates for Land Acquisition

		costs	(YPF [2003] No.46)
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47. People's Government of Lufeng County will unified pay the Compensation fees for land quality in the reporting process of annual batch of land acquisition, so this fee is not included in the budget for the resettlement of the project, as detailed in the letter of commitment.

## Entitlement Matrix

48. The entitlement matrix is established in accordance with the applicable policies in this chapter, as shown in Table 4-9.

**Table 4-9: Entitlement Matrix**

Type of impact	Degree of impact	APs	Compensation and resettlement policy
Permanent LA	1,096.01 mu, including 1,082.43 mu of cultivated land, and 13.58 mu of housing land	673 households with 2,874 persons in 33 groups of 5 villages/communities in Jinshan Town	<p>(i) <u>Cash compensation</u>: Land compensation fees belong to village groups, and be used mainly for collective investment (e.g., bazaar construction on returned land) and public welfare (e.g., infrastructure construction, benefit distribution and poverty relief); resettlement subsidies (around 66.67% of land acquisition compensation ) are distributed in two ways mainly: (a) average distribution at one time among all registered population in affected groups; and (b) direct distribution to the AHs. The compensation for ground attachments and young crops are paid to their proprietors.</p> <p>(ii) <u>Return of land</u>: 10% of the acquired land area is returned to the affected village groups, and used for production and living resettlement (details about the returned land use refer to the 5.1.2 of Chapter 5) via land development.</p> <p>(iii) <u>Agricultural resettlement</u>: including land transfer, crop cultivation and stockbreeding planning.</p> <p>(iv) <u>Employment</u>: The employment of LEFs is promoted through employment by local enterprises and under the Project with assistance of local government.</p> <p>(v) <u>Small-amount secured loan</u>: LEFs are supported pursuant to applicable policies.</p> <p>(vi) <u>Skills training</u>: Training with 2,000 man-times is provided for APs for free under the Project.</p> <p>(vii) <u>Social security</u>: Security measures are offered pursuant to policies on endowment insurance for LEFs and new-type rural/urban endowment insurance.</p>
Temporary land occupation	33.8 mu, for construction sheds and spoil, all cultivated land	35 households with 111 persons in Beichang Village	<p>(i) Compensation is made for the period of land occupation and production losses, and includes young crop compensation fees and reclamation costs; the maximum period of occupation is in 2 years.</p> <p>(ii) Temporary land occupation is notified in advance and compensated for accordingly.</p> <p>(iii) The temporarily occupied land is restored by the construction agency under the supervision of the APs.</p>



Type of impact	Degree of impact	APs	Compensation and resettlement policy
Residential house demolition	7,053 m <sup>2</sup> , including 5,167 m <sup>2</sup> in masonry concrete, 280 m <sup>2</sup> in masonry timber, 1,431 m <sup>2</sup> in earth timber and 175 m <sup>2</sup> in simple structure	49 households with 196 persons in Beichang Village and Guanwa Community	(i) Compensation for demolished houses is based on full replacement cost based on market appraisal without any depreciation. including (a) housing land in 129 yuan/ m <sup>2</sup> ; (b) masonry concrete in 950 yuan/ m <sup>2</sup> ; (c) masonry timber in 700 yuan/ m <sup>2</sup> ; (d) earth timber in 450 yuan/ m <sup>2</sup> ; (e) simple structure in 200 yuan/ m <sup>2</sup> . (ii) The AHs also receive a moving subsidy in 2,000 yuan per household in total for two times of moving, a transition subsidy in 5 yuan/ m <sup>2</sup> monthly for 12 months and an early moving reward in 100 yuan/day-household. (iii) 3 resettlement modes (cash compensation, property swap and house plot reallocation) are offered at the option of the AHs.
Women	/	1,541 women in 5 villages	(i) Women have priority in employment, and at least 30% of them shall receive unskilled jobs. (ii) Women have priority in receiving free skills training; 2,000 man-times are trained in total, in which at least 1,000 man-times (50%) are offered to female laborers. (iii) Women receive relevant information during resettlement, and are able to participate in resettlement consultation. Special women FGDs are held to introduce resettlement policies.
Vulnerable groups	Disability, MLS, five-guarantee and women-headed households	39, 116, 3 and 8 households respectively, 704 persons in total	(i) Laborers in vulnerable households have priority in receiving training and job opportunities. (ii) Two members (at least one woman) of each AH receive livelihood training and prior job opportunities, e.g., participation in project construction. (iii) Each affected vulnerable household receive a destitution subsidy of 2,000 yuan to assist their livelihood restoration.
Ethnic minorities	the Yi nationality	28 persons in total	(i) Ethnic minorities have priority in employment, and all of them shall receive unskilled jobs. (ii) Ethnic minorities have priority in receiving free skills training as well
Special facilities and ground attachments	10 types, including trees and canals	Proprietors	(i) Affected special facilities are restored by proprietors after receiving compensation from the owner of the Project, or reconstructed by the owner according to the original size, standard and function. The detail standards are presented in tables 4-6 and 4-7. (ii) Compensation fees are calculated and disbursed for ground attachments as stipulated.
Grievances and appeals	/	All APs	Free; all costs so reasonably incurred are disbursed from the contingencies.

## **5. Resettlement and Income Restoration**

### **Impacts of Permanent LA and Resettlement Programs**

49. The acquisition of collective land for the Project affects 673 households with 2,874 persons in 33 groups of 5 villages/communities in Jinshan Town.

50. It is learned from FGDs with village and community officials, and representatives of the APs that based on local traditions and the APs' expectations, compensation fees for LA are distributed as follows in the 5 affected villages/communities: (i) Compensation fees for ground attachments and young crops are paid to their proprietors; (ii) land compensation fees belong to village groups, and be used mainly for collective investment and public welfare, such as bazaar and infrastructure construction, benefit distribution and poverty relief; (iii) resettlement subsidies (accounting for 66.67%) are distributed in two ways mainly: (i) one-time average distribution among the registered population plus land reallocation; and (ii) direct distribution to the AHs without land reallocation.

#### **5.1.1 Impact Analysis of Land Acquisition**

##### **(i) Analysis of lost land resources**

51. Through a comparative analysis of the cultivated areas of each affected village before and after LA, among the 5 affected villages, Xinhe Community has the highest land loss rate of 35.27%, Beichang Village has the lowest land loss rate of 20.87%, and the overall impact of LA is high.

52. Among the affected 33 groups of the 5 villages, 13 groups have a land loss rate of less than 20%, accounting for 39.39%; 9 groups have a land loss rate of 20%-40%, accounting for 27.27%; 7 groups have a land loss rate of 40%-60%, accounting for 21.21%; 2 groups have a land loss rate of 60%-80%, accounting for 6.06%; and 2 groups have a land loss rate of 80% or more, accounting for 6.06%. See Table 5-1.

##### **(ii) Analysis of lost income**

53. Based on an analysis of the annual lost income of the affected groups, per capita lost income ranges from 1,275.75 yuan (Group 5 of Beichang Village) to 60.39 yuan (Xiashui Group 4 of Nanmen Community). Most groups of the 33 groups have an income loss rate of less than 10%, 3 have an income loss rate less of 5%. 18 have an income loss rate of 5%-10%, 8 have an income loss rate of 10%-15%, and 4 have an income loss rate of 15% or more. See Table 5-1.

54. In Jinshan Town, the main crops are paddy rice and corn. However, since the affected villages have a small per capita cultivated area, and the main income sources are secondary (construction, decoration, etc.) and tertiary (catering, services, etc.) industries, the percentage of agricultural income is low (about 6%-15%).

55. In sum, LA will affect most of the AHs' agricultural production and income, and gross income slightly. Some will be moderately affected and these will be the focus for income restoration support.

**Table 5-1: Impact Analysis of Collective Land Acquisition**

Village/ community	No.	Village group	Before LA				After LA				Impact of LA on group			Income loss (yuan)			
			Number of HHs	Population	Cultivated area (mu)	Per capita cultivated area (mu)	Affected HHs	Affected population	Lost cultivated area (mu)	Remaining per capita cultivated area of group	Percent of HHs (%)	Percent of population (%)	Land loss rate (%)	Annual income loss (yuan)	Average loss per household (yuan)	Per capita loss (yuan)	Percent to per capita income (%)
Beichang Village	1	Shangying 1	28	112	186	1.66	18	72	48.65	1.23	64.29%	64.29%	26.16%	65677.50	3648.75	912.19	15.51%
	2	Shangying 3	39	139	181	1.30	13	51	26.45	1.11	33.33%	36.69%	14.61%	35707.50	2746.73	700.15	11.90%
	3	Beichang 2	48	191	235	1.23	5	21	10.18	1.18	10.42%	10.99%	4.33%	13743.00	2748.60	654.43	11.12%
	4	Beichang 3	52	175	242	1.38	30	127	45.74	1.12	57.69%	72.57%	18.90%	61749.00	2058.30	486.21	8.26%
	5	Beichang 4	59	200	145	0.73	20	87	41.17	0.52	33.90%	43.50%	28.39%	55579.50	2708.78	622.71	10.58%
	6	Beichang 5	59	200	145	0.73	3	14	13.23	0.66	5.08%	7.00%	9.12%	17860.50	5953.50	1275.75	21.69%
	7	Beichang 6	42	167	161	0.96	3	8	3.60	0.94	7.14%	4.79%	2.24%	4860.00	1620.00	607.50	10.33%
	8	Beichang 7	76	312	204	0.65	30	119	81.97	0.39	39.47%	38.14%	40.18%	110659.50	1894.05	477.49	8.12%
	9	Zhuangke	75	299	110	0.37	21	98	28.80	0.27	28.00%	32.78%	26.18%	38880.00	1851.43	396.73	6.74%
	10	Xiaobeichang	145	610	500	0.82	71	328	122.14	0.62	48.97%	53.77%	24.43%	164889.00	2322.38	502.71	8.55%
	11	Yaochong	83	280	171.5	0.61	16	66	54.02	0.42	19.28%	23.57%	31.50%	72927.00	4557.94	1104.95	18.78%
		Subtotal	706	2685	2280.5	0.85	230	991	475.95	0.67	32.58%	36.91%	20.87%	642532.50	\	\	\
Guanwa Community	1	Chaijiaying 1	29	133	112	0.84	12	51	14.16	0.74	41.38%	38.35%	12.64%	19116.00	1593.00	374.82	7.21%
	2	Chaijiaying 2	53	193	21	0.11	12	53	15.13	0.03	22.64%	27.46%	72.05%	20425.50	1702.13	385.39	7.41%
	3	Chaijiaying 3	60	275	64	0.23	29	145	46.19	0.06	48.33%	52.73%	72.17%	62356.50	2150.22	430.04	8.27%
	4	Chaijiaying 4	54	184	71	0.39	43	154	30.59	0.22	79.63%	83.70%	43.08%	41296.50	960.38	268.16	5.16%
	5	Zhujiaying	60	244	62.53	0.26	17	74	19.19	0.18	28.33%	30.33%	30.69%	25906.50	1523.91	350.09	6.74%
	6	Zhujiaying 4	60	250	179	0.72	12	47	8.40	0.68	20.00%	18.80%	4.69%	11340.00	945.00	241.28	4.64%
	7	Xishan 2	63	260	117	0.45	27	138	36.57	0.31	42.86%	53.08%	31.26%	49369.50	1828.50	357.75	6.88%
	8	Xishan 3	58	238	70.45	0.30	37	158	34.62	0.15	63.79%	66.39%	49.14%	46737.00	1263.16	295.80	5.69%
	9	Xishan 4	57	256	64.08	0.25	34	150	37.14	0.11	59.65%	58.59%	57.96%	50139.00	1474.68	334.26	6.43%
	10	Xishan 5	71	294	58	0.20	30	114	33.91	0.08	42.25%	38.78%	58.47%	45778.50	1525.95	401.57	7.73%

Village/ community	No.	Village group	Before LA				After LA				Impact of LA on group			Income loss (yuan)			
			Number of HHs	Population	Cultivated area (mu)	Per capita cultivated area (mu)	Affected HHs	Affected population	Lost cultivated area (mu)	Remaining per capita cultivated area of group	Percent of HHs (%)	Percent of population (%)	Land loss rate (%)	Annual income loss (yuan)	Average loss per household (yuan)	Per capita loss (yuan)	Percent to per capita income (%)
		Subtotal	565	2327	819.06	0.35	253	1084	275.90	0.23	44.78%	46.58%	33.68%	372465.00	\	\	\
Beimen Community	1	Beimen 1	60	200	82.65	0.41	9	38	17.98	0.32	15.00%	19.00%	21.75%	24273.00	2697.00	638.76	10.80%
	2	Beimen 2	52	160	71.16	0.44	3	10	5.77	0.41	5.77%	6.25%	8.11%	7789.50	2596.50	778.95	13.17%
	3	Caiyuan 2	51	176	50.65	0.29	7	32	5.46	0.26	13.73%	18.18%	10.78%	7371.00	1053.00	230.34	3.90%
	4	Caiyuan 3	44	150	51.43	0.34	13	36	9.06	0.28	29.55%	24.00%	17.62%	12231.00	940.85	339.75	5.75%
	5	Caiyuan 4	55	189	63.07	0.33	13	47	15.57	0.25	23.64%	24.87%	24.69%	21019.50	1616.88	447.22	7.56%
	6	Caiyuan 5	41	146	48.88	0.33	16	66	28.59	0.14	39.02%	45.21%	58.49%	38596.50	2412.28	584.80	9.89%
		Subtotal	303	1021	367.84	0.36	61	229	82.43	0.28	20.13%	22.43%	22.41%	111280.50	\	\	\
Xinhe Community	1	Jiuxue 1	127	256	89.7	0.35	26	109	78.48	0.04	20.47%	42.58%	87.49%	105948.00	4074.92	972.00	18.07%
	2	Jiuxue 2	72	286	99.7	0.35	12	57	15.35	0.29	16.67%	19.93%	15.40%	20722.50	1726.88	363.55	6.76%
	3	Jiuxue 3	61	211	247	1.17	28	108	27.79	1.04	45.90%	51.18%	11.25%	37516.50	1339.88	347.38	6.46%
	4	Changfang	87	320	65.33	0.20	21	99	55.33	0.03	24.14%	30.94%	84.69%	74695.50	3556.93	745.50	14.03%
		Subtotal	347	1073	501.73	0.47	87	373	176.95	0.30	25.07%	34.76%	35.27%	238882.50	\	\	
Nanmen Community	1	Xiashui 3	63	246	130	0.53	25	121	67.80	0.25	39.68%	49.19%	52.15%	91530.00	3661.2	756.45	13.75%
	2	Xiashui 4	35	106	91	0.86	17	76	3.40	0.83	48.57%	71.70%	3.74%	4590.00	270.00	60.39	1.10%
		Subtotal	98	352	221	0.63	42	197	71.20	0.43	42.86%	55.97%	32.22%	96120.00	\	\	\
Total			2019	7458	4190.13	0.56	673	2874	1082.43	0.42	33.33%	38.54%	25.83%	1461280.50	\	\	\

### 5.1.2 Resettlement and Income Restoration Measures for Land-expropriated Farmers

56. All of affected farmers will be compensated by the resettlement subsidy. Other measures can be taken to promote livelihood restoration of the affected farmers. The affected farmers have different options to restore their livelihood. Since the affected villages vary in socioeconomic conditions, LA affects these villages in different degrees. Resettlement and income restoration programs for land-expropriated farmers (LEFs) should be based on the degree of impact, each village's practical characteristics and the APs' expectations. Except for the cash compensation and the returned land, the AHs have other options to restore their livelihood. See Table 5-2.

**Table 5-2: Summary of Expected Restoration Options of Households Affected by LA**

Village	Affected HHs	Affected population	Expected Restoration Options				
			Land transfer	Crop cultivation	Stock breeding	Employment	Social security
Beichang Village	230	991	23	73	45	112	228
Guanwa Community	253	1084	34	56	53	137	253
Beimen Community	61	229	8	15	5	17	61
Xinhe Community	87	373	5	18	3	23	87
Nanmen Community	42	197	3	12	1	15	41
<b>Total</b>	<b>673</b>	<b>2874</b>	<b>73</b>	<b>174</b>	<b>107</b>	<b>304</b>	<b>670</b>
<b>Percent (%)</b>			<b>10.85%</b>	<b>25.85%</b>	<b>15.90%</b>	<b>45.17%</b>	<b>99.70%</b>

57. Based on the above expected resettlement modes, different resettlement and income restoration programs have been developed in consultation with relevant government agencies, affected village committees and representatives of the APs during the socioeconomic survey, as detailed below:

#### 5.1.2.1 Cash compensation and distribution

58. The affected village groups and households are compensated in cash, where the compensation rate for irrigated land is 86,040 yuan/mu.

59. In compensation fees and resettlement subsidies for LA, land compensation fees portion (accounting for 33.33%) belongs to village groups, and will be used after discussion at a villager congress, and after approval by the town and county governments.

60. The resettlement subsidies (accounting for 66.67%) are distributed in two ways mainly: (i) one-time average distribution among the registered population plus land reallocation; and (ii) direct distribution to the AHs without land reallocation. 20 village groups have opted for the first method and 13 village groups opted for the second method (see Table 5-3).

**Table 5-3: Summary of Distribution Methods of Resettlement Subsidies of the Affected Village Groups**

Village	Group	Resettlement subsidy (0,000 yuan)	Land compensation fees (0,000 yuan)	One-time average distribution among the registered population plus land reallocation
Beichang Village	Shangying 1	279.06	139.53	√
	Shangying 3	151.72	75.86	√
	Beichang 2	58.39	29.2	√
	Beichang 3	262.36	131.18	√
	Beichang 4	236.15	118.08	√
	Beichang 5	75.89	37.94	/
	Beichang 6	20.65	10.32	√
	Beichang 7	470.18	235.09	/
	Zhuangke	165.2	82.6	/
	Xiaobeichang	700.6	350.3	/
	Yaochong	309.86	154.93	/
	Subtotal	2730.05	1365.02	6
Guanwa Community	Chaijiaying 1	81.22	40.61	√
	Chaijiaying 2	86.79	43.39	√
	Chaijiaying 3	264.95	132.47	√
	Chaijiaying 4	175.46	87.73	√
	Zhujiaying	110.07	55.04	√
	Zhujiaying 4	48.18	24.09	√
	Xishan 2	209.77	104.88	√
	Xishan 3	198.58	99.29	/
	Xishan 4	213.04	106.52	/
	Xishan 5	194.51	97.25	√
Subtotal	1582.56	791.28	8	
Beimen Community	Beimen 1	103.13	51.57	/
	Beimen 2	33.1	16.55	/
	Caiyuan 2	31.32	15.66	/
	Caiyuan 3	51.97	25.98	/
	Caiyuan 4	89.31	44.65	/
	Caiyuan 5	163.99	82	/
	Subtotal	472.82	236.41	0
Xinhe Community	Jiuxue 1	450.16	225.08	√
	Jiuxue 2	88.05	44.02	√

Village	Group	Resettlement subsidy (0,000 yuan)	Land compensation fees (0,000 yuan)	One-time average distribution among the registered population plus land reallocation
	Jiuxue 3	159.4	79.7	√
	Changfang	317.37	158.69	√
	Subtotal	1014.99	507.49	4
Nanmen Community	Xiashui 3	388.9	194.45	√
	Xiashui 4	19.5	9.75	√
	Subtotal	408.4	204.2	2
<b>Total</b>		<b>6208.82</b>	<b>3104.41</b>	<b>20</b>

61. All young crop compensation fees are paid directly to the AHs.

62. After receiving cash compensation and reallocated land as above, the AHs may implement the following agricultural and nonagricultural restoration measures with the assistance of the local government.

#### 5.1.2.2 Return of land

63. According to Document LCG [2002] No.259, 10% of returned land is provided to each village group affected by the acquisition of cultivated land for production and livelihood restoration. 1,082.43 mu of cultivated land are acquired for the Project, so 108.24 mu of land for resettlement will be returned by County People's Government and County Land Resources Bureau to the affected village groups. The local government will acquire the land from collective land and then provide the land to the affected group. The village group can use the land for residency, business development, but can't sell the land because the land is stated-owned, and owned by the local government. See

Table 5-4.

**Table 5-4: Land to Be Returned by the Affected Village Groups**

Village/ community	Village group	Permanently acquired cultivated area (mu)	Returned land area (mu)
Beichang Village	Shangying 1	48.65	4.87
	Shangying 3	26.45	2.65
	Beichang 2	10.18	1.92
	Beichang 3	45.74	4.57
	Beichang 4	41.17	4.12
	Beichang 5	13.23	1.32
	Beichang 6	3.60	0.36
	Beichang 7	81.97	8.20
	Zhuangke	28.80	2.88
Xiaobeichang	122.14	12.21	

Village/ community	Village group	Permanently acquired cultivated area (mu)	Returned land area (mu)
	Yaochong	54.02	5.40
	<b>Subtotal</b>	<b>475.95</b>	<b>47.60</b>
Guanwa Community	Chaijiaying 1	14.16	1.42
	Chaijiaying 2	15.13	1.51
	Chaijiaying 3	46.19	4.62
	Chaijiaying 4	30.59	3.06
	Zhujiaying	19.19	1.92
	Zhujiaying 4	8.40	0.84
	Xishan 2	36.57	3.66
	Xishan 3	34.62	3.46
	Xishan 4	37.14	3.71
	Xishan 5	33.91	3.39
	<b>Subtotal</b>	<b>275.90</b>	<b>27.59</b>
Beimen Community	Beimen 1	17.98	1.80
	Beimen 2	5.77	0.58
	Caiyuan 2	5.46	0.55
	Caiyuan 3	9.06	0.91
	Caiyuan 4	15.57	1.56
	Caiyuan 5	28.59	2.86
	<b>Subtotal</b>	<b>82.43</b>	<b>8.24</b>
Xinhe Community	Jiuxue 1	78.48	7.85
	Jiuxue 2	15.35	1.54
	Jiuxue 3	27.79	2.78
	Changfang	55.33	5.53
	<b>Subtotal</b>	<b>176.95</b>	<b>17.70</b>
Nanmen Community	Xiashui 3	67.80	6.78
	Xiashui 4	3.40	0.34
	<b>Subtotal</b>	<b>71.20</b>	<b>7.12</b>
<b>Total</b>		<b>1082.43</b>	<b>108.24</b>

64. Since the affected village groups differ in LA area, their amounts of returned land are different. It is learned that returned land are allocated and used in 3 modes mainly: (i) Land for resettlement is allocated evenly among households within the village group, to be further reallocated among households; (ii) Integrated commercial and residential buildings, and/or bazaars or supermarkets are developed collectively by the village group, in which commercial stores are located on the ground floor, and apartments are located on the second floor and above, where stores are distributed among households evenly for self-operation or lease, or leased by the village collective and rental income is distributed among the registered population at each year end, while apartments are allocated among households evenly or sold to village group members at cost price; (iii) If the amount of returned land is small, it is reserved for future allocation or utilization along with returned land in other projects.

65. Returned land of the affected village groups are allocated or used as follows:



**(i) Guanwa Community**

66. In LA activities of previous other projects, the village groups of this community has reserved 10% of land for resettlement, on which integrated commercial and residential buildings will be built collectively by village groups, in which commercial stores are located on the ground and second floors, owned collectively for lease, and rental income will be distributed among the registered population, while apartments are located on the third floor and above. These apartments will be allocated evenly among the registered population, and each household will be allocated an apartment by paying for any size difference. This program has been approved and the resettlement site has been chosen, but has not been implemented yet. Every affected village group has no detail plan for returned land in this project. All groups of this community in this project attempt to adopt this plan, but the details will be decided by villagers' conference after receiving the returned land.

**(ii) Xinhe Community**

67. Among the 4 affected village groups of Xinhe Community, Jiuxue Group 1 and Changfang Group have returned land from other projects, where Jiuxue Group 1 has 11 mu of returned land, and will develop integrated commercial and residential buildings thereon. These buildings will have 6 floors, where commercial stores will be located on the ground and second floors, and apartments on Floors 3-6. These stores are owned collectively, and rental income will be distributed among the registered population, while the apartments will be allocated evenly among the registered population and owned individually. The returned land under the Project will also be used in this way. Jiuxue Groups 2 and 3 are unable to use returned land effectively yet because the amount of returned land is small and this land will be developed together with future returned land. The Xinhe community could get 5,074,900 yuan for land compensation. The APs could get 10,149,900 yuan for resettlement subsidy. the village group will invest to develop the returned land collectively. The investment is feasible to generate sufficient income for the APs. The plan is mainly for 87 households.

**(iii) Beichang Village**

68. The land returned in LA activities of previous other projects is not available yet except Zhuangke Group. Zhuangke Group plans to use the returned land to build a farm production fair, and the investment will be from collective funds and a bank loan. Most of buildings will be used as commercial stores that are owned collectively and available for lease, and rental income will be distributed among the registered population. In addition, some residential buildings will be constructed and sold to households at cost price. In the Project, the returned land will be allocated and used in two modes mainly: (i) collective development of integrated commercial and residential buildings by the village group, to be detailed at a villager congress; and (ii) average allocation among households within the village group, to be further reallocated among households. The Beichang community could get 13,650,200 yuan for land compensation. The APs could get 27,300,500 yuan for resettlement subsidy. The Beichang community could get 47.6 mu of returned land and 3 mu of land will be used for the farm production fair. The commercial stores are located on the ground and second floors, and apartments on Floors 3. The village group will lend the investment fund . For 25 households.

**(iv) Nanmen Community**

69. Xiashui Groups 3 and 4 of Nanmen Community are affected by the Project. In LA activities of previous other projects, Xiashui Group 3 has obtained 19 mu of land for resettlement, and will use such land to build resettlement community with integrated commercial and residential buildings in which commercial stores are located on the ground floor, and apartments are located on the second floor and above. The resettlement housing will be allocated to each household of the group, with a per capita size of 20-30 m<sup>2</sup>. The LEFs will rely on such land for future production and living arrangements. Alternatively, the land for resettlement will be allocated evenly to all households and a mall will be built thereon. The Nanmen community could get 204,200 yuan for land compensation. The APs could get 408,400 yuan for resettlement subsidy. the village group will invest for the commercial and residential buildings. They will use 19 mu of land to build resettlement community with integrated commercial and residential buildings in which commercial stores are located on the ground floor, and apartments are located on the second floor and above.

**(v) Beimen Community**

70. Six (6) village groups of this community will be affected by LA in the Project. Since the amount of returned land is small (0.55-3.86 mu per group) and development costs are high, the land returned in the Project will be developed along with future returned land. The Beinmen community could get 2,364,100 yuan for land compensation. The APs could get 4,728,200 yuan for resettlement subsidy. the village group will invest to develop the returned land collectively.

**5.1.2.3 Agricultural resettlement**

71. As shown in Table 5-1, the affected village groups have different per capita cultivated area before the LA, from 0.11 mu of Chaijiaying 2 of Guanwa Community to 1.66 mu of Shangying 1 of Beichang Village. After the LA, the per capita cultivated area of the affected village groups losses range from 0.02 to 0.43 mu, with loss rate from 2.2% to 87.5% for different groups. The average per capita total incomes of the affected village groups range from 5,198 yuan to 5,889 yuan. The LA causes the per capita income reduction to range from 0.20% to 21.69%. Since agriculture income of the APs is not main component of the total income, the income loss rates are much less than cultivated land loss rates. Most of the AHs have some remaining land, so agricultural development is one of the means of promoting the realization of the livelihood restoration objectives, including the following measures:

**(i) Land reallocation and transfer programs**

**(a) Land reallocation program**

72. It is learned from interviews that in village groups where resettlement subsidies are distributed evenly among the actual registered population, the remaining land will be reallocated among all group households so that they can continue to deal with agricultural production and reduce agricultural income losses. AHs who are acquired more land will be reallocated more land, while AHs who are acquired less land will be reallocated less land. All group farmers will reduce equal farmland and receive equal resettlement subsidies. Land reallocation are conducted in 14 affected village groups (Shangying Group 1, Shangying Group 2, Beichang Group 2, Beichang Group 3, Beichang Group 4, Beichang Group 6, Chaijiaying Group 1, Chaijiaying Group 4, Zhujiaying Group, Zhujiaying Group 4, Xishan Group 2, Xishan Group 5, Jiuxue Group 2, Jiuxue Group 3). The final reallocation program will be resolved at the villager congress. This program reduces agricultural income losses of the AHs through land reallocation in group households

because the direct AHs can get some farmland for indirect AHs in the same groups. All households can engage agricultural production with remaining farmland. They can improve crops planting structure and efficiency with the resettlement compensation to increase their income.

(b) Land transfer program

**Demand for land transfer of AHs**

73. Although agriculture is no longer the main income source of the AHs, some AHs still expect to obtain more land as a means of production to continue agricultural production, provide food crops for stockbreeding or generate more agricultural income through crop restructuring, and some AHs are no longer willing to pursue agricultural production and wish to earn land rent through land transfer. There are farmland remained after the land acquisition by the project. Affected farmers who pursue farming production still can rent farmland in the project area. The IAs and local government can provide land transfer information to farmers and promote the land transfer among them.

**Policy security and land resources available for transfer**

74. LCG has enacted the Opinions of the Lufeng County Government on Exploring Ways of Promoting the Orderly Circulation of Rural Land Contracted Management Rights Actively (Interim) (LCGO [2009] No.47), and the Notice on Further Strengthening and Regulating the Transfer of Rural Land and Contracted Management Rights (LCGO [2011] No.26) to strengthen and regular land transfer on a lawful, voluntary and compensated basis. In 2011, the total amount of land transfer of Lufeng County was 17,496 mu. Most of farmland was transferred to rural households (see Table 5-5).

75. Currently, the average price of rural land transfer (sublease) in Lufeng County is 800-1,000 yuan/mu of cultivated land per annum, and transferred land is used to grow flowers, greenhouse vegetables and seedlings mainly. The Project offers a land compensation rate of 52,372 yuan/mu, so that the affected village groups or households can use compensation fees to lease cultivated land equivalent to lost land for over 50 years. The land transfer program will benefit all the 673 households affected by LA.

**Table 5-5: Land Transfer in Lufeng County in 2011**

Item		2011
Total amount of land transfer (mu)		17496
Transfer mode	Subcontracting	575
	Lease	15472
	Swap	161
	Joint-stock cooperation	197
	Other modes	1163
Transferred land area (mu)	Transferred to rural households	8482
	Percentage to total amount of land transfer (%)	48.48%
	Transferred to cooperatives	1611
	Percentage to total amount of land transfer (%)	9.21%
	Transferred to enterprises	3486
	Percentage to total amount of land transfer (%)	19.92%
	Transferred to other entities	3917

	Percentage to total amount of land transfer (%)	22.39%
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Data source: Lufeng County Economic Administration Station.

**(ii) Crop cultivation development plan and measures**

(a) Crop cultivation development plan of Lufeng County

76. The 12th Five-year Plan for Agricultural and Rural Economy Development of Lufeng County drives the transformation of the pattern of agricultural and rural economic growth. The specific plan in the Project area is as follows:

- High-yield paddy rice demonstration zones and high-quality paddy rice production bases: focusing on 5 townships, such as Jinshan, Zhongcun, reaching a total area of 150,000 mu, a total output of 100,000 tons and a high-quality rate of over 85% by 2015.
- Vegetable outward marketing demonstration zones: focusing on the construction of outward marketing demonstration zones of off-season vegetables and early winter broad bean in Jinshan Town, reaching a total area of 150,000 mu by 2015
- High-quality cash crops (melon) and fruit & nut planning bases: focusing on strengthening the walnut industry

(b) Input/output analysis of greenhouse agriculture and specialized fruit and nut trees

77. Through analysis, compensation fees under the Project are sufficient to support protected agriculture and characteristic cultivation. Based on preliminary estimates, the average net income of protected agriculture is 9,500 yuan/mu and that of characteristic cultivation 4,000 yuan/mu. See Table 5-6.

**Table 5-6: Input/output Analysis of Protected Agriculture and Characteristic Cultivation**

Type of cultivation	Resettlement subsidy (yuan/mu)	Average investment (yuan/mu)	Average yield (yuan/mu)	Average net income (yuan/mu)	Remarks
Protected agriculture	52372	Greenhouse vegetables: investment in greenhouses 10,000 yuan, to be depreciated for 5 years, with average annual investment of 2,000 yuan/mu; rental 1,500 yuan/mu; investment in seeds: 600 yuan/mu; pesticides and fertilizers: 800 yuan/mu; irrigation water and electricity costs: 400 yuan/mu; other investment: 200 yuan/mu; total: 5,500 yuan/mu	3 seasons a year, 15,000 yuan/mu	9,500	Greenhouse vegetables: cucumber, pepper, tomato, eggplant, watermelon, edible fungi
Characteristic cultivation	52372	Characteristic cash crops: investment in seedlings: 500 yuan/mu; pesticides and fertilizers: 200 yuan/mu; irrigation water and electricity costs: 200 yuan/mu, other investment: 100 yuan/mu; total: 1,000 yuan/mu	5,000 yuan/mu	4,000	Chestnut, high-quality pear, walnut

**(iii) Stockbreeding development plan and measures**

78. Great importance is attached to stockbreeding development planning and promotion during the resettlement process, because stockbreeding is a traditional agricultural activity of the affected population.

(a) Stockbreeding development plan of Lufeng County

79. Based on the existing live pig breeding projects of Lufeng County, the Jinshan Town Government will give priority to fine breed breeding, animal quarantine, standardized production, and product processing and marketing to improve the market competitiveness and overall economic efficiency of the county's live pig industry.

(b) Measures for farmers' stockbreeding training

80. Except Nanmen Community, the other 4 villages/communities affected by the Project have the tradition of household breeding, especially live pigs, with an average annual output of 3-5 pigs per household. LCG not only provides free quarantine and insurance subsidy for stockbreeding, but also offers stockbreeding skills training at the county, township and village levels.

#### **5.1.2.4 Employment**

**(i) Industrial employment**

81. Lufeng County is an important industrial county in central Yunnan, and Lufeng Industrial Park has become a key development project of the county. The five (5) pillar industries of metallurgy and minerals, energy, chemicals, construction, and tobacco, and a number of metallurgy and building material enterprises have been established. Leading enterprises in the 5 pillar industries can at least provide 500 jobs to the affected population. In addition, LCG will organize talent fairs regularly and offer social employment information of at least 3,000 man-times, and community/village committees will provide employment information to residents/villagers, and organize those interested to apply for jobs. The APs may get employed voluntarily. For example, at the 2012 summer labor exchange fair organized by LCG, 731 skilled, public welfare and ordinary jobs were offered to the public, including 116 for men, 8 for women and 607 for both men and women, and their wage level is not less than the minimum wage standard of Lufeng County in the current year (the minimum wage standard of Lufeng County in 2012 is 830 yuan/month). Social employment will benefit the whole labor force (1,810) of the 710 AHs.

**(ii) Placement to jobs reserved by enterprises in the project area**

82. In addition, the local government agrees with newly established or introduced enterprises in the Project area, where these enterprises reserve 5%-10% of their jobs for the APs. This program will be implemented from 2013 for at least 3 years, and it is expected that at least 100 jobs are available to the APs per annum, thereby benefiting at least 300 APs in total.

**(iii) Employment under the Project**

83. At the construction and operating stages, the Project will offer about 1,000 person-years of unskilled jobs to the APs, including 200 person-years of skilled jobs and 800 person-years of temporary jobs. In addition, at least 50 jobs of subsequent maintenance and environmental sanitation will be available. The APs have priority in getting the above jobs, and their wage level is not less than the local minimum wage standard.

84. Half a month before employment, the owner shall provide employment information to the affected village/community committees for further dissemination to villagers/residents, so that

local laborers may get employed voluntarily. The employer shall enter into labor contracts with laborers, train employees on safety before employment, and provide income that is not less than the minimum wage standard of Lufeng County in the current year to every employee (the minimum wage standard of Lufeng County in 2012 is 830 yuan/month).

**(iv) Placement to public welfare jobs**

85. The government will offer public welfare jobs to LEFs with priority. The functional departments of LCG, public institutions, government agencies and enterprises thereunder, and village/community committees would offer at least 200 public welfare jobs to the public annually, such as accountants, office workers, wardens, security guards and cleaners, which will be first made available to the APs of the Project, especially laborers in vulnerable households, and unskilled middle-aged women at a wage level not less than the minimum wage standard of Lufeng County in the current year (the minimum wage standard of Lufeng County in 2012 is 830 yuan/month). For example, at the 2012 summer labor exchange fair organized by LCG, 14 public welfare jobs were offered by the civil affairs bureau, town governments and community committees, and first made available to the APs.

**(v) Lending, exemption, support and subsidization measures to promote business startup and employment**

86. In order to encourage and promote business startup and employment, the Yunnan Provincial Government has enacted lending, exemption, support and subsidization measures. Since 2009, governments at all level have provided supporting measures to persons engaged in independent business startup. APs that currently run small businesses or plan to start a new business will be able to get support. See Appendix 3 for details.

**5.1.2.5 Skills training**

87. In addition to cash compensation, a special program on skills training for the Project has been developed to offer skills training to LEFs and those affected by HD. 1,200 person-times will be trained, 400 person-times per annum, 50 persons per course. Each course is conducted for about 25 to 45 days.

**(i) Trainees**

88. Laborers with registered residence in Lufeng County, affected by the LA or the HD, aged 18 years or more, and having been educated to some extent.

89. The Lufeng County Labor and Social Security Bureau will issue a certificate of professional qualification or special skills as a voucher of training.

**(ii) Scope**

90. Based on the industry mix and market demand of Lufeng County and surrounding areas, training on crop cultivation, stockbreeding, service and employment skills are provided, where crop cultivation and stockbreeding training are focused on new varieties and management techniques. Also, employment skills training available includes welding, electrics, driving, bench work, computer, casting, steel making, iron making, automobile repair, etc.

**(iii) Modes**

91. Training are given in the 3 modes of occupational skills training, special skills training and job training, where occupational skills training are given by occupational training agencies and employers under the leadership of the Lufeng County Labor and Social Security Bureau, with focus on farming, stockbreeding and cash crop cultivation skills; special skills training is a more pertinent and practical form of training, with focus on service sector; job training is aimed mainly at industries and types of work that are technically demanding, highly skilled and operationally stringent, and concern product quality and consumer health directly.

**(iv) Organizer**

92. LCG has established the county leading group for reemployment of surplus rural labor, and the Lufeng County Labor and Social Security Bureau provide skills training.

**(v) Funding**

93. The skills training budget of the Project is 300,000 yuan, which is disbursed from county finance (not budgeted repeatedly in the Project). Training costs include organizational funds, teaching material, printing, evaluation, practice and certificate costs, and trainers' remuneration, to be disbursed by the Lufeng County Labor and Social Security Bureau. See Table 5-7.

**Table 5-7: Skills Training Program for LEFs**

Town	Total number of trainees	Timeline	Number of courses per year	Scope	Agency responsible	Funding source
Jinshan	300	2013	6	Cultivation skills, stockbreeding skills, service skills, welding, electrics	Lufeng County Labor & Social Security Bureau	Special fiscal funds
	300	2014	6	Cultivation skills, stockbreeding skills, service skills, driving, bench work, computer		
	300	2015	6	Cultivation skills, stockbreeding skills, service skills, casting, steel making		
	300	2016	6	Cultivation skills, stockbreeding skills, service skills, iron making, automobile repair		

**5.1.2.6 Social security**

**(i) Endowment insurance for LEFs**

94. In order to conduct basic endowment insurance for LEFs properly, protect their lawful rights and interests, and provide for their long-term livelihoods, LCG has enacted the Interim Measures for the Basic Endowment Insurance for Land-expropriated Farmers of Lufeng County (LCG [2011] No.92). According to these measures, subjects of endowment insurance for LEFs are registered members of rural collective economic organizations who have enjoyed contracted management rights to collective land since September 2009, whose land has been fully or substantially acquired by the government according to law (per capita cultivated area is less than

0.3 mu after LA), and who are aged 16 years or above; those under the age of 16 years upon acquisition will participate in social insurance when attaining 16 years. See details in Appendix 4.

**(ii) Estimate of pension level**

95. According to the policy, an LEF aged 16-60 years should contribute endowment insurance premiums for 15 years of 32,220 yuan, and one aged 61 years or more should contribute premiums for 10 years of 21,480 yuan. Therefore, LEFs aged 16-60 years affected by the Project should contribute 6,444-25,776 yuan (for different contribution levels ranging from 20% to 80%) at a time to participate in endowment insurance for LEFs of Lufeng County. See Table 5-8.

**Table 5-8: Estimated Contribution and Pension Levels of Basic Endowment Insurance for LEFs**

Type of land loss	Per capita contracted land area after LA (mu)	16-60 years						61 years or more					
		Total amount of one-time contribution (yuan)			Monthly pension (yuan/month)			Total amount of one-time contribution (yuan)			Monthly pension (yuan/month)		
		Total	Individual + collective contribution (yuan)	Gov't subsidy (yuan)	Total	From pool account (yuan)	From individual account (yuan)	Total	Individual + collective contribution (yuan)	Gov't subsidy (yuan)	Total	From pool account (yuan)	From individual account (yuan)
Losing all land	0	32220	6444	25776	278.1	222.5	55.6	21480	4296	17184	185.4	148.3	37.1
Losing substantial land	<0.3 mu	32220	19332	12888	278.1	111.2	166.9	21480	12888	8592	185.4	74.2	111.2
Losing part of land	>=0.3 mu	32220	25776	6444	278.1	55.6	222.5	21480	17184	4296	185.4	37.1	148.3

Notes: (i) The above amounts are based on the county's urban MLS standard of 179 yuan and will be subject to change with the urban MLS standard. (ii) The above estimates are based on Document LCG [2011] No.92.

**(iii) New-type rural social endowment insurance**

96. According to the Notice of the Yunnan Provincial Government on Issuing the Measures for the Implementation of Trials on New-type Rural Social Endowment Insurance of Yunnan Province (Interim) (YPG [2009] No.193), the farmers affected by LA in the Project may participate in new-type rural social endowment insurance as follows:

(a) Insured

97. All rural residents with registered residence in Lufeng County, having attained 16 years (excluding students at school) and having not participated in basic endowment insurance for urban employees may be insured voluntarily. Students at school, military servicemen and those being reeducated through labor cannot be insured.

(b) Fund raising

98. The new-type rural social endowment insurance fund consists of individual contribution, collective subsidy and government subsidy. Individual contribution and collective subsidy share 60%, while the center and local governments share 40%, see Appendix 4 for details.



**Individual contribution:** There are 5 contribution levels for rural residents, from 100 yuan to 500 yuan, to be chosen by the insured voluntarily. After contribution as stipulated, the insured will be entitled to provincial, prefecture and county contribution subsidies. Endowment insurance premiums are contributed annually.

**Collective subsidy:** Eligible village collective economic organizations shall subsidize individual contribution at a level resolved at the village congress. Other social groups, and social and economic organizations are encouraged to subsidize individual contribution.

**Government subsidy:** The new-type rural social endowment insurance funds at the central, provincial, prefecture and county levels shall subsidize individual contribution.

(c) Benefit

99. Any rural resident having participated in new-type rural social endowment insurance and made contribution as stipulated can receive pensions on a monthly basis when attaining 60 years.

100. Personal pension consists of a basic pension and an individual account pension, and are paid on a lifelong basis.

Personal pension = basic pension + (balance of individual account /139)

101. It is learned that in 2012, rural residents aged above 60 years in the project area will receive a basic pension of at least 60 yuan per month per capita.

(iv) New-type rural cooperative medical care

102. According to the Implementation Plan for Supplementary Major Disease Insurance under New-type Rural Cooperative Medical Care of Chuxiong Prefecture (Interim) (CPGO [2009] No.120), rural residents may participate in new-type rural cooperative medical care voluntarily. Each insured should make an annual contribution of 20 yuan. When the insured is hospitalized at any appointed or accepted medical care agency in the year of insurance, and medical expenses to be borne by the individually after exemption exceeds 3,000 yuan, 40% of the excess is paid under supplementary major disease insurance, and the maximum annual limit of medical expenses payable under supplementary major disease insurance per capita is 50,000 yuan.

103. In sum, diversified resettlement measures are available to the APs under the Project and cover the APs extensively. See Table 5-9.

**Table 5-9: Summary of Livelihood Restoration Measures for LEFs**

Village	Affected HHs	Affected population	Coverage of diversified livelihood restoration measures					
			Cash compensation	Agricultural resettlement	Employment	Secured loan	Skills training	Social security
Beichang Village	230	991	230	110	230	43	230	230
Guanwa Community	253	1084	253	130	253	67	253	253
Beimen Community	61	229	61	30	61	8	61	61
Xinhe Community	87	373	87	30	87	13	87	87

Nanmen Community	42	197	42	20	42	7	42	42
<b>Total</b>	<b>673</b>	<b>2874</b>	<b>673</b>	<b>320</b>	<b>673</b>	<b>138</b>	<b>673</b>	<b>673</b>
<b>Percent (%)</b>			<b>100.00%</b>	<b>47.55%</b>	<b>100.00%</b>	<b>20.51%</b>	<b>100.00%</b>	<b>100.00%</b>

### 5.1.3 Resettlement and Restoration Programs for Key Affected Village Groups

104. Based on the land and income loss analysis, Jiuxue Group 1 and Changfang Group of Xinhe Community are affected most seriously by LA, with a land loss rate of 87.49% and 84.69%, respectively. Among the 33 affected village groups, Group 5, Yaochong Group and Shangying Group 1 of Beichang Village, and Jiuxue Group 1 of Xinhe Community will suffer from the highest per capita income losses, with an income loss rate of 21.69%, 18.78%, 15.51% and 18.07% respectively. In order to ensure that the APs have access to various opportunities so as to improve or at least restore their production level and living standard, not only the acquired land, buildings and attachments are compensated, production resettlement programs suited to the affected village groups' practical conditions have been developed on the basis of adequate consultation (since only 3 households in Group 5 of Beichang Village are affected by LA, no separate income restoration program is developed).

#### 5.1.3.1 Yaochong Group

105. This group is affiliated to Beichang Village, and has 83 households with 280 persons, with a cultivated area of 171.5 mu and per capita income of 5,876 yuan, which is medium in Beichang Village.

106. 54.02 mu of cultivated land of this group is acquired for the Project, affecting 16 households with 66 persons, and its per capita cultivated area is 0.61 mu and 0.42 mu before and after LA.

107. Through consultation, the income restoration measures that are taken by this group are as follows:

#### (i) Crop restructuring

108. The group has a remaining cultivated area of 117.48 mu after LA. Crop restructuring can be conducted in two ways:

#### (a) Paddy rice variety optimization

109. This group is located in an irrigated area with a flat terrain, suitable for the cultivation of paddy rice. The APs of the group could get 3.14 million yuan for resettlement subsidy. They will invest 0.16 million yuan for improving their rice planting. Through formulated fertilization, early paddy rice cultivation and pest control, paddy rice output will be increased by 50kg/mu, generating additional income of 12,800 yuan in total. See Table 5-10.

**Table 5-10: Paddy Rice Cultivation Optimization Program of Yaochong Group**

Income restoration measure	Unit	Qty.	Increase of output		Income			
			Additional output (kg/mu)	Unit price (yuan/kg)	Net income per unit (yuan)	Net income (yuan)	Beneficiary population	Additional income (yuan/capita)

Variety optimization, improvement of cultivation skills	mu	80	50	3.2	160	12800	280	45.71
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(b) Greenhouse vegetable cultivation

110. This group can shift from traditional crops such as paddy rice and rape to greenhouse vegetables with higher output value through crop restructuring, with a planned cultivated area of 20 mu, which will get additional income of 10,000 yuan/mu per annum. See Table 5-11.

**Table 5-11: Greenhouse Vegetable Cultivation Optimization Program of Yaochong Group**

Income restoration measure	Unit	Qty.	Investment		Income			
			Unit price (yuan/mu)	Investment (yuan)	Net income per unit (yuan/mu)	Net income (yuan)	Beneficiary population	Additional income (yuan)
Greenhouse vegetable cultivation	mu	20	5000	100000	10000	200000	280	714.29

111. It is estimated that this group's annual income is reduced by 72,927 yuan due to the Project. The above income restoration measures will bring additional income of 212,800 yuan to the AHs. Therefore, the living standard of the APs will be restored and improved. See Table 5-12.

**Table 5-12: Expected Income Restoration of Yaochong Group**

Group	Reduced annual income (yuan/year) (A)	Additional income from restoration measures (yuan/year) (B)		Difference (A-B) (yuan)
		Crop restructuring		
Yaochong	72927	212800		139873

(ii) Stockbreeding development plan

112. This group plans to develop large-scale live pig breeding. It has 3 livestock farms raising 100-500 pigs each. The government grants a subsidy of 100,000-200,000 yuan per annum to each major breeding household, and offers stockbreeding training to expand marketing channels. The village committee plans to expand the scale of stockbreeding by 800 pigs, which will bring generate total additional net income of 560,000 yuan, benefiting 280 persons with per capita additional income of 2,000 yuan. In this way, the village committee wishes to promote the employment of more rural surplus labor, thereby increasing the APs' income and promoting their self-development. See Table 5-13.

**Table 5-13: Stockbreeding Optimization Program of Yaochong Group**

Income restoration measure	Unit	Qty.	Income			
			Net income per unit (yuan)	Net income (yuan)	Beneficiary population	Additional income (yuan)
Large-scale live pig breeding	Head	800	700	560000	280	2000

(iii) Training and employment information services

113. In order to reduce the risk of income restoration, the Lufeng PMO will provide crop restructuring skills training and market information to the APs regularly, vocational skills training to farmers willing to work in town (50 person-times), and employment assistance in coordination with the local government. Through the above measures, the income of the APs is expected to be restored at the end of 2013.

### 5.1.3.2 Shangying Group 1

114. This group is affiliated to Beichang Village, and has 28 households with 112 persons, with a cultivated area of 186 mu and per capita income of 5,938 yuan, which is above medium in Beichang Village.

115. 48.65 mu of cultivated land of this group is acquired for the Project, affecting 18 households with 72 persons, and its per capita cultivated area will be 1.66 mu and 1.23 mu before and after LA.

116. Through consultation, the income restoration measures that may be taken by this group are as follows:

#### (i) Crop restructuring

117. This group has a remaining cultivated area of 137.35 mu after LA. Crop restructuring will be conducted in two ways:

##### (a) Paddy rice variety optimization

118. This group is located in a dam area with a flat terrain, suitable for the cultivation of paddy rice. Through formulated fertilization, early paddy rice cultivation and pest control, paddy rice output will be increased by 50kg/mu, generating additional income of 16,000 yuan in total. See Table 5-14.

**Table 5-14: Paddy Rice Cultivation Optimization Program of Shangying Group 1**

Income restoration measure	Unit	Qty.	Increase of output		Income			
			Additional output (kg/mu)	Unit price (yuan/kg)	Net income per unit (yuan)	Net income (yuan)	Beneficiary population	Additional income (yuan)
Variety optimization, improvement of cultivation skills	mu	100	50	3.2	160	16000	112	142.86

##### (b) Forest and fruit restructuring

119. This group also has 364 mu of woodland, and its forest and fruit industry has reached a certain scale. Currently, peach, pear and other traditional fruit trees are grown mainly. Through crop restructuring, the cultivated area of walnut will be expanded by 50 mu, which will generate net additional income of 4,000 yuan/mu and total additional income of 200,000 yuan per annum, benefiting 112 persons with per capita additional income of 1,785.71 yuan. See Table 5-15.

**Table 5-15: Forest and Fruit Cultivation Optimization Program of Shangying Group 1**

Income restoration measure	Unit	Qty.	Investment		Income			
			Unit price (yuan/mu)	Investment (yuan)	Net income per unit (yuan)	Net income (yuan)	Beneficiary population	Additional income (yuan/capita)
Crop restructuring, increase of walnut cultivated area	mu	30	1500	75000	4000	120000	112	1071.43

120. It is estimated that this group's annual income is reduced by 65,677 yuan due to the Project. The above income restoration measures will bring additional income of 136,000 yuan to the AHs. Therefore, the living standard of the APs will be restored and improved. See Table 5-16.

**Table 5-16: Expected Income Restoration of Shangying Group 1**

Group	Reduced annual income (yuan/year) (A)	Additional income from restoration measures (yuan/year) (B)	Difference (A-B) (yuan)
		Crop restructuring	
Shangying 1	65677.50	136000	70322.5

**(ii) Stockbreeding development plan**

121. This group plans to develop large-scale live pig breeding. It has two livestock farms raising 100-300 pigs each. The government grants a subsidy of 100,000-200,000 yuan per annum to each major breeding household, and offers stockbreeding training to expand marketing channels. The village committee plans to expand the scale of stockbreeding by 500 pigs, which will bring generate total additional income of 350,000 yuan, benefiting 112 persons with per capita additional income of 3,125 yuan. In this way, the village committee wishes to promote the employment of more rural surplus labor, thereby increasing the APs' income and promoting their self-development. See Table 5-17.

**Table 5-17: Stockbreeding Optimization Program of Shangying Group 1**

Income restoration measure	Unit	Qty.	Income			
			Net income per unit (yuan)	Net income (yuan)	Beneficiary population	Additional income (yuan/capita)
Large-scale live pig breeding	Head	500	700	350000	112	3125

**(iii) Training and employment information services**

122. In order to reduce income restoration risks, the Lufeng PMO will provide crop restructuring skills training and market information to the APs regularly, vocational skills training to farmers willing to work in town (50 person-times), and employment assistance in coordination with the local government. Through the above measures, the income of the APs is expected to be restored at the end of 2013.

### **5.1.3.3 Changfang Group and Jiuxue Group 1**

123. Changfang Group is affiliated to Xinhe Community, and has 87 households with 320 persons, including 203 farmers and 176 laborers, and its members deal with outside employment and individual business mainly.

124. This group has 65.33 mu of cultivated land, in which 65.33 mu is acquired for the Project, affecting 21 households with 99 persons. Its current per capita cultivated area is 0.20 mu, and it will have 0.03 mu of per capita cultivated area after LA.

125. Jiuxue Group 1 is also affiliated to Xinhe Community, and has 127 households with 256 persons, including 175 farmers and 134 laborers, and its members deal with outside employment and individual business mainly.

126. This group has 89.7 mu of cultivated land, in which 78.48 mu is acquired for the Project, affecting 26 households with 109 persons. Its current per capita cultivated area is 0.35 mu, and it will have 0.04 mu of per capita cultivated area after LA.

127. Based on consultation, the income restoration measures that may be taken by Changfang Group and Jiuxue Group 1 are as follows:

#### **(iv) Distribution of return on investment in land for resettlement**

128. In addition to the employment and social security programs mentioned above, the APs in Changfang Group and Jiuxue Group 1 will develop the returned land for resettlement jointly.

129. From 2003 to 2008, 10,400 m<sup>2</sup> (15.60 mu) of land for resettlement was returned to Changfang Group, and 7,730 m<sup>2</sup> (11.6 mu) returned to Jiuxue Group 1.

130. Through discussion by Changfang Group and Jiuxue Group 1, 18,133 m<sup>2</sup> (27.2 mu) of land east of Zhuluoji Street and north of Xingsu Street in the Lufeng county town has been chosen as the land for resettlement to be returned to both groups, including 10,400 m<sup>2</sup> (15.60 mu) for Changfang Group and 7,730 m<sup>2</sup> (11.6 mu) for Jiuxue Group 1, and an integrated bazaar will be constructed on this plot. The bazaar will be constructed as 6-storied integrated commercial and residential buildings, where commercial stores are located on the ground floor, and apartments are located on Floors 2-6. The commercial stores are owned by the collectives and used for lease mainly, and rental income are distributed among the registered population, while the apartments are allocated evenly among the registered population and owned individually.

131. The integrated bazaar has a total area of 5,940.96 m<sup>2</sup> (2,055.16 m<sup>2</sup> for Jiuxue Group 1 and 3,885.80 m<sup>2</sup> for Changfang Group), in which the total area of the ground floor stores is 4,429.59 m<sup>2</sup> (2,083.62 m<sup>2</sup> for Jiuxue Group 1 and 2,345.97 m<sup>2</sup> for Changfang Group). Based on a daily income rate of 2 yuan/m<sup>2</sup>/day and a percentage of income distribution of 30%, Changfang Group will earn 2.2608 million yuan per annum, 7,796 yuan per capita, and Jiuxue Group 1 will earn 3.6929 million yuan per annum, 8,723 yuan per capita.

#### **(v) Training and employment information services**

132. In order to reduce the risk of income restoration, the Lufeng PMO will provide skills training on mechanical repair, housekeeping and catering services, etc., and market information to the APs regularly, vocational skills training to farmers willing to work in town (50 person-times),

and employment assistance in coordination with the local government. Through the above measures, the income of the APs is expected to be restored at the end of 2013.

## **Resettlement Programs for Residential House Demolition**

133. All houses demolished for the Project are rural residential houses, with a total demolition area of 7,053 m<sup>2</sup> (including simple houses), affecting 49 households with 196 persons. The demolished houses are characterized by unsound supporting facilities, aged structure, and poor day-lighting and ventilation conditions. The HD and resettlement activities in the Project can provide an opportunities for the AHs to improve residential conditions.

### **5.1.4 Compensation and Resettlement for HD**

134. Through the public consultation, resettlement will be conducted in the procedure of the HD, transition and resettlement. 3 resettlement modes are available at the option of the AHs: (i) cash compensation; (ii) property swap; and (iii) cash compensation and house plot reallocation.

#### **(i) One-time cash compensation**

135. The Lufeng PMO will pay all compensation fees for ground attachments and housing sites, and transition and resettlement costs to the AHs in cash, and the AHs will vacate and demolish their houses, hand over ground attachments and old housing plots and get resettled by themselves. Demolished Houses are compensated for at replacement cost through market appraisal (without any depreciation), which will not be less than the benchmark compensation rates for the HD fixed for the Project. In addition to compensation for the HD, the households affected by the HD will also receive a moving subsidy, a transition subsidy and other subsidies, as shown in Table 4-7. In case of one-time cash compensation, no housing plot will be allocated, but an AH may purchase existing housing locally by itself according to market prices.

136. Based on the willingness survey, no AH has chosen the mode of one-time cash compensation, but the AHs' final choices may vary (e.g., some may have other housing). Therefore, the mode is opened to the AHs before they make final decision.

#### **(ii) Property swap**

137. In this mode, the Lufeng PMO will exchange a house planned and constructed in a unified manner for the property right swap of the house of an AH, and also compensate for any price difference in cash.

138. Houses available for property swap are apartments in storied buildings, and are available in the 5 sizes of 40 m<sup>2</sup>, 60 m<sup>2</sup>, 80 m<sup>2</sup>, 100 m<sup>2</sup> and 120 m<sup>2</sup>. For special vulnerable groups, such as elderly widows and destitute households, if the demolished housing size available for swap is less than 40 m<sup>2</sup>, a 40 m<sup>2</sup> apartment may be granted directly, and they may purchase a 10 m<sup>2</sup> commercial store at cost price.

139. Locations of resettlement buildings are determined by the county land and resources bureau, housing and urban-rural construction bureau, village committees and AHs jointly. Since few households are affected by HD in the Project and only one household has chosen the mode of property swap, the AHs will be resettled in resettlement buildings constructed under other projects. A nearby resettlement community will be chosen. Property swap is subject to a size ratio of 1:1. An AH may choose multiple apartments where allowed, and if the size of the

resettlement house is more than that of the demolished house, an AH should make up the price difference at the cost price of 1,400 yuan/m<sup>2</sup>.

**(iii) Cash compensation and house plot reallocation**

140. In this mode, an AH's house and attachments is compensated for in cash at a time at replacement cost through appraisal, and the AH may exchange for a housing plot at a ratio of 1:1 based on 100 or 120 m<sup>2</sup>/household, or be allocated a housing plot based on population at not more than 20 m<sup>2</sup> per capita and not more than 100 m<sup>2</sup> per household. Excess housing land is purchased at 400 yuan/m<sup>2</sup>, and infrastructure is constructed by the government.

141. In this mode, houses are constructed in a centralized manner under government planning, and AHs can choose house specification based on their financial capability and preferences.

142. Two housing site resettlement communities are available for the Project. AHs need to build their house by themselves in the communities. In about 12 months, the AHs can move into the communities. The two housing site resettlement communities are: (i) Guanwa Residential Community: with a planned floor area of 586.07 mu, accommodating 2,477 households; and (ii) Beichang Residential Community: with a planned floor area of 482.9 mu, accommodating 1,091 households, and infrastructure is constructed by the government. See Figure 5-1.



**Figure 5-1: Layout Plan of Resettlement Communities Available**



**(iv) Expected resettlement modes of the households affected by HD**

143. Among the 49 households affected by the HD, 48 households (97.96%) have chosen the mode of cash compensation and house plot reallocation, one household (2.04%) has chosen property swap and 0 household (0%) has chosen one-time cash compensation. See Table 5-18.

**Table 5-18: Expected Resettlement Modes of the Households Affected by HD**

<b>Village</b>	<b>HHs affected by HD</b>	<b>Cash compensation</b>	<b>Property swap</b>	<b>Land reallocation</b>
Beichang Village	45	0	1	44
Guanwa Community	3	0	0	3
Xinhe Community	1	0	0	1
<b>Total</b>	<b>49</b>	<b>0</b>	<b>1</b>	<b>48</b>
<b>Percent</b>	<b>100.00%</b>	<b>0%</b>	<b>2.04%</b>	<b>97.96%</b>

**5.1.5**

**5.1.6 Transition**

**(i) Transition subsidy**

144. The transition subsidy is based on an AH's actual housing size and transition period. In case of property swap, this subsidy is payable until the date the resettlement house is available; in case of one-time cash compensation or house plot reallocation, this subsidy is granted for one year at 5 yuan/m<sup>2</sup>/month. Since the average housing size of the AHs is 133 m<sup>2</sup>, each household can receive a transition subsidy of 240-1,200 yuan per month, 665 yuan on average. Based on survey data, in Lufeng County, the rent of a one-bedroom house is 200-400 yuan/month, that of a two-bedroom house 500-650 yuan/month and that of a 3-bedroom house 600-800 yuan/month. It can be seen that the transition subsidy offered under the Project is sufficient to rent a similar house.

**(ii) Living subsidy for transition period**

145. If an AH vacates its house within the specified/promised period, a living subsidy of 1,000 yuan per capita is granted at a time. Beyond the specified/promised period, 100 yuan per capita is deducted per day delayed until the living subsidy is fully deducted.

**(iii) Moving subsidy**

146. Each AH is granted a moving subsidy of 2,000 yuan; for those AHs needing transition, the moving subsidy is granted twice.

**5.1.7 Reward and Supporting Policies**

147. Five-guarantee households, MLS households, households affected by disability, old people living alone, women-headed households and other vulnerable households affected by HD can receive a one-time special subsidy of 2,000 yuan to support their livelihood restoration upon presentation of a valid certificate.

148. Early moving reward: In order to facilitate the HD, an AH can be rewarded 100 yuan for each day of early moving within the specified/promised period (from the date of handover to the demolisher, usually 30 days).

149. Preference of MLS policy: Eligible AHs may participate in MLS so that their living standard and income are not reduced after the HD; AHs losing land due to the LA can participate in basic endowment insurance for LEFs or new-type rural social endowment insurance. See Section 5.1.2.6.

## **Women's Development Measures**

150. During the resettlement process, women's rights and interests are fully protected, and women are allowed to play an important role in socioeconomic and resettlement activities. According to the site survey and discussion with female representatives of APs and the Women Federation Association, the women like to participate in public consultation related to the resettlement and express their expectation. Most of them including women headed households concern (i) receive compensation on time; (ii) improve agricultural production with limit farmland; and (iii) operate small business at home or at agricultural products fair or market with the compensation or small loan. In addition, they hope they can get support in skill training and development in cultivation and agricultural production, stockbreeding and services in order to increase their income. The measures to promote women's development under the Project include:

### **Increasing the limit of small-amount business startup loan for women**

151. In order to provide greater support to women's business startup and employment, the Yunnan Provincial Rural Credit Union issued the Notice on Issuing the 2011 Plan on Working Objectives of Small-amount Secured Loans, stipulating that since January 2011, the limit of small-amount business startup loan for startup female entrepreneurs recommended by its agencies can be increased to 80,000 yuan. In the past years, loans amounting to 13 million yuan have been granted in Lufeng County, assisting 239 women in business startup and helping nearly 650 women to get reemployed locally. LCG and the Women Federation Association will work with the IA to support the small loan for female APs. They will conduct women representative meeting before the resettlement implementation to collect detail requirements for small businesses of female APs, and provide necessary small loan to female APs. These loans will be available for APs.

#### **(i) Women enjoy equal participation and decision-making rights in the development of resettlement programs.**

152. During the public consultation process, and at village or village group meetings at which resettlement programs are discussed, women shall enjoy equal participation and decision-making rights, and not less than 30% of attendees shall be women. In addition, the Resettlement Office shall be represented by women. Chuxiong PMO and Lufeng PMO shall pay more attention to requirements, comments and complains of female APs, and solve problems of affected women in time. Any decision related to the resettlement shall be involved by female representatives.

**(ii) The compensation agreement must be signed by the couple.**

153. In order that a couple of an AH has equal right to know the compensation rates of the Project and equal right to dispose of compensation fees, all AHs in the Project agree that the couple shall sign together to receive compensation fees. Chuxiong PMO and Lufeng PMO shall supervise and check it when sign the agreement between village committees and AHs.

### **Assistance Measures for Vulnerable Groups**

154. During the whole resettlement process, the Lufeng PMO, IA and local government will not only support vulnerable groups to implement their living and production resettlement as planned, but will also provide certain assistance to improve their living and production conditions. The key measures are as follows:

**(i) Establishing a support fund for vulnerable groups**

155. A support fund of 381,200 yuan for vulnerable groups is established in the resettlement costs of the Project, used to support vulnerable groups affected by the Project. Five-guarantee households, MLS households, households affected by disability, old people living alone, women-headed households, and other vulnerable households affected by the LA and/or the HD can receive a support subsidy of 2,000 yuan.

**(ii) Giving priority to vulnerable groups in resettlement measures**

156. During the resettlement, affected vulnerable households can have priority, including:

**Households affected by the LA:**

- Providing land transfer information with priority and assisting in obtaining land required for production development;
- Providing skills training, public welfare jobs and reserved jobs to laborers in these AHs, and granting small-amount secured loans to eligible AHs with priority; and
- Including them in endowment insurance for LEFs and new-type rural endowment insurance with priority.

**Households affected by the HD:**

- Providing resettlement information with priority for selection of housing plot and commercial space;
- Assistance with the labor cost of construction new housing;
- For special vulnerable groups, such as elderly widows and destitute households, if the demolished housing size available for swap is less than 40 m<sup>2</sup>, a 40 m<sup>2</sup> apartment can be granted directly, and they can purchase a 10 m<sup>2</sup> commercial store at cost price; and
- Five-guarantee households, elderly widows and dependents of martyrs affected by the HD who empty their houses within the specified period can receive a

one-time special difficulty subsidy of 3,000 yuan upon presentation of a valid certificate.

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

157. According to Lufeng County's MLS policy for urban and rural residents, eligible vulnerable groups affected by the Project can be included in the MLS system and receive MLS benefits so as to ensure that the per capita net income of each rural AH is not less than 2300 yuan/year.

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

158. Urban and rural medical assistance can be provided to eligible vulnerable groups to solve their difficulty in receiving medical care. See Section 4.6.3 for the detailed policy.

### **Infrastructure Restoration Program**

159. Affected special facilities and ground attachments are restored by proprietors after receiving compensation from the Lufeng PMO.

## **6. Resettlement Organizational Structure**

### **Resettlement Implementation and Management Agencies**

#### **6.1.1 Organizational Setup**

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

- Chuxiong Project Leading Group
- Chuxiong PMO
- Lufeng Project Leading Group
- Lufeng PMO
- Lufeng Project Resettlement Office
- Jinshan Town Government
- Village (community) committees
- Design Institute
- External Resettlement M&E agency
- Other agencies, e.g., land and resources bureau, HD management office, women's federation, labor and social security bureau

#### **6.1.2 Organizational Responsibilities**

##### **(i) Chuxiong Project Leading Group**

161. The Chuxiong Project Leading Group is headed by the deputy prefecture head in charge of urban construction, and is the leading agency responsible comprehensively for the overall deployment of the Project and solving major issues. The group is composed of the directors-general of the prefecture construction bureau, planning bureau, land and resources bureau, and water resources bureau, the deputy mayor of Chuxiong City in charge of urban construction, and the deputy head of Lufeng County in charge of urban construction. The group meets regularly as necessary or upon request. A group member from the land and resources bureau has rich knowledge in regulations and policies related to land acquisition and experience to solve problems caused by land acquisition.

162. Main responsibilities in resettlement: responsible comprehensively for the overall deployment and supervision of the Project and solving problems of major issues.

##### **(ii) Chuxiong PMO**

163. The Chuxiong PMO is the working body of the Chuxiong Project Leading Group and the executing agency of the Project. A deputy director of the PMO has extensive experience in land acquisition and resettlement for many projects financed by local governments, but no experience in ADB loaned projects. The PMO's staff have learnt ADB's involuntary resettlement policies during the PPTA.

164. Main responsibilities in resettlement: planning the resettlement work of the project PMOs under the leadership of the Chuxiong Project Leading Group, and gathering their resettlement plans and progress for regular reporting to ADB.

**(iii) Lufeng PMO**

165. The Lufeng PMO is the working body of the Lufeng project, responsible for project management, coordination, supervision, direction, quality assurance and annual planning, and the follow-up monitoring of the implementation thereof, reporting to the Chuxiong PMO regularly. The PMO staff have experience in land acquisition and resettlement for many projects during local urbanization development. They have no experience in land acquisition and resettlement for ADB's financed projects. However, they have learnt ADB's involuntary resettlement policies during the PPTA.

166. Main responsibilities in resettlement: organizing the resettlement work of the Project, developing the local policy on resettlement activities, coordinating relations among resettlement agencies at all levels, coordinating the work of the departments concerned at the preparation and implementation stages, and making decisions and consultation on major issues arising from construction and resettlement.

**(iv) Lufeng Project Resettlement Office**

167. All staff in the office have experience in land acquisition and resettlement. They have no experience in land acquisition and resettlement for ADB's financed projects. However, they have learnt ADB's involuntary resettlement policies during the PPTA. Main responsibilities in resettlement: assisting the design agency in defining the project area, conducting the DMS and saving data; assisting in preparing the RP, updating the RP and implementing resettlement; selecting resettlement officials for operational training; organizing public consultation, and communicating resettlement policies; directing, coordinating and supervising the LA and resettlement activities and progress; implementing resettlement, disbursing resettlement costs according to the agreement and handling grievances of APs; carrying out internal monitoring, preparing internal monitoring reports and reporting to the Lufeng PMO regularly; and assisting in external monitoring activities.

**(v) Jinshan Town Government**

168. The government has a lot of experience in land acquisition and resettlement with recent urbanization of Lufeng County. But they have no experience in ADB's financed projects. The work and responsibilities related to RP include:

- (a) Participating in the survey of the Subproject, and assisting in the preparation of the RP;
- (b) Organizing public participation, and communicating the resettlement policies;
- (c) Implementing, inspecting, monitoring and recording all resettlement activities within the town;
- (d) Responsible for the disbursement and management of land compensation fees;
- (e) Supervision LA, HD and house restoration;

- (f) Reporting LA, HD and resettlement information to the Lufeng PMO; and
- (g) Coordinating and handling conflicts and issues arising from its work.

**(vi) Village (community) committees**

169. The affected villages have experience in land acquisition and resettlement. The resettlement working team of a village committee or village group is composed of its key officials. Its main responsibilities are:

- (a) Participating in the socioeconomic survey and DMS;
- (b) Organizing public consultation, and communicating the policies on LA and HD;
- (c) Organizing the implementation of agricultural and nonagricultural resettlement activities;
- (d) Reporting the APs' opinions and suggestions to the competent authorities; and
- (e) Providing assistance to displaced households with difficulties.

**(vii) Design institute**

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

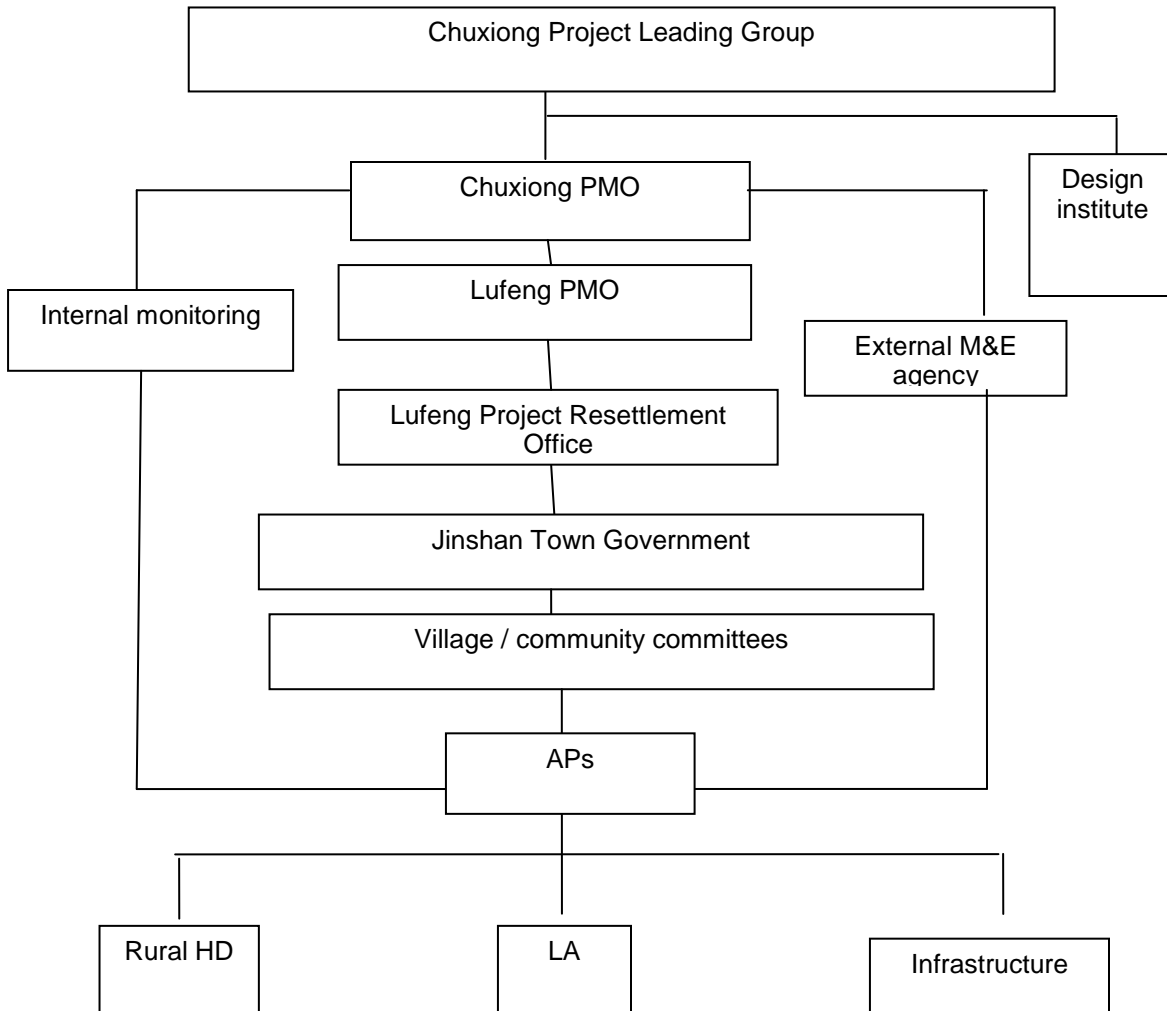
171. At the implementation stage, it shall submit the design documents, technical specifications, drawings and notices to the owner timely, make design disclosure to the PMOs of all levels.

**(viii) External Resettlement M&E agency**

172. Chuxiong PMO and Lufeng PMO shall employ a qualified M&E agency as the external resettlement M&E agency. Its main responsibilities are:

- (a) Observing all aspects of resettlement planning and implementation as an independent M&E agency;
- (b) Monitoring and evaluating the effectiveness of resettlement and the social adaptability of the APs;
- (c) Submitting resettlement M&E reports to ADB and Chuxiong PMO; and
- (d) Providing technical advice to the Resettlement Office in data collection and processing.

### 6.1.3 Organizational Chart



**Figure 6-1: Resettlement Organizational Chart**

## **Staffing and Equipment**

### 6.1.4 Staffing

173. In order to ensure the successful implementation of the resettlement work, all resettlement agencies of the Project have been provided with full-time staff, and a smooth channel of communication has been established. Each resettlement agency is composed of administrative staff and specialized technicians, with a workforce of 3-6. The resettlement staff has strong organizing and coordinating capabilities, and rich experience in LA, HD and resettlement. See 6.1.



**Table 6-1: Staffing of Resettlement Agencies**

Agency	Number of Staff <sup>1</sup>	Composition
Chuxiong Project Leading Group	7	Civil servants
Chuxiong PMO	8	Civil servants, technicians
Lufeng PMO	8	Civil servants
Lufeng Project Resettlement Office	4	Civil servants
Town government	2	Civil servants
Village (community) committees)	25	Village officials and representatives of APs
Design agency	4	Engineers
External M&E agency	Some	Resettlement and social experts

Notes: 1. At least 30% of staff is female. 2. The staff should have resettlement and social experiences.

### 6.1.5 Equipment

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

### 6.1.6 Organizational Training Program

175. In order to ensure the successful implementation of the resettlement work, the resettlement staff must be trained under the leadership of the Chuxiong PMO and the Chuxiong Project Leading Group.

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

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

**Table 6-2: Operational Training Program for Resettlement Agencies**

No.	Agency responsible	Scope	Trainees	Time	Costs (0,000 yuan)
	A	B	C	D	
1	Lufeng Project Leading Group	Learning resettlement experience from ADB-financed projects in other provinces	Resettlement office staff	2013-2014	8
2	External M&E agency	ADB's resettlement policy	Resettlement office staff	Nov. 2013	5
3	External M&E agency	Updates of state policies on LA and HD	Resettlement office staff	Nov. 2013	5
4	Lufeng Subproject Leading Group	Experience and lessons in resettlement from other places	Resettlement office staff	Aug. 2013	6
5	Lufeng Subproject Leading Group	Computer operation and data processing	Resettlement office staff	Apr. – May 2013	5
6	Lufeng PMO	Resettlement procedures and policies for ADB-financed projects	Town resettlement office, village resettlement teams	May 2013	6

No.	Agency responsible	Scope	Trainees	Time	Costs (0,000 yuan)
	A	B	C	D	
7	Lufeng PMO	Resettlement policies and practice	Town resettlement office, village resettlement teams	Jun. 2013	3
8	Lufeng Subproject Leading Group	Learning international experience in resettlement	Resettlement staff of component PMOs	2013-2014	12
Total					50

177. In addition, the following measures will be taken to strengthen institutional capacity:

- (i) Define the responsibilities and scope of duty all resettlement agencies, and strengthen supervision and management;
- (ii) Provide adequate financial and technical support, and improve technical equipment, such as PC, monitoring equipment and means of transportation, etc;
- (iii) Select staff strictly, and strengthen operational training for administrative staff and technicians to improve professional proficiency;
- (iv) Select female officials appropriately and give play to women's role in resettlement implementation;
- (v) Establish a database and strengthen information feedback to ensure a smooth information flow, and leave major issues to the Subproject Leading Group;
- (vi) Strengthen the reporting system and internal monitoring, and solve issues timely; and
- (vii) Establish an external M&E mechanism and an early warning system.

## 7. Public Participation and Grievance Redress

### Public Participation

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

#### 7.1.1 Public Participation at the Preparation Stage

179. Since October 2011, Lufeng PMO with Yunnan Design Institute and the resettlement consulting agency, Hohai University, have conducted a series of socioeconomic survey and public consultation activities (with 30% of participants being women) under the instruction of technical assistance experts. At the preparation stage, the Chuxiong PMO, Lufeng PMO, IA and the design institute conducted extensive consultation on LA and resettlement. See Table 7-1 for the participation activities at the preparation stage. A resettlement information booklet (RIB), as shown in Appendix 5, will be distributed in Aug. 2013. Resettlement Information Brochure (RIB), as shown in Appendix 5, and Resettlement Plan will be distributed in January 2013. the RP will be updated based on the DMS and will be disclosed to the APs and submitted to ADB for review and approval prior to start the LAR activities and approval of civil works contract awards. After ADB approval, the updated RP will also be posted on ADB's website for disclosure.

**Table 7-1: Public Participation Activities at the Preparation Stage**

Date	Organizer	Participants	Number of participants	Purpose	Key points
2011.5-2011.8	Lufeng PMO, Yunnan Design Institute	APs, village officials, technicians	120	Feasibility study, field investigation, DMS	<ul style="list-style-type: none"> <li>◇ Introducing the background and purpose of the Subproject</li> <li>◇ Minimizing farmland occupation</li> <li>◇ Minimizing resettlement impacts</li> </ul>
2011.9-2011.12	Lufeng PMO, Yunnan Design Institute	Reps. of government agencies and APs	580	RP preparation, socioeconomic survey	<ul style="list-style-type: none"> <li>◇ Assisting in the DMS</li> <li>◇ APs expressed strong need for the Subproject</li> <li>◇ Socioeconomic survey and DMS</li> </ul>
2012.1	Lufeng PMO, Hohai University, Yunnan Design Institute	Reps. of government agencies and APs	130	Preparation of income restoration programs	<ul style="list-style-type: none"> <li>◇ Consultation on compensation programs</li> <li>◇ Development of restoration and development programs</li> </ul>
2012.7.27-8.3	Chuxiong PMO, Lufeng PMO, Hohai University	Officials and APs in the affected village groups	220	Public consultation	<ul style="list-style-type: none"> <li>◇ Disbursement and distribution of compensation fees for LA</li> <li>◇ Allocation and use of returned land</li> <li>◇ Impact of LA and HD on income</li> <li>◇ Village group development plans</li> <li>◇ Employment expectations of AHs</li> <li>◇ Training needs of AHs</li> <li>◇ Expectations of AHs for endowment insurance</li> <li>◇ Expected resettlement modes of AHs</li> <li>◇ Expected resettlement sites of AHs</li> </ul>

Date	Organizer	Participants	Number of participants	Purpose	Key points
					<ul style="list-style-type: none"> <li>◇ Suggestions of AHs on house reconstruction and infrastructure</li> <li>◇ Unique role of women in resettlement</li> </ul>
2013.1	Chuxiong PMO, Lufeng PMO	APs, village groups		Disclosure of RP or RIB	◇ Disclosure of compensation rates and appeal channels
2013.1	ADB website	APs, village groups		Disclosure of the first draft of the RP	◇ Disclosure of compensation rates and appeal channels

### 7.1.2 Participation Plan at the Implementation Stage

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

**Table 7-2: Public Participation Plan of the Project**

Purpose	Mode	Time	Agencies	Participants	Topic
LA announcement	Village bulletin board, village meeting	Aug. 2013	Lufeng PMO, development & reform bureau, land & resources bureau, highway bureau, town and village officials	All APs	Disclosure of LA area, compensation rates and resettlement modes, etc.
Announcement of compensation and resettlement program for LA	Village bulletin board, village meeting	Aug. 2013	Lufeng PMO, development & reform bureau, land & resources bureau, highway bureau, town and village officials	All APs	Compensation fees and mode of payment
DMS results verification	Field investigation	Sep. – Oct. 2013	Lufeng PMO, development & reform bureau, land & resources bureau, highway bureau, town and village officials	All APs	<ul style="list-style-type: none"> <li>Finding out anything omitted to determine the final impacts</li> <li>Preparing a detailed list of lost land and properties</li> <li>Preparing the sample compensation agreement</li> </ul>
Determination / implementation of income restoration program	Village meeting (many times)	Before implementation	Lufeng PMO, development & reform bureau, land & resources bureau, highway bureau, town and village officials	All APs	Discussing the final income restoration program and the program for use of compensation fees
Housing site selection	Village meeting	3 months before HD	Land & resources bureau, town and village officials	All APs	/
Training program	Village meeting	Dec. 2013 – Dec. 2014	Labor & social security bureau, town and village officials	All APs	Discussion of training needs
Monitoring	Public participation meeting	Dec. 2013 – Jul. 2016	Town and village officials	All APs	<ul style="list-style-type: none"> <li>1) Resettlement progress and impacts</li> <li>2) Payment of compensation</li> <li>3) Information disclosure</li> <li>4) Livelihood restoration</li> </ul>

## Grievances and Appeals

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

Stage 1: If any right of any AP is infringed on in any aspect of land acquisition, property demolition and resettlement, he/she can report this to village committee. The village committee or the AP may resort to the town government to solve the issue. The town government shall record such appeal and solve it together with the village committee or the AP within two weeks.

Stage 2: If the appellant is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the Lufeng Project Resettlement Office after receiving such disposition, which shall make a disposition within 2 weeks.

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

Stage 4: If the appellant is still dissatisfied with the disposition of Stage 3, he/she may file an appeal to Chuxiong prefecture PMO and to competent administrative authorities level by level in accordance with the Administrative Procedure Law of the PRC for arbitration after receiving such disposition.

182. If the appellant person is dissatisfied with the grievance process at any stage, he/she may file an action in a civil court directly in accordance with the Civil Procedure Law of the PRC.

183. The APs may also express grievance to the external monitoring agency, who would then report it to Lufeng County resettlement office, Lufeng Land and Resource Bureau, and Chuxiong 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>4</sup>.

184. 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 will be communicated to the APs at a meeting or through the RIB, so that the APs know their right of appeal. In addition, the appeal process will be published to affected population on mass media.

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<sup>4</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>.

## 8. Resettlement Budget

### Resettlement Budget

185. All costs related to the LA and resettlement implementation shall be included in the total budget of the Project. Based on prices of 2012, the resettlement costs of the Project are 448,249,400 yuan, including rural LA costs of 95,599,600 yuan or 21.33% of total costs, the compensation fee for temporary land occupation of 209,600 yuan or 0.05%, the compensation fee for rural residential house demolition of 8,865,500 yuan or 1.98%, the compensation fees for infrastructure and ground attachments of 29,302,100 yuan or 6.54%, the resettlement planning and monitoring costs of 614,000 yuan or 0.14%, taxes, and training and management costs of 267,684,000 yuan or 59.72%, and contingencies of 10% of total costs. See Table 8-1.

**Table 8-1: Resettlement Budget**

No.	Item	Unit	Compensation rate (yuan/unit)	Qty. (unit)	Budget (0,000 yuan)	Percent (%)
<b>1</b>	<b>Basic resettlement costs</b>	<b>yuan</b>	<b>\</b>		13397.68	29.89%
1.1	Compensation fees for permanent LA	yuan	\		9559.96	21.33%
1.1.1	Cultivated land	mu	86,040	1,082.43	9313.23	20.78%
1.1.2	Housing land	mu	86,040	13.58	116.84	0.26%
1.1.3	Young crop compensation fees	mu	1,200	1,082.43	129.89	0.29%
1.2	Temporary land occupation	mu	\	\	20.96	0.05%
1.2.1	Compensation fees for temporary land occupation	mu	1,200	33.8	4.06	0.01%
1.2.1	Deposit for land reclamation	mu	5,000	33.8	16.9	0.04%
1.3	Compensation fees for HD	yuan	\	\	886.55	1.98%
1.3.1	Masonry concrete structure	m <sup>2</sup>	950	5,167	490.87	1.10%
1.3.2	Masonry timber structure	m <sup>2</sup>	700	280	19.6	0.04%
1.3.3	Earth timber structure	m <sup>2</sup>	450	1,431	64.4	0.14%
1.3.4	Simple structure	m <sup>2</sup>	200	175	3.5	0.01%
1.3.5	Transition subsidy	m <sup>2</sup> -year	60	7,053	42.32	0.09%
1.3.6	Moving subsidy	HH	2,000	49	9.8	0.02%
1.3.7	Early moving reward	HH	3,000	49	14.7	0.03%
1.3.8	Resettlement land costs for HD	HH	49,259.89	49	241.37	0.54%
1.4	Compensation fees for ground attachments	yuan	\	\	2930.21	6.54%
1.4.1	Livestock pens	m <sup>2</sup>	120	306	3.67	0.01%
1.4.2	Brick enclosing walls	m <sup>2</sup>	150	1,984.7	29.77	0.07%
1.4.3	Terraces	m <sup>2</sup>	30	1,248.63	3.75	0.01%
1.4.4	Ponds	m <sup>3</sup>	140	1,700	23.8	0.05%
1.4.5	Wells	m <sup>3</sup>	140	15	0.21	0.00%
1.4.6	Fruit trees	/	180	154,371	2778.68	6.20%
1.4.7	Adult timber trees	/	50	16,942	84.71	0.19%
1.4.8	Telegraph poles	km	20,000	2	4	0.01%

No.	Item	Unit	Compensation rate (yuan/unit)	Qty. (unit)	Budget (0,000 yuan)	Percent (%)
1.4.9	Guard rooms	m <sup>2</sup>	120	135	1.62	0.00%
2	<b>Support fund for vulnerable groups</b>	yuan	\		47.98	0.11%
3	<b>Resettlement planning and monitoring costs</b>	yuan	\		61.4	0.14%
3.1	Resettlement planning and design costs	yuan	\		27.29	0.06%
3.2	Resettlement M&E costs	yuan	\		34.11	0.08%
4	<b>Training costs (0.5% of basic costs)</b>	yuan	\		66.99	0.15%
5	<b>Taxes and fees on LA</b>	yuan	\		26768.4 0	59.72%
5.1	LA management costs (2.1% of basic costs)	yuan	\		375.14	0.84%
5.2	Farmland occupation tax	mu	17,333.42	1,082.43	1876.22	4.19%
5.3	Land reclamation costs	mu	10,500	1,082.43	1136.55	2.54%
5.4	Fees for compensated use of new construction land	mu	9,333.38	1,082.43	1010.27	2.25%
5.5	Compensation fees for land quality	mu	186,666.7	1,082.43	20205.3 6	45.08%
5.6	Basic pensions for LEFs	mu	20,000	1,082.43	2164.86	4.83%
6	<b>Contingencies (10% of total costs)</b>	yuan	\		4482.49	10.00%
3-6	<b>Subtotal of Items</b>	yuan	\		31379.2 8	70.00%
7	<b>Total</b>	yuan	\		44824.9 4	100.00%

## Resettlement Investment Schedule and Funding Sources

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

**Table 8-2: Resettlement Investment Plan**

Year	2013	2014	Total
Amount of investment (10,000 yuan)	11206.24	33618.70	<b>44824.94</b>
Percent	25%	75%	100%

## Disbursement and Management of Resettlement Funds

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

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

- (i) All costs related to resettlement shall be included in the general budget of the Project;
- (ii) Land compensation fees and resettlement subsidies shall be paid up before LA so that all APs can be resettled properly;
- (iii) 50% of compensation fees for HD shall be paid to the APs upon execution of the HD compensation agreement, and the balance shall be paid upon full HD;
- (iv) In order to ensure the successful implementation of LA and resettlement, financial and supervisory agencies shall be established at all levels to ensure that all funds are disbursed timely and fully; and
- (v) The resettlement costs may be increased due to the change of the Project area, the modification of the compensation fees and inflation, but the IA will ensure that compensation fees are fully paid. The budget shall be modified as necessary in the updated RP.



## 9. Resettlement Implementation Plan

### Principles for Resettlement Implementation

189. According to the implementation schedule of the Project, the Project will be constructed from 2013 to 2015. In order that the resettlement schedule links up the construction schedule of the Project, the LA will begin in November 2013 and be completed in December 2014. The basic principles for resettlement implementation are as follows:

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

### Resettlement Implementation Schedule

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

**Table 9-1: Resettlement Implementation Schedule**

No.	Resettlement	Task	Agency responsible	Time	Remarks
<b>1</b>	<b>Information disclosure</b>				
1.1	RIB	5 villages with 33 groups	PMO, Resettlement Office / town government	Aug. 2013	
1.2	Disclosure of the RP on ADB's website		IA, PMO, ADB	Aug. 2013	
<b>2</b>	<b>RP and budget</b>				
2.1	RP and budget approval (compensation rates)	448,249,400 yuan	County government, PMO	Nov. 2013	
2.2	Village-level income restoration programs	5 affected villages	Village committees	Nov. 2013	
2.3	RP update after detailed design	/	EA, PMO	Oct. 2013	If necessary
<b>3</b>	<b>Detail Measure Survey</b>				
3.1	DMS on LA and HD		Resettlement Office	Oct. 2013	
<b>4</b>	<b>Compensation agreement</b>				
4.1	Village-level land compensation agreement	5 affected villages	Resettlement Office / AHs	Nov. 2013	
4.2	Household land compensation agreement	673 AHs	Resettlement Office / AHs	Nov. 2013	
4.3	House compensation agreement	49 AHs	Resettlement Office / AHs	Nov. 2013	
<b>5</b>	<b>House resettlement</b>				
5.1	Selection and approval of	49AHs	County government, village	Nov– Dec. 2013	

No.	Resettlement	Task	Agency responsible	Time	Remarks
	housing sites		committees, AHs		
5.2	Preparation of housing sites	2 places	County government, village committees	Dec. 2013	
5.3	House Demolition	49AHs	Resettlement Office / AHs	Dec. 2013	
5.4	Building new houses	49 AHs	Village committees or AHs	Dec. 2013 – Dec. 2014	
5.5	Moving into new houses	49 AHs	AHs	Dec. 2014	
<b>6</b>	<b>Implementation of restoration measures</b>				
6.1	Distribution of land compensation fees to AHs and land reallocation	5 affected villages	Town government, village committees	Dec. 2013	
6.2	Implementation of village-level income restoration programs	5 affected villages	Village committees	2013-2015	
6.3	Income restoration through business and employment	710 AHs	Town government, village committees, labor force	2014-2015	
6.4	Implementation of training program	710 AHs	Labor and social security bureau	Dec. 2013 – Dec. 2014	
6.5	Identifying vulnerable households and implementing assistance measures	167 AHs	Civil affairs bureau, labor and social security bureau, PMO	2013 -2014	
6.6	Identifying and hiring households for employment under the Project	About 1,000 APs	PMO, labor force, contractor	Dec. 2013 – Dec. 2018	
<b>7</b>	<b>Capacity building of resettlement agencies</b>				
7.1	PMO staff training	10 persons	ADB	Sep. 2013	
7.2	Training of county, town and village officials	50 persons	PMO	Sep. – Oct. 2013	
<b>8</b>	<b>Monitoring &amp; Evaluation</b>				
8.1	Baseline survey	One report	External M&E agency	Dec. 2013	
8.2	Establishing an internal M&E agency	As per the RP	PMO, IA	Oct. 2013	
8.3	Appointing an external monitoring agency	One	PMO	Nov. 2013	
8.4	Internal monitoring reporting	Quarterly in project progress report	PMO, IA	From Nov. 2013	
8.5	External monitoring reporting	Semiannual report	External M&E agency	Jan. 2014	1 <sup>st</sup> report
				Sep. 2014	2 <sup>nd</sup> report
8.6	External monitoring reporting	Annual report	External M&E agency	Jan. 2015	3 <sup>rd</sup> report
				Jul. 2015	4 <sup>th</sup> report
8.7	External evaluation and completion report	One report	IA, PMO, External M&E agency	Jul. 2016	
<b>9</b>	<b>Public consultation</b>		IA	Ongoing	
<b>10</b>	<b>Grievance redress</b>		IA	Ongoing	
<b>11</b>	<b>Civil construction</b>				
11.1	Commencement of the construction		Winning bidder	Dec. 2013	
11.2	Completion of the construction			Dec. 2018	

## **10. Monitoring and Evaluation**

191. In order to ensure the successful implementation of the RP and realize the objectives of resettlement properly, land acquisition, property demolition and resettlement activities of the Project shall be subject to periodic M&E according to ADB's resettlement policy, including internal and external monitoring.

### **Internal Monitoring**

192. The internal resettlement monitoring agencies of the Lufeng PMO, finance bureau and other departments concerned (e.g., land and resources bureau). The Lufeng PMO shall develop a detailed internal monitoring plan for land acquisition and resettlement, including:

- (i) Investigation, coordination of and suggestion on key issues of the resettlement and implementing agencies during implementation;
- (ii) Restoration of the household income of the APs after LA;
- (iii) Restoration and resettlement after HD;
- (iv) Restoration and resettlement of vulnerable groups;
- (v) Payment, use and availability of compensation fees for resettlement;
- (vi) Level of public participation and consultation during resettlement;
- (vii) Resettlement training and its effectiveness; and
- (viii) Establishment, staff training and working efficiency of resettlement management agencies.

193. The Lufeng PMO shall submit an internal monitoring report to Chuxiong PMO and ADB quarterly. Such report shall indicate the statistics of the past 6 months in tables, and reflect the progress of LA, resettlement and use of compensation fees through comparison.

### **External Monitoring**

194. According to ADB's policies, the Chuxiong PMO shall employ a qualified, independent and experienced resettlement agency as the external resettlement M&E agency.

195. The external M&E agency shall conduct follow-up M&E of resettlement activities periodically, monitor resettlement progress, quality and funding, and give advice. It will also conduct follow-up monitoring of the APs' production level and living standard, and submit M&E reports to the Chuxiong PMO and Lufeng PMO semiannually. Chuxiong PMO shall forward the external M&E report to ADB with their comments, if any.

### **10.1.1 Scope and Methodology of External Monitoring**

#### **(i) Baseline survey**

196. The external M&E agency will conduct a baseline survey on the villages affected by LA to obtain baseline data on the sample AHs' production level and living standard. The production level and living standard survey will be conducted semiannually to track variations of the APs' production level and living standard. This survey will be conducted using such methods as panel survey (sample size: 20% of households affected by LA to be sampled randomly and 100% of households affected by HD), random interview and field observation to acquire necessary information. A statistical analysis and an evaluation will be made on this basis.

#### **(ii) Periodic M&E**

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

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

#### **(iii) Public consultation**

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

#### **(iv) Grievance redress**

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

### **10.1.2 External Monitoring Reporting**

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

**Table 10-1: Resettlement M&E Schedule**

<b>Item</b>	<b>Report</b>	<b>Date</b>
1	Socioeconomic Baseline Survey Report	Dec. 2013
2	Monitoring Report (No.1)	Jan. 2014
3	Monitoring Report (No.2)	Jul. 2014
4	Monitoring Report (No.3)	Jan. 2015
5	Monitoring Report (No.4)	Jul. 2015
6	Resettlement Evaluation and Completion Report	Jul. 2016

**Post-evaluation**

201. After project implementation, the theory and methodology of post-evaluation will be applied to evaluate the Project's resettlement activities on the basis of M&E to obtain successful experience and lessons in land acquisition and property demotion as a reference for future work.

# **Appendix 1: Abstract of Laws, Regulations and Policies of the PRC**

## **1. Land Administration Law of the PRC**

Article 2 The People's Republic of China resorts to a socialist public ownership i.e. an ownership by the whole people and ownerships by collectives, of land.

In ownership by the whole people, the State Council is empowered to be on behalf of the State to administer the land owned by the State.

No unit or individual is allowed to occupy, trade or illegally transfer land by other means. Land use right may be transferred by law.

The State may acquisition land owned by collectives according to law on public interests.

The State introduces the system of compensated use of land owned by the State except the land has been allocated for use by the State according to law.

Article 43 Any unit or individual that need land for construction purposes should apply for the use of land owned by the State according to law, except land owned by farmer collectives used by collective economic organizations for building township enterprises or building houses for villagers or land owned by farmer collectives approved according to law for use in building public facilities or public welfare facilities of townships (towns).

The term "apply for the use of land owned by the State according to law" used in the preceding paragraph refers to land owned by the State and also land originally owned by farmer collectives but having been acquired by the State.

Article 44 Whereas occupation of land for construction purposes involves the conversion of agricultural land into land for construction purposes, the examination and approval procedures in this regard shall be required.

For projects of roads, pipelines and large infrastructure approved by the people's governments of provinces, autonomous regions and municipalities, land for construction has to be approved by the State Council whereas conversion of agricultural land is involved.

Whereas agricultural land is converted into construction purposes as part of the efforts to implement the general plans for the utilization of land within the amount of land used for construction purposes as defined in the general plans for cities, villages and market towns, it shall be approved batch by batch according to the annual plan for the use of land by the organs that approved the original general plans for the utilization of land. The specific projects within the scope of land approved for conversion shall be approved by the people's governments of cities or counties.

Land to be occupied for construction purposes other than those provided for in the second and third paragraphs of this article shall be approved by the people's governments of provinces, autonomous region and municipalities whereas conversion of agricultural land into construction land is involved.

Article 45 The acquisition of the following land shall be approved by the State Council:

- (1) Basic farmland;
- (2) Land exceeding 35 hectares outside the basic farmland;
- (3) Other land exceeding 70 hectares.

Acquisition of land other than prescribed in the preceding paragraph shall be approved by the people's governments of provinces, autonomous regions and municipalities and submitted to the State Council for the record.

Acquisition of agricultural land should first of all go through the examination and approval procedure for converting agricultural land into land for construction purposes according to the provisions of Article 44 of this law. Whereas conversion of land is approved by the State Council, the land acquisition examination and approval procedures should be completed concurrently with the procedures for converting agricultural land to construction uses and no separate procedures are required. Whereas the conversion of land is approved by people's governments of provinces, autonomous regions and municipalities within their terms of reference, land acquisition examination and approval procedures should be completed at the same time and no separate procedures are required. Whereas the terms of reference has been exceeded, separate land acquisition examination and approval procedures should be completed according to the provisions of the first paragraph of this article.

Article 46 For acquisition of land by the State the local people's governments at and above the county level shall make an announcement and organize the implementation after the approval according to the legal procedures.

Owners or users of the land acquired should, within the time limit specified in the announcement, go through the compensation registration for acquired land with the land administrative departments of the local people's governments on the strength of the land certificate.

Article 47 In acquiring land, compensation should be made according to the original purposes of the land acquired.

Compensation fees for land acquired include land compensation fees, resettlement subsidies and compensation for attachments to or green crops on the land. The land compensation fees shall be 6-10 times the average output value of the three years preceding the acquisition of the cultivated land. The resettlement subsidy shall be calculated according to the number of agricultural population to be resettled. The number of agricultural population to be resettled shall be calculated by dividing the amount of cultivated land acquired by the per capital land occupied of the unit whose land is acquired. The resettlement subsidies for each agricultural person to be resettled shall be 4-6 times the average annual output value of the three years preceding the acquisition of the cultivated land. But the maximum resettlement subsidy per hectare of land acquired shall not exceed 15 times of the average annual output value of the three years prior to acquisition.

The standards for land compensation and resettlement subsidies for land acquired shall be determined by various provinces, autonomous regions and municipalities in reference to the land compensation fees and resettlement subsidies for cultivated land acquired.

The standards for compensating for ground attachments and green crops on the land acquired shall be determined by various provinces, autonomous regions and municipalities.

In acquiring vegetable fields in suburban areas, the units using the land should pay new vegetable field development and construction fund.

Whereas the land compensation fees and resettlement subsidies paid according to the provisions of the second paragraph of this article are not enough to maintain the original level of living, the resettlement subsidies may be increased with the approval of the people's governments of provinces, autonomous regions and municipalities. But the combined total of land compensation fees and resettlement subsidies shall not exceed 30 times the average output value of the three years prior to acquisition.

In special circumstances, the State Council may raise the standards for land compensation and resettlement subsidies for land acquired according to the social and economic development level.

Article 48 After the plan for land compensation and resettlement subsidies is finalized, related local people's governments shall make an announcement and hear the opinions of the rural collective economic organizations and farmers whose land has been acquired.

Article 49 Rural collective economic organizations shall make public to its members the receipts and expenditures of the land compensation fees for land acquired and accept their supervision.

It is forbidden to embezzle or divert the land compensation fees and other related expenses.

Article 57 In the case of temporary using State-owned land or land owned by farmer collectives by construction projects or geological survey teams, approval should be obtained from the land administrative departments of local people's governments at and above the county level. Whereas the land to be temporarily used is within the urban planned areas, the consent of the urban planning departments should be obtained before being submitted for approval. Land users should sign contracts for temporary use of land with related land administrative departments or rural collective organizations or villagers committees depending on the ownership of the land and pay land compensation fees for the temporary use of the land according to the standard specified in the contracts.

Users who use the land temporarily should use the land according to the purposes agreed upon in the contract for the temporary use of land and should not build permanent structures.

The term for the temporary use of land shall not usually exceed two years.

## **2. Forest Law of the PRC**

Article 3 The forest resources shall belong to the state, unless the law stipulates they belong to the collective.

For the forests, trees and woodlands owned by the state and the collective and the trees and woodlands owned by private individuals, the people's government above the county level shall register and record them, issue certificates and confirm the ownership and the right to use. The State Council may authorize the competent forestry authorities under the State Council to register and record the forests, trees and woodlands in key forest districts determined by the State Council to be owned by the state, issue certificates and inform relevant local people's governments.



Article 4 The forests are divided into the following five categories:

- (1) Protection forests: forests, trees and bushes mainly aimed at protection, inclusive of water source storage forests, forests for water and soil conservation, wind protection and sand bind forests, forests for farmland and grassland protection, river bank protective belts and road protection belts;
- (2) Timber stands: forests and trees mainly at timber production, inclusive of bamboo groves mainly aimed at bamboo production;
- (3) Economic forests: trees mainly aimed at the production of fruits; edible oils, soft drinks and ingredients; industrial raw materials; and medicinal materials;
- (4) Firewood forests: trees mainly aimed at the production of fuels;
- (5) Forests for special uses: forests and trees mainly aimed at national defense, environmental protection and scientific experiments, inclusive of national defense forests, experimental forests, parent stands, environmental protection forests, scenic beauty forests, trees for sites of historical interests and the forests of natural protection areas.

Article 18 Prospecting, mining and various construction projects shall not occupy or occupy as little as possible woodlands; in case of necessary occupancy or expropriation of woodlands, upon examination and approval of the competent forestry authorities under the people's government above the county level, the examination and approval formalities for land needed for construction shall be gone through in line with relevant land administration laws and administrative regulations; and the land-use organization shall pay forest vegetation recovery expenses in line with the relevant provisions of the State Council. The forest vegetation recovery payments shall be used for designated purposes; the competent forestry authorities shall use them, according to relevant stipulations, for forestation, recovery of forest vegetation; the area of forestation shall not be smaller than the area of forest vegetation reduced as a result of woodlands occupied or expropriated. The competent forestry authorities at a higher level shall periodically urge and inspect the competent forestry authorities at a lower level in the organization of forestation and recovery of forest vegetation.

No organization or individual shall divert the forest vegetation recovery payments. The competent auditing authorities of the people's government above the county level shall strengthen their supervision of the situation in connection with the use of the forest vegetation recovery payments.

### **3. Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration**

Article 12 Improving measures of compensation for land acquisition. County-level and above local people's governments shall take practical measures so that the standard of living of farmers affected by land acquisition is not reduced by land acquisition. Land compensation, resettlement subsidy and compensation for ground annexes and crops shall be paid in full and timely pursuant to law. If the land compensation and resettlement subsidy pursuant to the prevailing laws and regulations are insufficient to maintain the former standard of living of the farmers affected by land acquisition or to pay the social security expenses of farmers who lose all land due to land acquisition, the people's governments of provinces, autonomous regions and municipalities

directly under the Central Government shall approve an increased resettlement subsidy. If the sum of the land compensation and the resettlement subsidy attains the statutory upper limit and is still insufficient to maintain the former standard of living of the farmers affected by land acquisition, local people's governments may pay a subsidy from the income from compensated use of state land. The people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall fix and publish the uniform annual output value standards or integrated land prices for land acquisition of all cities and counties, so that the same price applies to the same kind of land. For key construction projects of the state, land acquisition expenses must be listed in the budgetary estimate in full. Compensation rates and resettlement measures for large and medium-sized water resources and hydropower projects shall be otherwise stipulated by the State Council.

Article 13 Resettling land-expropriated farmers properly. County-level and above local people's governments shall take specific measures to guarantee long-term livelihoods of farmers affected by land acquisition. For projects with a stable income, farmers may become a shareholder using the right to use of land used for construction approved pursuant to law. Within the urban planning area, local people's governments shall bring farmers who lose all land due to land acquisition into the urban employment system, and establish a social security system; out of the urban planning area, in acquiring land collectively owned by farmers, local people's governments shall reserve necessary cultivated land or arrange appropriate jobs for farmers affected by land acquisition within the same administrative area; farmers without land who do not have the basic living and production conditions shall be subject to non-local resettlement. The labor and social security authorities shall propose guidelines for the employment training and social security systems for farmers affected by land acquisition as soon as possible.

Article 14 Improving land acquisition procedures. During land acquisition, the ownership of collective land of farmers and the right to contracted management of farmers' land shall be maintained. Before land acquisition is submitted for approval pursuant to law, the use, location, compensation standard and resettlement mode of the land to be acquired shall be notified to farmers affected by land acquisition; the survey results of the present situation of the land to be acquired shall be confirmed by rural collective economic organizations and farmers to be affected by land acquisition; if necessary, the land and resources authorities shall organize a hearing in accordance with the applicable provisions. The materials for notification to and confirmation by the farmers affected by land acquisition shall be taken as requisite materials for approval for land acquisition. Accelerate the establishment and improvement of the coordination and judgment mechanism for disputes over compensation and resettlement for land acquisition to protect the lawful rights and interests of farmers affected by land acquisition and land users. Approved matters of land acquisition shall be disclosed unless in special cases.

Article 15 Strengthening Supervision over the implementation of land acquisition. If the compensation and resettlement for land acquisition has not been implemented, the acquired land shall not be used forcibly. The People's governments of provinces, autonomous regions and municipalities directly under the Central Government shall formulate the procedures for the distribution of the land compensation within rural collective economic organizations on the principle that the land compensation is used for rural households affected by land acquisition mainly. Rural collective economic organizations affected by land acquisition shall disclose the receipt, disbursement and allocation of land compensation fees to their members and accept supervision. The agricultural and civil affairs authorities shall strengthen the supervision over the allocation and use of land compensation fees within rural collective economic organizations.

#### **4. Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition**

##### **1. About compensation rates for land acquisition**

- (i) Fixation of uniform AOV rates: The province-level land and resources department shall fix minimum uniform AOV rates for arable land of each county (city) within the province together with other departments concerned, and report to the provincial government for approval and implementation. Uniform AOV rates may be fixed in consideration of land type, quality and grade, farmer investment, farm product price, etc.
- (ii) Fixation of uniform annual output value multiples. The uniform multiple of annual output value for land compensation fees and resettlement subsidy shall be fixed within the statutory range so that land-expropriated farmers' standard of living is not reduced; if compensation fees for land acquisition calculated from the statutory uniform multiple of annual output value are insufficient for land-expropriated farmers to maintain their former standard of living or insufficient to cover their social security costs, the multiple shall be increased appropriately with the approval of the province-level people's government; if an aggregate multiple of 30 for land compensation fees and resettlement subsidy is still insufficient for land-expropriated farmers to maintain their former standard of living, the local people's government shall allocate a certain proportion from the income from the compensated use of state-owned land for subsidization. For basic farmland occupied with lawful approval, the highest compensation rate announced by the local people's government shall apply.
- (iii) Fixation of composite land prices for land acquisition areas. Where conditions permit, the province-level land and resources authority may fix composite land prices for land acquisition for different counties and cities in the province together with other competent authorities, and report such prices to the province-level people's government for approval, disclosure and implementation. Such prices shall be fixed in consideration of land type, output value, geographic location, farmland rating, per capita cultivated area, land supply-demand relationship, local economic level and minimum living security level of urban residents, etc.
- (iv) Distribution of land compensation fees: Since land compensation fees are used mainly on households affected by land acquisition, land compensation fees shall be distributed within rural collective economic organizations reasonably. The detailed distribution measures shall be formulated by the provincial government. If all land of a village is acquired and the rural collective economic organization is cancelled, all land compensation fees shall be used for the production and livelihood resettlement of land-expropriated farmers.

##### **2. About means of resettlement for land-expropriated farmers**

- (i) Agricultural resettlement. When rural collective land out of urban planning areas is acquired, land-expropriated farmers shall be first provided with necessary cultivated land using mobile collective land, contracted land turned over by contractors and cultivated land arising from land development so that they continue to pursue agricultural production.

- (ii) Reemployment resettlement. Conditions shall be created actively to provide free labor skills training to land-expropriated farmers and place them to corresponding jobs. Under equal conditions, land users shall first employ land-expropriated farmers. When rural collective land within urban planning areas is acquired, land-expropriated farmers shall be included in the urban employment system and a social security system established for them.
- (iii) Dividend distribution resettlement. When any land with long-term stable income is to be used for a project, the affected rural collective economic organization may become a project shareholder with compensation fees for land acquisition or rights to use construction land in consultation with the land user. The rural collective economic organization and rural households will receive dividends as agreed.
- (iv) Non-local resettlement. If basic production and living conditions are not available locally to land-expropriated farmers, non-local resettlement may be practiced under the leadership of the government in consultation with the rural collective economic organization and rural households.

### 3. About land acquisition procedures

- (i) Notification of land acquisition. Before land acquisition is submitted for approval, the local land and resources authority shall notify the affected rural collective economic organization and rural households of the use, location, compensation rate and resettlement mode of the land to be acquired in writing. After that, any ground attachment or young crop built or grown by the affected rural collective economic organization and rural households thereon shall not be compensated for.
- (ii) Verification of survey results. The local land and resources authority shall investigate the ownership, type and size of the land to be acquired, and the ownership, types and quantities of ground attachments, and the investigation results shall be confirmed together with the affected rural collective economic organization, rural households and proprietors of ground attachments.
- (iii) Hearing on land acquisition. Before land acquisition is submitted for approval, the local land and resources authority shall notify the affected rural collective economic organization and rural households of the right of application for hearing on the compensation rate and the mode of resettlement. In case of application for hearing, hearing shall be organized pursuant to the applicable procedures and requirements.

### 4. About supervision over land acquisition implementation

- (i) Disclosure of land acquisition approval. For land to be acquired as approved according to law, except in any special case, such as involving any state secret, the Ministry of Land and Resources, and the provincial land and resources department shall disclose land acquisition approval to the public through mass media. The county (city) land and resources department shall disclose land acquisition approval in the village and group affected by land acquisition pursuant to the Measures for Announcement of Land Acquisition.

- (ii) Payment of compensation fees for land acquisition. After the compensation and resettlement program for land acquisition has been approved by the municipal and county governments, compensation fees for land acquisition shall be appropriated to rural collective economic organization affected by land acquisition within the time limit stipulated by law. The local land and resources department shall supervise the distribution and use of compensation fees for land acquisition within the organization.
- (iii) Supervision and inspection after approval of land acquisition. Land and resources departments at all levels shall supervise and inspect the implementation of land acquisition programs approved by law. If land acquisition has reduced the living standard of land-expropriated farmers, the local land resources department shall take effective measures to guarantee their production and livelihoods, and maintain social stability.

## **Appendix 2: Abstract of Relevant Policies of Yunnan Province**

### **1. Land Administration Regulations of Yunnan Province**

#### Chapter 5 Construction land

Article 19 If rural collective land is to be acquired for construction, the administrative department in charge of land of the government at or above the county level shall draft a compensation and resettlement program for land acquisition together with the construction agency, and listen to opinions of the rural collective economic organization and farmers affected by land acquisition.

Such program shall be included in the land pre-examination of construction land. After its approval with the land acquisition plan, the municipal (county) government shall announce such program within 15 days and prepare for its implementation. The proprietor of and holder of the right to use the acquired land shall register land acquisition compensation with the administrative department in charge of land of the local county government within the period specified in the announcement.

Article 23 The land compensation rates for land acquisition shall be:

- (1) Acquired vegetable land or irrigated land shall be compensated for at 8-10 times the average annual output value (AAOV) of the three years prior to acquisition of such land, acquired irrigable land, garden land or lotus root pond at 7-9 times, acquired rain-fed farmland or non-irrigated land at 6-8 times, crop rotation land at 6 times, and pasture land or fishpond at 3-5 times;
- (2) Acquired newly reclaimed farmland that has been cultivated for less than 3 years shall be compensated for at twice the AAOV, and the investment in development shall be compensated for;
- (3) Acquired housing land, threshing ground or sunning ground shall be compensated for based on the original land type;
- (4) The compensation rate for allocated state-owned farm, forest farm, pasture or fishing ground shall be based on subparagraphs (1), (2) and (3) of this paragraph.

The compensation rate for acquired or allocated woodland shall be as stipulated by the state.

Article 24 The resettlement subsidy rates for land acquisition shall be as follows:

- (1) If the per capita cultivated area of the acquired land is 666.7 m<sup>2</sup> or more, the resettlement subsidy shall be 4 times the AAOV of the three years prior to acquisition; if the per capita cultivated area is less than 666.7 m<sup>2</sup>, the resettlement subsidy shall be increased by one AAOV for each 50 m<sup>2</sup> reduced; the resettlement subsidy for acquired cultivated land shall not exceed 15 times of the AAOV of the three years prior to acquisition at most;
- (2) The resettlement subsidy for acquired garden land or lotus root pond shall be 6 times the AAOV;

- (3) The resettlement subsidy for acquired fishpond shall be 4 times the AAOV;
- (4) The resettlement subsidy for allocated state-owned farm, forest farm, pasture or fishing ground shall be 5 times the AAOV;
- (5) Acquired collective housing land, construction land, threshing ground, sunning ground or newly reclaimed farmland that has been cultivated for less than 3 years shall be 4 times the AAOV.

Article 25 If land compensation fees and resettlement subsidies paid pursuant to Articles 23 and 24 above are still insufficient to maintain the existing living standard, especially if per capita cultivated area is less than 116.7 m<sup>2</sup> after land acquisition, resettlement subsidies may be increased with the approval of the provincial government. However, the sum of land compensation fees and resettlement subsidies shall not exceed 30 times the AAOV of the acquired land in the past three years.

Article 26 Attachments to the acquired land shall be compensated for as follows:

- (1) Young crops on the acquired land shall not be removed; if removal is necessary, they shall be compensated at the actual output value of one harvest in the current season;
- (2) If any house or facility on the acquired land are to be demolished, it shall be compensated for by property swap, in cash or through a combination thereof. The size of property swap shall be the building area of the demolished house, and the amount of cash compensation shall be based on the replacement cost for the building area of the demolished house and its newness;
- (3) The compensation rate for tombs and scattered trees (including fruit trees) on the acquired land shall be stipulated by the prefecture or municipal government;
- (4) For acquired threshing ground or sunning ground, the construction cost shall be compensated for.

Ground attachments and underground facilities cultivated or built after the issue of the land acquisition notice by the administrative department in charge of land shall not be compensated for; buildings and other facilities constructed on illegally occupied land shall not be compensated for.

Article 27 For acquired suburban vegetable land, a contribution to the vegetable land development fund shall be made, and such fund shall be managed by prefecture, municipal and county governments and used specifically for newly developed vegetable land, ranging from 15-30 yuan/m<sup>2</sup>.

Article 28 If collective cultivated land is approved for acquisition, agricultural tax shall be reduced based on the acquired land area.

Article 29 Compensation fees and resettlement subsidies for land acquisition shall belong to the collective affected by land acquisition, and used specifically for production development, surplus labor employment and living subsidies for those who cannot be employed, except that compensation fees for ground attachments and young crops that belong to individuals.

Article 30 Surplus labor resulting from land acquisition shall be resettled through agricultural and sideline production development, and the establishment of rural enterprises mainly, and may also be employed by the land user or any other entity if possible, and their resettlement subsidies shall be transferred to the entity absorbing labor. The measures for converting agricultural population affected by land acquisition into nonagricultural population shall be developed by the provincial government.

Article 31 If state-owned or collectively owned land is to be used temporarily for project construction, geologic investigation or any other purpose, an application shall be filed along with the application for construction land and approved by the administrative department in charge of land; in case of separate application for temporary land use, it shall be approved by the administrative department in charge of land of the county government in case of non-cultivated land, by the administrative department in charge of land of the prefecture or municipal government in case of cultivated land, or the administrative department in charge of land of the provincial government in case of basic farmland. Temporary land use in the urban planning area shall be first approved by the municipal administrative department in charge of construction before submission for approval.

The user of temporarily used land shall use the land for the approved purpose and shall not construct any permanent building thereon.

The period of temporary land use shall not exceed 2 years in general.

Article 32 According to subparagraphs (1) and (2) of paragraph 1 of Article 58 of the Land Administration Law of the PRC, if the right to use state-owned land is withdrawn on a compensated basis, the balance after deduction of use fees shall be returned to the original land user.

Article 33 One rural household can have only one housing site, and the size thereof shall be as follows:

- (1) Within the urban planning area, per capita size shall not exceed 20 m<sup>2</sup> and the size of one household shall not exceed 100 m<sup>2</sup>;
- (2) Out of the urban planning area, per capita size shall not exceed 30 m<sup>2</sup> and the size of one household shall not exceed 150 m<sup>2</sup>.

Housing site size in rural areas where per capita cultivated area is small shall be controlled strictly, while that in mountainous, semi-mountainous and frontier ethnic minority areas may be increased as appropriate.

The housing site cleared after the demolition of any rural residential house must be returned to the collective within a definite time and shall not be transferred without authorization.

For any approved housing site, the building must be constructed according to the approved location and size. If the building is not completed within two years, the land use right shall be withdrawn without compensation.

Article 34 The use of rural collective land by any rural collective economic organization to establish an enterprise or construct a rural public facility shall be approved pursuant to Article 22 above. If farmland is involved, Article 21 above shall apply.

## **2. Woodland Administration Measures of Yunnan Province**



Article 14 Any entity or individual approved to occupy or acquire farmland shall pay woodland and forest compensation fees, and resettlement subsidies to the affected entity and individuals, and forest vegetation restoration fees to the administrative department in charge of forestry at or above the county level. If vegetation is damaged due to temporary woodland occupation, it shall be restored by the land user. If it cannot be restored, the land user shall pay forest vegetation restoration fees to the local administrative department in charge of forestry.

Article 15 The compensation rates for occupation or acquisition of woodland shall be as follows:

- (1) Closed forest shall be compensated for at 3-5 times of the value of the timber storage thereon;
- (2) Natural young forest, shrub and firewood forest shall be compensated for at 30%-60% of the rate for closed forest as the case may be;
- (3) Artificial young forest shall be compensated for at 4 times the forestation, nurture and maintenance costs;
- (4) Economic forest (including orchard and bamboo forest) shall be compensated for at 6 times the annual output value;
- (5) Special-purpose forest shall be compensated for at 4 times the rate for closed forest;
- (6) Shelter forest shall be compensated for at 3 times the rate for closed forest;
- (7) Nursery land shall be compensated for at 6 times the AAOV of the past 3 years;
- (8) Land suitable for forest and under-grown woodland shall be compensated for at 30% of the rate for closed forest.

Woodland occupied or acquired in any municipality directly under the provincial government, the seat of any prefecture government or the planning area of Kaiyuan Municipality may be compensated for at higher rates, which shall not exceed 1.5 times the rates set out above.

Article 16 The compensation rates for forest felling shall be as follows:

- (1) Timber forest: Each artificial young tree shall be compensated for at 8 times the forestation cost, and each natural young tree at 30% the rate for artificial young forest, middle-aged and near-mature forest at 80% of the value of the timber storage thereon, and mature and overripe forest at 30% of the value of the timber felled;
- (2) Shelter forest and special-purpose forest shall be compensated for at 5 times the rate for timber forest;
- (3) Economic forest shall be compensated for at twice the AAOV of the past 3 years;
- (4) Rare tree species shall be compensated for at 10 times the timber value;
- (5) Nursery stock on nursery land shall be compensated for at the selling price.

Article 17 The resettlement subsidy rate for occupied or acquired woodland shall be 4 times the AAOV of the past 3 years in case of state-owned woodland, or twice the AAOV of the past 3 years in case of collective woodland.

### **3. Notice of the Yunnan Provincial Government on Issuing the Measures for the Trial Implementation of Basic Endowment Insurance for Land-expropriated Farmers**

Article 7 The government subsidy shall be allocated from collected special land acquisition funds at a time. During land acquisition, the government shall collect a sum of not less than 20,000 yuan per mu based on land rating, and use it specifically for basic endowment insurance.

Article 8 The individual contribution and the collective subsidy shall be disbursed from not more than 50% of resettlement subsidies and not less than 70% of land compensation fees. During land acquisition, governments at all levels shall estimate basic endowment insurance premiums

as part of land acquisition costs, and submit land compensation fees, resettlement subsidies and basic endowment insurance premiums so estimated to the finance, labor and social security, and land and resources departments.

#### **4. Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim)**

##### **Scope of application**

This standard shall apply when compensation fees for collective farmland acquired by the state are estimated within areas of Yunnan Province where new compensation rates for land acquisition apply. Compensation rates for the acquisition of collective construction land and state-owned farmland may be fixed by reference to this standard.

##### **Concepts**

###### **(1) Uniform AAOV rate for land acquisition**

Uniform average annual output value rate for land acquisition (“uniform AAOV rate” for short) is an integrated annual output value of farmland calculated based on the average output of irrigated land, rain-fed farmland, irrigable land, non-irrigated land, vegetable land, garden land and aquaculture water surface of a county (city, district) in the past 3 years, and by reference to the type of acquired farmland, land quality and rating, and farm product prices. Uniform AAOV rate for land acquisition is essentially the integrated annual output value of the acquired farmland that includes both the output value of farm products on the acquired farmland and other income thereon.

###### **(2) Division of uniform AAOV zones**

On the basis of AAOV calculation, a county (city, district) is divided into several zones with relatively consistent economic and social conditions as uniform AAOV zones for land acquisition. A county (city, district) may have several AAOV zones. The AAOV rate of a zone shall be based on the AAOVs of the townships in it, and the compensation rate for land acquisition of such zone shall be based on its AAOV rate and the corresponding compensation multiple.

###### **(3) Compensation multiple**

Average integrated compensation multiple, “compensation multiple” for short, is the total multiple of land compensation fees and resettlement subsidies, calculated based on the existing living standard, socioeconomic level and compensation rate for land acquisition in a uniform AAOV zone for land acquisition. A compensation multiple is corresponding to a uniform AAOV zone, and one zone has only one compensation multiple.

The compensation multiples of land compensation fees and resettlement subsidies shall be fixed pursuant to Article 47 of the Land Administration Law of the PRC, and Articles 23 and 24 of the Land Administration Regulations of Yunnan Province, but the total multiple of land compensation fees and resettlement subsidies shall not exceed 30. In a zone where the compensation multiple has been fixed, the total multiple of land compensation fees and resettlement subsidies shall not exceed the published or amended compensation multiple.

###### **(4) compensation rate for land acquisition**

In a zone for which a uniform AAOV has been fixed, the compensation rate for land acquisition shall be based on the uniform AAOV rate and the corresponding compensation multiple; in a zone for which a location-based composite land price for land acquisition has been fixed, the land price shall be the compensation rate for land acquisition.

###### **(5) Location-based composite land price for land acquisition**

Location-based composite land price for land acquisition, “location-based price” for short, is a location-based composite compensation rate calculated using the specified method based on land type, output value, location and rating, per capita cultivated area, land supply and demand, local economic level, and urban MLS level within the range of construction land identified in the master utilization plan of an urban administrative division or an area set as necessary.

#### **Application of compensation rates for land acquisition**

##### (1) Compensation in uniform AAOV zone

In a zone for which a uniform AAOV has been fixed, the amount of compensation for land acquisition shall be calculated based on the local uniform AAOV rate and the corresponding compensation multiple.

During the implementation of land acquisition, the compensation multiple may be adjusted in consideration of the type of the acquired land and the per capita cultivated area of the affected entity. See Section 8 “Correction system for compensation rates for land acquisition and notes on application” for the correction method.

##### (2) Compensation in location-based price zone

In a zone for which a location-based price has been fixed, the amount of compensation for land acquisition shall be calculated based on the location-based price of the zone of land acquisition. There shall be no correction system for location-based price, and the published location-based price shall apply directly.

#### **Treatment of special cases**

##### (1) Cross-zone land acquisition

In a linear project or a project that crosses zones with different compensation rates for land acquisition, the compensation rate for land acquisition shall be determined based on the published uniform AAOV rates or location-based prices of the relevant zones. If two neighboring zones differ greatly in compensation rate, the project area may be divided into several homogeneous segments based on land quality, per capita cultivated area and economic level to determine the compensation rate of each segment.

#### **Correction system for compensation rates for land acquisition and notes on application**

##### (1) Correction system for compensation rates

According to the calculation method of the compensation multiples of land compensation fees and resettlement subsidies in Article 47 of the Land Administration Law of the PRC, and Articles 23 and 24 of the Land Administration Regulations of Yunnan Province (September 24, 1999), and based on Yunnan Province’s practical conditions, the current land use and the per capita cultivated area of the affected entity shall be taken as the correction factors for compensation rate for land acquisition, a provincial correction system established, and a list of correction coefficients for compensation multiple prepared.

Since different parts of Yunnan Province differ greatly in natural, economic and social conditions, province-wide published compensation multiples shall be corrected in 3 intervals, namely 16-20, 21-25 and 26-30.

According to Article 47 of the Land Administration Law of the PRC, the combined total of land compensation fees and resettlement subsidies shall not exceed 30 times the average output value of the three years prior to acquisition. Therefore, corrected compensation multiple shall range from 16 to 30, except for grassland.

## **Appendix 3: Lending, Exemption, Support and Subsidization Policy**

Lending, exemption, support and subsidization means the government shall provide lending, tax and fee reduction and exemption, supporting services and financial subsidization measures to startup entrepreneurs since 2009. It was issued by General Office of Yunnan Province Government, 2009.

### **1. Lending:**

Graduates, migrant workers, ex-servicemen and returned students who have the ability to start up a business may apply for a small-amount business startup loan of not more than 50,000 yuan per capita.

According to the Measures for the Implementation of Small-amount Secured Loans of Chuxiong Prefecture, any eligible household affected by the Project may apply for a small-amount secured loan to solve financial difficulty in business startup.

#### **(1) Eligible borrowers**

All unemployed persons, ex-servicemen, returned students and returned farmers registered in Lufeng County who have been self-employed, started up businesses or entered into partnership, and are aged below 60 years for men and 55 years for women, physically healthy, honest and trustworthy, and able to provide a valid business license and a lawful means of guarantee may apply for a small-amount secured loan.

A labor-intensive small enterprise may apply for discount interest for its small-amount secured loan with the approval of the finance, and labor and social security departments.

#### **(2) Limit and term of loan, discount interest and recovery**

Limit of loan: (1) Any unemployed person engaged in individual business or partnership may apply for a small-amount secured loan of not more than 50,000 yuan per capita based on its business line, personal credit standing and ability to pay; the amount of loans for a partnership shall not exceed 200,000 yuan. (2) If a business started up successfully employs registered unemployed persons, it may apply for a small-amount secured loan of not more than 300,000 yuan based on the actual number of persons employed, business line and ability to pay. (3) A labor-intensive small enterprise that has employed unemployed persons in our prefecture accounting for 30% of its active workforce (15% for an enterprise with an active workforce of over 100) in the current year and entered into a labor contract of not less than one year may apply for a discount interest not more than 2 million yuan on its small-amount secured loan of based on the actual number of registered unemployed persons employed in the previous year, the term of the labor contract, credit standing and business status.

Term of loan: The term of small-amount secured loan for an individual business or partnership shall be two years in principle; if extension is necessary, the applicant shall file a written application with the county labor and social security bureau within one month before the maturity; the loan may be extended for more than one year without discount interest with the approval of the county labor and social security bureau, and the lending bank.

Calculation method of discount interest: fully discounted by the finance department

### **2. Exemption:**

Relevant administrative fees and taxes shall be exempted for startup entrepreneurs, who may apply for small-amount business startup loans without guarantee and without interest.

### **3. Support:**

Business startup consulting and training services  
Business startup project review  
Business startup mentoring  
Follow-up services

4. Subsidization:

Anyone who has started up a business successfully for one year shall be granted a subsidy of 1,000-3,000 yuan.

Any entity undertaking business startup support shall be granted a subsidy of 1,600 yuan for each person assisted in successful business startup.

Service process

(1) The entrepreneur files a business startup application with the undertaking agency;

(2) The undertaking agency provides consulting and training services to the applicant, reviews the proposed project preliminarily, and recommends the project to the rural credit cooperative;

(3) The rural credit cooperative reviews the project recommended by the undertaking agency and decides if a small-amount business startup loan will be granted; any granted loan will be withdrawn on schedule;

(4) The undertaking agency recommends a mentor to the entrepreneur and provides follow-up services;

(5) The finance, and labor and social security departments reviews, grants or writes off the successful startup subsidy and any bad loan proposed by the entrepreneur and the undertaking agency.

## **Appendix 4: Social Endowment Insurance Program for LEFs**

According to the Interim Measures for the Basic Endowment Insurance for Land - expropriated Farmers of Lufeng County (LCG [2011] No.92):

### **1. Principles for endowment insurance**

(1) Principle of insurance upon acquisition: If the LEF has attained 60 years, he/she shall be insured upon acquisition, i.e., after paying all premiums at a time, he/she will receive a pension monthly from the next month.

(2) Principle for raising of individual contribution, collective subsidy and government subsidy

(3) Principle of combination of pool account and individual account

### **2. Contribution of premiums**

#### **Contribution level:**

The level of contribution to basic endowment insurance for LEFs shall not be less than the MLS standard for urban residents of the current year published by the county civil affairs bureau.

(1) An LEF aged 16-60 years shall contribute premiums for 15 years at a time (basic pension payable - MLS standard for urban residents of Lufeng County in the current year × 180 months).

(2) An LEF aged 61 years or more shall contribute premiums for 10 years at a time (basic pension payable - MLS standard for urban residents of Lufeng County in the current year × 120 months).

#### **Percentage of contribution:**

Basic endowment insurance premiums shall be shared by the individual, village collective and government jointly proportionally:

(1) Fully LEFs (contracted collective cultivated land is fully acquired): The individual and the village collective economic organization contribute 20%, and government subsidy accounts for 80%.

(2) Largely LEFs (per capita contracted area of collective cultivated land is less than 0.3 mu): The individual and the village collective economic organization contribute 60%, and government subsidy accounts for 40%.

(3) Partly LEFs (per capita contracted area of collective cultivated land is 0.3 mu or more): The individual and the village collective economic organization contribute 80%, and government subsidy accounts for 20%.

Premiums paid above are basic premiums. If conditions permit, LEFs may establish individual accounts themselves.

### **3. Eligibility for receiving pensions and treatment**

(1) Eligibility for receiving pensions: Any insured having attained 60 years and paid stipulated premiums in full may receive a basic pension monthly until death;

(2) The basic pension shall be calculated and paid by reference to rural social endowment insurance;

(3) The basic pension shall not be less than the MLS standard for urban residents published by the county civil affairs bureau;

(4) For anyone who had participated in rural social endowment insurance before the basic endowment insurance system for LEFs was established, the former individual account shall remain unchanged, and when he/she attains receiving age, its pension will be paid together with the pension under basic endowment insurance for LEFs;

(5) The guaranteed period of receiving the basic pension shall be 10 years. If the insured is still alive after receiving the basic pension for 10 years, he/she shall continue to receive the basic pension as usual; if the insured dies before 10 years, the balance of his/her individual account will be returned to his/her legal heir or designated beneficiary with interest at a time; if he/she has neither legal heir nor designated beneficiary, the balance shall be included in the pool account with interest;

(6) If the insured dies before receiving age, the balance of his/her individual account will be returned to his/her legal heir or designated beneficiary with interest at a time; if he/she has neither legal heir nor designated beneficiary, the balance shall be included in the pool account with interest.

## **Appendix 5: Resettlement Information Booklet**

**ADB-financed Yunnan Chuxiong Urban  
Environment Improvement Project**

### **Lufeng County Project**

# **Resettlement Information Booklet**

Lufeng County Government  
August 2013



## 1. Background and Significance of the Project

1. Lufeng County is an inevitable place between Kunming City and western Yunnan. The county seat Jinshan Town is 97km away from the provincial capital Kunming City and 85km away from the prefecture seat Chuxiong City. All the 14 townships of the county are within the range of influence of the two major cities of Kunming and Chuxiong. Lufeng County is an integral part of the central Yunnan economic region, and a hotspot for investment. In order to improve the environment of the county, accelerate economic development and urbanization, and give better play to the county's role in the central Yunnan economic region, the ADB-financed Yunnan Chuxiong Urban Environment Improvement Project will be implemented.

## 2. Overview of the Project

2. The Lufeng County Urban Environment Improvement Project is a Project of the ADB-financed Yunnan Chuxiong Urban Environment Improvement Project, and consists of: (i) river management and flood control - some segments of the east and west rivers; (ii) urban development - road network and attachments; (iii) urban environmental health and sustainable development - urban solid waste management; and (iv) capacity building. Components (i) and (ii) involve LA, HD and resettlement, but Components (iii) and (iv) do not.

3. The river management and flood control component involves the management of a 2.0km segment of the east river and a 4.082km segment of the west river, and the urban development component involves the construction of 6 urban roads with a total length of 7.55km.

4. The Project was included in state planning in 2010, and is expected to break ground in 2013 and be completed in 2018. LA, HD, compensation and resettlement will begin in November 2013 and be completed in July 2015.

## 3. Resettlement Implementation Schedule

5. LA, HD and resettlement will begin in November 2013 and be completed in July 2015, as shown in Table 1.

**Table 1: Resettlement Implementation Schedule**

No.	Resettlement	Task	Agency responsible	Time	Remarks
<b>1</b>	<b>Information disclosure</b>				
1.1	RIB	5 villages with 33 groups	PMO, Resettlement Office / town government	Aug. 2013	
1.2	Disclosure of the RP on ADB's website		IA, PMO, ADB	Aug. 2013	
<b>2</b>	<b>RP and budget</b>				
2.1	RP and budget approval (compensation rates)	448,249,400 yuan	County government, PMO	Nov. 2013	
2.2	Village-level income restoration programs	5 affected villages	Village committees	Nov. 2013	
2.3	RP update after detailed design	/	EA, PMO	Oct. 2013	If necessary
<b>3</b>	<b>Detail Measure Survey</b>				
3.1	DMS on LA and HD		Resettlement Office	Oct. 2013	
<b>4</b>	<b>Compensation agreement</b>				
4.1	Village-level land compensation agreement	5 affected villages	Resettlement Office / AHs	Nov. 2013	

No.	Resettlement	Task	Agency responsible	Time	Remarks
4.2	Household land compensation agreement	673 AHs	Resettlement Office / AHs	Nov. 2013	
4.3	House compensation agreement	49 AHs	Resettlement Office / AHs	Nov. 2013	
<b>5</b>	<b>House resettlement</b>				
5.1	Selection and approval of housing sites	49AHs	County government, village committees, AHs	Nov– Dec. 2013	
5.2	Preparation of housing sites	2 places	County government, village committees	Dec. 2013	
5.3	House Demolition	49AHs	Resettlement Office / AHs	Dec. 2013	
5.4	Building new houses	49 AHs	Village committees or AHs	Dec. 2013 – Dec. 2014	
5.5	Moving into new houses	49 AHs	AHs	Dec. 2014	
<b>6</b>	<b>Implementation of restoration measures</b>				
6.1	Distribution of land compensation fees to AHs and land reallocation	5 affected villages	Town government, village committees	Dec. 2013	
6.2	Implementation of village-level income restoration programs	5 affected villages	Village committees	2013-2015	
6.3	Income restoration through business and employment	710 AHs	Town government, village committees, labor force	2014-2015	
6.4	Implementation of training program	710 AHs	Labor and social security bureau	Dec. 2013 – Dec. 2014	
6.5	Identifying vulnerable households and implementing assistance measures	167 AHs	Civil affairs bureau, labor and social security bureau, PMO	2013 -2014	
6.6	Identifying and hiring households for employment under the Project	About 1,000 APs	PMO, labor force, contractor	Dec. 2013 – Dec. 2018	
<b>7</b>	<b>Capacity building of resettlement agencies</b>				
7.1	PMO staff training	10 persons	ADB	Sep. 2013	
7.2	Training of county, town and village officials	50 persons	PMO	Sep. – Oct. 2013	
<b>8</b>	<b>Monitoring &amp; Evaluation</b>				
8.1	Baseline survey	One report	External M&E agency	Dec. 2013	
8.2	Establishing an internal M&E agency	As per the RP	PMO, IA	Oct. 2013	
8.3	Appointing an external monitoring agency	One	PMO	Nov. 2013	
8.4	Internal monitoring reporting	Quarterly in project progress report	PMO, IA	From Nov. 2013	
8.5	External monitoring reporting	Semiannual report	External M&E agency	Jan. 2014	1 <sup>st</sup> report
				Sep. 2014	2 <sup>nd</sup> report
8.6	External monitoring reporting	Annual report	External M&E agency	Jan. 2015	3 <sup>rd</sup> report
				Jul. 2015	4 <sup>th</sup> report
8.7	External evaluation and completion report	One report	IA, PMO, External M&E agency	Jul. 2016	
<b>9</b>	<b>Public consultation</b>		IA	Ongoing	
<b>10</b>	<b>Grievance redress</b>		IA	Ongoing	

No.	Resettlement	Task	Agency responsible	Time	Remarks
11	<b>Civil construction</b>				
11.1	Commencement of the construction		Winning bidder	Dec. 2013	
11.2	Completion of the construction			Dec. 2018	

#### 4. Impacts of the Project

6. Five (5) village/communities in Jinshan Town, Lufeng County will be affected by LA and HD, which are Guanwa Community, Beichang Village, Xinhe Community, Beimen Community and Nanmen Community, as shown in Table 2. 1,096.01 mu of collective land will be acquired permanently for the Project, including 1,082.43 mu of cultivated land (98.76%), and 13.58 mu of housing land (1.24%), affecting 673 households with 2,874 persons directly. 33.8 mu of collective cultivated land will be occupied temporarily, affecting 35 households with 111 persons. All residential houses demolished for the Project are rural residential houses, with a total area of 7,053 m<sup>2</sup>, including 5,167 m<sup>2</sup> in masonry concrete structure (73.26%), 280 m<sup>2</sup> in masonry timber structure (3.97%), 1,431 m<sup>2</sup> in earth timber structure (20.29%) and 175 m<sup>2</sup> in simple structure (2.48%), affecting 49 households with 196 persons, in which 12 households with 53 persons will also be affected by LA. In addition, the Project will also affect some ground attachments and infrastructure, such as trees, livestock pens and enclosing walls. One town with 5 villages in Lufeng County will be affected by LA and resettlement.

**Table 2: Administrative Divisions Affected by Resettlement**

Component	Subcomponent	Town	Village / community
Road construction component	1# line	Jinshan	Beichang Village, Guanwa Community
	2# line	Jinshan	Guanwa Community
	3# line	Jinshan	Beichang Village, Guanwa Community
	North extension of Shiji Street	Jinshan	Beichang Village
	Extension of Zhuluoji Street	Jinshan	Guanwa Community
	North extension of Jinshan South Road	Jinshan	Beichang Village
Road management component	East and west river management	Jinshan	Beichang Village, Guanwa Community, Xinhe Community, Nanmen Community, Beimen Community

#### 5. Legal Framework and Policies

7. The resettlement policies of the Project have been developed in accordance with the laws and regulations of the PRC, regulations and policies of Yunnan Province, Chuxiong Prefecture and Lufeng County, and ADB's policies.

##### 5.1 ADB policies

- Safeguard Policy Statement, June 2009
- Operations Manual (OM/F2), October 2003
- Gender Checklist, February 2003

## **5.2 Laws, regulations and policies of the PRC**

- Land Administration Law of the PRC (amended on August 28, 2004)
- Notice on Further Improving the Rural Housing Site Management System, and Protecting Farmers' Rights and Interests Practically (March 2, 2011)
- Urgent Notice of the General Office of the Ministry of Land and Resources on Performing the Administration of Land Acquisition and House Demolition Practically (MLA [2011] No.72)
- Guidelines of the State Council on Carrying out Trials on New-type Rural Social Endowment Insurance (SC [2009] No.32)

## **5.3 Regulations and policies of Yunnan Province**

- Opinions of the Yunnan Provincial Government on Strengthening Farmland Protection and Promoting Scientific Urbanization (YPG [2011] No.185)
- Notice of the Land and Resources Department of Yunnan Province on the Announcement and Implementation of the Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim) (May 18, 2008)

## **5.4 Regulations and policies of Chuxiong Prefecture**

- Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers of Chuxiong Prefecture (Announcement No.13 of the Chuxiong Prefecture Government) (September 5, 2009)
- Notice of the Chuxiong Prefecture Government on Issuing the Detailed Rules for the Implementation of Basic Endowment Insurance for Land-expropriated Farmers of Chuxiong Prefecture (December 3, 2009)
- Opinions of the General Office of the Chuxiong Prefecture Government on Exploring Ways of Promoting the Orderly Circulation of Rural Land Contracted Management Rights Actively (Interim) (CPGO [2009] No.22)
- Notice of the Chuxiong Prefecture Government on Doing a Better Job in Minimum Living Security for Destitute Rural Residents (CPG [2007] No.49)

## **5.5 Regulations and policies of Lufeng County**

- Notice of the Lufeng County Government on Issuing the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105)
- Notice of the Lufeng County Government on Issuing the Interim Measures for the Basic Endowment Insurance for Land-expropriated Farmers of Lufeng County (LCG [2011] No.92)

- Fee and Tax Rates for Land Acquisition Compensation and Approval in the Urban Planning Area of Lufeng County
- Reference Compensation Rates for Buildings, Structures, Power and Communication Facilities, and Water Resources Facilities of Lufeng County

## 6. Key Compensation Rates

### 6.1 Compensation Rates for Key Land Types

8. According to the Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim) (July 1, 2009), and the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105), the compensation rates for permanent LA of the Project are shown in Table 4-2.

**Table 3: Compensation Rates for Permanent LA**

No.	Land type	Compensation rate (yuan/mu)
1	Irrigated land	86040
2	Housing land	86040

Source: AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105)

### 6.2 Compensation for Temporary Land Occupation

9. Compensation for temporary land occupation includes compensation fees for temporary land occupation and land reclamation costs. All land occupied temporarily by the Project is irrigated land. These costs will be paid directly to the proprietors based on the actual period of occupation. See Table 4.

**Table 4: Compensation Rates for Temporary Land Occupation**

Item		Unit	Compensation rate
Compensation fees for temporary land occupation	Irrigated land	yuan/mu-year	1,200-1,800
Land reclamation costs	Irrigated land	yuan/mu	5,000

### 6.3 Compensation for Young Crops

10. According to the Land Administration Regulations of Yunnan Province, young crops on affected cultivated land will be compensated for at the actual output value per harvest of the current season. See Table 4-3.

**Table 5: Compensation Rates for Young Crops**

Land type	Season	Compensation rate (yuan/mu)
Irrigated land	Summer/spring crops	1,200
	Autumn/winter crops	600

Source: AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105)

## 6.4 Social Security for LEFs

11. According to the Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers of Yunnan Province, the basic pension for LEFs consists of 3 parts:

1. Government subsidy: During LA, the government will appropriate not less than 20,000 yuan/mu based on the land rating to be used specifically for basic endowment insurance;
2. Collective subsidy: to be disbursed from not less than 20% of land compensation fees;
3. Individual contribution: to be disbursed from not more than 50% of resettlement subsidies.

## 6.5 Compensation Rates for HD

12. All residential houses demolished for the Project are rural residential houses, and will be compensated for at replacement cost based on market appraisal, which will not be less than the benchmark compensation rates for HD fixed for the Project. In addition to compensation for HD, the households affected by HD will also receive a moving subsidy, a transition subsidy and other subsidies, as shown in Table 4-5. 3 resettlement modes are available at the option of the AHs: (i) cash compensation; (ii) property swap mainly; and (iii) cash compensation and land reallocation.

Table 6: Compensation Rates for HD

Nature	Type of compensation	Unit	Benchmark rate (yuan)	Remarks	
Rural residential house demolition	Residential houses	Housing land	yuan/m <sup>2</sup>	129	Actual rates are based on market appraisal (without regard to depreciation) and not less than the benchmark rates.
		Masonry concrete	yuan/m <sup>2</sup>	950	
		Masonry timber	yuan/m <sup>2</sup>	700	
		Earth timber	yuan/m <sup>2</sup>	450	
		Simple	yuan/m <sup>2</sup>	200	
	Subsidies	Moving subsidy	yuan/household	2000	Paid at a time, sufficient for two moves
		Transition subsidy	yuan/m <sup>2</sup> -month	5	Usually 12 months
		Early moving reward	yuan/household-day	100	Granted if an AH moves and its house demolished in advance of the specified period

## 6.6 Compensation Rates for Attachments and Infrastructure

13. The attachments affected by the Project are fruit trees and timber trees mainly. According to the Notice of the Lufeng County Government on Issuing the AAOV Rates for Land Acquisition and Compensation Rates for Ground Attachments of Lufeng County (Interim) (LCG [2009] No.105), the compensation rates for attachments and infrastructure affected by the Project are shown in Table 7 and Table 8. The pumping stations affected by the Project will be reconstructed by the owner.

**Table 7: Compensation Rates for Fruit Trees and Forests**

Type of trees		Unit	Specification (diameter at breast height, cm)	Compensation rate (yuan)
Fruit trees	Fruit-bearing	/	<3cm	10-15
		/	3-5cm	15-20
		/	>=5cm	20-30
		/	Newly grown in the current year	8-10
	Non- fruit-bearing	/	<5cm	80
		/	5-10cm	180
		/	>=10cm	240
Timber trees	Non-grown	/	<5cm	4-6
		/	5-10cm	8-10
		/	Newly grown in the current year, <1m high	1
		/	Newly grown in the current year, >=1m high	3
		/	Firewood forest	4
	Grown	/	5-10cm	10-15
		/	10-15cm	15-25
		/	>=15cm	25-50

**Table 8: Compensation Rates for Attachments and Infrastructure**

Item	Unit	Compensation rate
Simple structure (including earth walls, brick-wall asbestos tile houses, pigpens, cowsheds)	yuan/m <sup>2</sup>	100-120
Brick enclosing walls	yuan/m <sup>2</sup>	120-150
Concrete terraces	yuan/m <sup>2</sup>	30
Water wells	yuan/m <sup>2</sup>	140
Ponds	yuan/m <sup>2</sup>	140
Low-voltage lines (including poles)	yuan/km	20000

## 6.7 Assistance Measures for Vulnerable Groups

14. During the whole resettlement process, the PMO, IA and local government will not only subject vulnerable groups to living and production resettlement as planned, but will also provide certain assistance to improve their living and production conditions. The key measures are as follows:

### (1) Establishing a support fund for vulnerable groups

15. A support fund for vulnerable groups of 381,200 yuan will be established in the resettlement costs of the Project, used to support vulnerable groups affected by the Project. Five-guarantee households, MLS households, households affected by disability, old people living alone, women-headed households, and other vulnerable households affected by LA and/or HD will receive a support subsidy of 2,000 yuan.

## **(2) Giving priority to vulnerable groups in resettlement measures**

16. During resettlement, affected vulnerable households will have priority, including:

### **Households affected by LA:**

- Providing land transfer information with priority and assisting in obtaining land required for production development;
- Providing skills training, public welfare jobs and reserved jobs to laborers in these AHs, and granting small-amount secured loans to eligible AHs with priority;
- Including them in endowment insurance for LEFs and new-type rural endowment insurance with priority.

### **Households affected by HD:**

- Providing resettlement information with priority;
- For special vulnerable groups, such as elderly widows and destitute households, if the housing size available for swap is less than 40 m<sup>2</sup>, a 40 m<sup>2</sup> apartment may be granted directly, and they may purchase a 10 m<sup>2</sup> commercial store at cost price;
- Five-guarantee households, elderly widows and dependents of martyrs affected by HD who empty their houses within the specified period will receive a one-time special difficulty subsidy of 3,000 yuan upon presentation of a valid certificate.

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

17. According to Lufeng County's MLS policy for urban and rural residents, eligible vulnerable groups affected by the Project will be included in the MLS system and receive MLS benefits so as to ensure that the per capita net income of each rural AH is not less than 693 yuan/year and the per capita income of each urban AH is not less than 179 yuan/month.

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

18. Urban and rural medical assistance will be provided to eligible vulnerable groups to solve their difficulty in receiving medical care.

## **6.8 Resettlement Budget**

19. All costs incurred during the LA and resettlement shall be included in the general budget of the Project. Based on prices of 2012, the resettlement costs of the Project are 448,249,400 yuan, including rural LA costs of 95,599,600 yuan or 21.33% of total costs, compensation fees for temporary land occupation of 209,600 yuan or 0.05%, compensation fees for rural residential house demolition of 8,865,500 yuan or 1.98%, compensation fees for infrastructure and ground attachments of 29,302,100 yuan or 6.54%, resettlement planning and monitoring costs of 614,000 yuan or 0.14%, taxes, and training and management costs of 267,684,000 yuan or 59.72%, and contingencies of 10% of total costs.

## **6.9 Other Policy-based Costs**

20. Rates of other policy-based costs will be based on the applicable regulations and policies of the PRC and Yunnan Province.



## 7. Entitlement Matrix

**Table 9: Entitlement Matrix**

Type of impact	Degree of impact	APs	Compensation and resettlement policy
Permanent LA	1,096.01 mu, including 1,082.43 mu of cultivated land, and 13.58 mu of housing land	673 households with 2,874 persons in 33 groups of 5 villages/communities in Jinshan Town	<p>(1) Cash compensation: Land compensation fees will belong to village groups, and be used mainly for collective investment (e.g., bazaar construction on returned land) and public welfare (e.g., infrastructure construction, benefit distribution and poverty relief); resettlement subsidies will be distributed in two ways mainly: 1) one-time average distribution among the registered population; and 2) direct payment to the AHs. The compensation for ground attachments and young crops will be paid to their proprietors.</p> <p>(2) Return of land: 10% of the acquired land area will be returned to the affected village groups, and used for production and living resettlement via land development.</p> <p>(3) Agricultural resettlement: including land transfer, crop cultivation and stockbreeding planning</p> <p>(4) Employment: The employment of LEFs will be promoted through employment by local enterprises and under the Project.</p> <p>(5) Small-amount secured loan: LEFs will be supported pursuant to applicable policies.</p> <p>(6) Skills training: 2,000 men-times will be trained for free under the Project.</p> <p>(7) Social security: Security measures will be offered pursuant to policies on endowment insurance for LEFs and new-type rural/urban endowment insurance.</p>
Temporary land occupation	33.8 mu, for construction sheds and spoil, all cultivated land	35 households with 111 persons in Beichang Village	<p>(1) Compensation will made for the period of occupation and losses, and include young crop compensation fees and reclamation costs; the maximum period of occupation will be 2 years.</p> <p>(2) Temporary land occupation will be notified in advance and compensated for accordingly.</p> <p>(3) The temporarily occupied land will be restored by the construction agency under the supervision of the APs.</p>
Residential house demolition	7,053m <sup>2</sup> , including 5,167 m <sup>2</sup> in masonry concrete, 280 m <sup>2</sup> in masonry timber, 1,431 m <sup>2</sup> in earth timber and 175 m <sup>2</sup> in simple structure	50 households with 196 persons in Beichang Village and Guanwa Community	<p>(1) Compensation for houses is based on replacement cost without regard to depreciation.</p> <p>(2) The AHs will receive a moving subsidy, a transition subsidy and an early moving reward.</p> <p>(3) 3 resettlement modes (cash compensation, property swap and land reallocation) are offered at the option of the AHs.</p>
Women	/	1,541 women	<p>(1) Women will have priority in employment, and at least 30% of them will receive unskilled jobs.</p> <p>(2) Women will have priority in receiving free skills training; 2,000 men-times will be trained in total, in which at least 1,000 men-times (50%) will be offered to female laborers.</p> <p>(3) Women will receive relevant information during resettlement, and are able to participate in resettlement consultation. Special women FGDs will be held to introduce resettlement policies.</p>

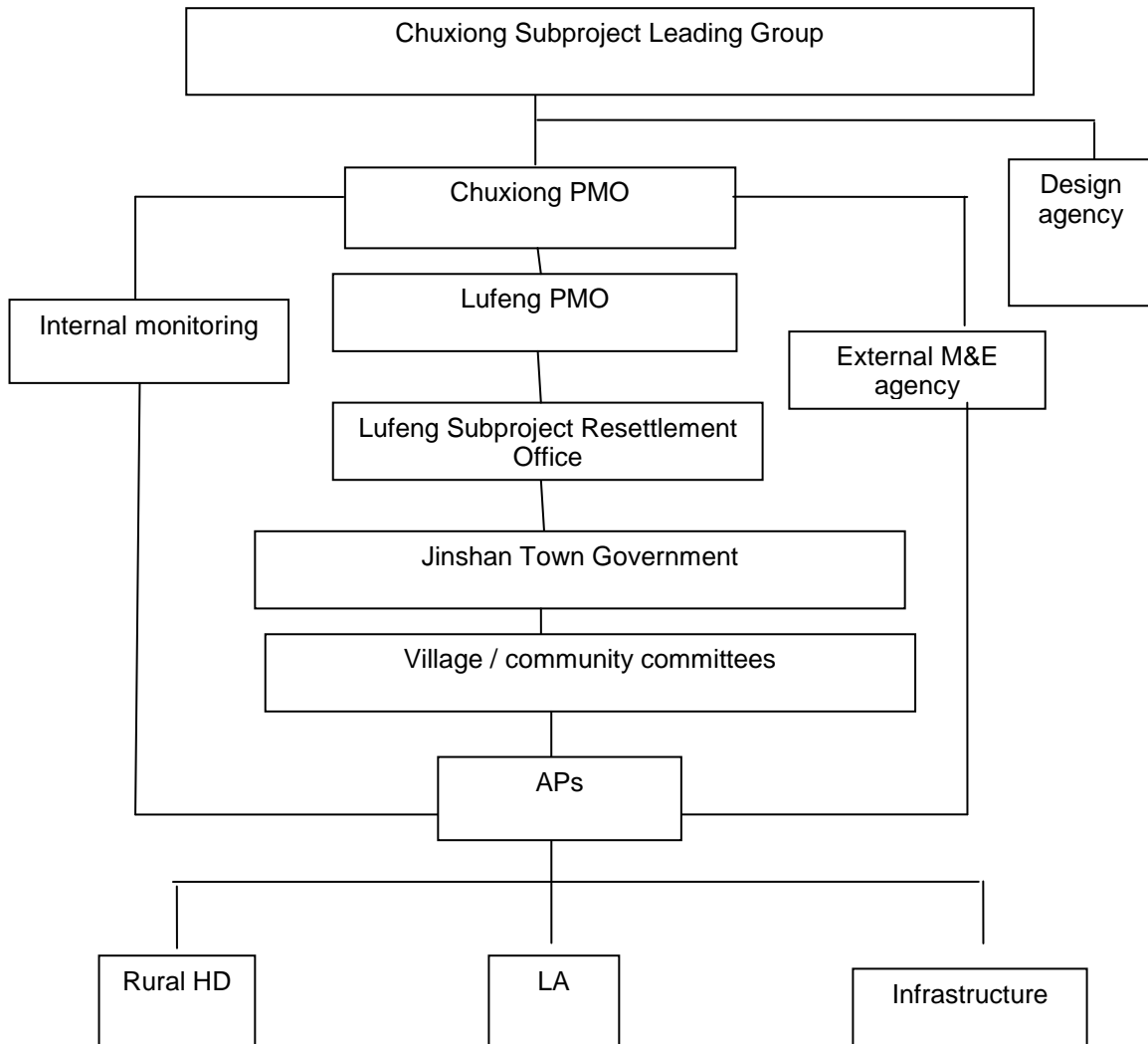
Type of impact	Degree of impact	APs	Compensation and resettlement policy
Vulnerable groups	Disability, MLS, five-guarantee and women-headed households	39, 116, 3 and 8 households respectively, 704 persons in total	(1) Laborers in vulnerable households will have priority in receiving training and job opportunities. (2) Two members (at least one woman) of each AH will receive livelihood training and prior job opportunities, e.g., participation in project construction. (3) Each affected vulnerable household will receive a destitution subsidy of 2,000 yuan.
Ethnic minorities	the Yi nationality	28 persons in total	(i) Ethnic minorities have priority in employment, and all of them shall receive unskilled jobs. (ii) Ethnic minorities have priority in receiving free skills training as well
Special facilities and ground attachments	10 types, including trees and canals	Proprietors	(1) Affected special facilities will be restored by proprietors after receiving compensation from the owner of the Project, or reconstructed by the owner according to the original size, standard and function. (2) Compensation fees will be calculated and disbursed for ground attachments as stipulated.
Grievances and appeals	/	All APs	Free; all costs so reasonably incurred will be disbursed from the contingencies

## 8. Resettlement Organizational Structure

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

- Chuxiong Project Leading Group
- Chuxiong PMO
- Lufeng PMO
- Lufeng Project Resettlement Office
- Jinshan Town Government
- Village (community) committees
- Design Institute
- External M&E agency
- Other agencies, e.g., land and resources bureau, HD management office, women's federation, labor and social security bureau

22. The resettlement organizational structure of the Project is as follows:



## 9. Grievances and Appeals

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

Stage 1: If any right of any AP is infringed on in any aspect of land acquisition, property demolition and resettlement, he/she can report this to village committee. The village committee or the AP may resort to the town government to solve the issue. The town government shall record such appeal and solve it together with the village committee or the AP within two weeks.

Stage 2: If the appellant is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the Lufeng Project Resettlement Office after receiving such disposition, which shall make a disposition within 2 weeks.

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

Stage 4: If the appellant is still dissatisfied with the disposition of Stage 3, he/she may file an appeal to Chuxiong prefecture PMO and to competent administrative authorities level by level in accordance with the Administrative Procedure Law of the PRC for arbitration after receiving such disposition.

24. If the appellant person is dissatisfied with the grievance process at any stage, he/she may file an action in a civil court directly in accordance with the Civil Procedure Law of the PRC.

25. 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 will remain effective to ensure that the APs can use them to address relevant issues. The above grievance redress system will be communicated to the APs at a meeting or through the RIB, so that the APs know their right of appeal. In addition, the appeal process will be published to affected population on mass media.

26. The APs may also express grievance to the external monitoring agency, who would then report it to Lufeng County resettlement office, Lufeng Land and Resource Bureau, and Chuxiong 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>5</sup>.

<b>Agency</b>	<b>Name</b>	<b>Telephone Number</b>
Chuxiong Prefecture PMO	Li Shiyang	13908789337
Lufeng County ADB PMO	Wang Yilan	13529702669

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<sup>5</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>.

## **Appendix 6: Terms of Reference for External Monitor**

### **1. Purpose of resettlement monitoring and evaluation**

According to ADB's resettlement policy, the resettlement of the Project will be subject to external monitoring and evaluation. The land acquisition and resettlement of the project will be tracked and evaluated by checking the progress, funds and management of land acquisition, house demolition and resettlement, and making a comparative analysis of the variation and restoration of the production level and standard of living of APs. Monitoring and evaluation reports are submitted to Chuxiong PMO and then ADB regularly (twice a year during the implementation period). Information and suggestions will also be provided as a reference for decision-making. Through external monitoring and evaluation, ADB and the implementing agency can fully understand if the land acquisition and resettlement 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) Monitoring and evaluation of implementation progress of land acquisition and house demolition, including:
  - (a) progress of land acquisition;
  - (b) progress of temporary land occupation;
  - (c) demolition and relocation of affected households; and
  - (d) restoration of infrastructure.
- (ii) Monitoring and evaluation of availability and utilization of funds, including:
  - (a) availability of funds; and
  - (b) utilization of funds (planned vs. actual).
- (iii) Monitoring and evaluation of the standard of living of APs, including:
  - (a) production level and standard living of AP before LA&R;
  - (b) production level and standard living of AP after LA&R; and
  - (c) comparative analysis and evaluation of production level and standard living of AP before and after LA&R
- (iv) Capacity evaluation of the implementing agency, public participation, complaints and appeals.

### **3. External monitoring agency**

The external resettlement monitoring and evaluation work of the project shall be undertaken by an external monitoring agency entrusted by the Chuxiong PMO and accepted by ADB.

### **4. Organization of resettlement monitoring and evaluation**

The Chuxiong PMO shall entrust the external monitoring agency to take charge of the survey, data collection and computational analysis for monitoring and evaluation, and to review the corresponding findings.

The external monitoring agency shall set up a "resettlement monitoring and evaluation taskforce of the Project", whose task is to monitor and evaluate the resettlement work of the project, prepare the monitoring and evaluation outline, select monitoring targets, take charge of field

survey, monitoring and in-house analysis, and prepare resettlement monitoring and evaluation reports according to the ADB Policy on Involuntary Resettlement.

During the field monitoring and survey by the taskforce, the Choxiong PMO and IA shall offer assistance in staffing and traffic.

## **5. Methods of resettlement monitoring and evaluation**

A combination of field survey, computational analysis and comprehensive expert evaluation shall apply to monitoring and evaluation.

The survey shall be conducted comprehensively. The progress, funds, organization and management of implementation shall be surveyed in all aspects, while the displaced households shall be subject to sampling survey.

The sampling survey shall be based on random sampling to track the fixed households in the typical sample. Sampling rates: 10-20% of severely affected HHs and a number of others, such as vulnerable HHs.

The complete survey shall be conducted in the methods of structured survey (questionnaire survey), discussion and literature search, etc.

Tracer surveys, using the baseline survey questionnaire, will be applied to assess the change in living standard, livelihoods and income. This will be the basis to determine whether resettlement has been successfully completed.

Except written materials, photos, audio and video records, real objects shall also be collected.

### **6.1 Monitoring Indicators**

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) Occupation of adults but gender
- (iii) Land area by type
- (iv) House type (quality)
- (v) Housing area
- (vi) Income by source
- (vii) Expenditure by type
- (viii) Major assets ownership
- (ix) Cropping pattern (cultivated area of each crop).

## 6.2 Regular Monitoring and Evaluation

During the implementation of the 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) Resettlement and restoration of production and livelihoods;
- (vi) Compensation for property losses;
- (vii) Schedule for the above activities (applicable at any time);
- (viii) Use of compensation fees for land and income of the displaced persons ;
- (ix) Increase in employment income of labor;
- (x) Whether the affected people benefit from the project;
- (xi) Degree of satisfaction or problems identified;
- (xii) The degree of participation and consultation of AP during implementation; and
- (xiii) Resettlement training and its results.

## 7. Reporting of external resettlement monitoring and evaluation

The external monitoring agency shall submit a resettlement monitoring report to the Chuxiong PMO, and Chuxiong PMO shall submit the report to ADB semiannually. And two external resettlement evaluation reports should be done once a year after the resettlement completion.

Item	Report	Date
1	Socioeconomic Baseline Survey Report	Dec. 2013
2	Monitoring Report (No.1)	Jan. 2014
3	Monitoring Report (No.2)	Jul. 2014
4	Monitoring Report (No.3)	Jan. 2015
5	Monitoring Report (No.4)	Jul. 2015
6	Resettlement Evaluation and Completion Report	Jul. 2016

## 8. Monitoring Budget

A total budget for all components is about CNY1,213,600, including CNY341,100 from this component that is 0.08% of the total resettlement cost of this component.

## **Appendix 7: Resettlement Due Diligence Report**

### **Chapter 1 Project Background**

Lufeng Urban Infrastructure and environment improvement project is one of the subprojects of ADB Chuxiong Urban Environment Improvement Project, which includes: (1) river rehabilitation and flood control—east river and part of the west river; (2) urban development—road network and associated facilities; (3) city environmental health and sustainable development—municipal solid waste management; (4) capacity building.

River rehabilitation and flood control subcomponent covers 2.0km of east river and 4.082km of west river. It includes: (1) river rehabilitation for 50-70m in width; (2) 3-meter wide spillways on both river banks; (3) 30-meter wide landscaping on both sides of the river banks.

River rehabilitation subproject is divided into 2 parts which will be financed by the IA and ADB, respectively. The IA finance part includes 4.082km of west river and 100meter from the west and east river intersection to the east, whose construction scope will only cover (1) river rehabilitation for 50-70m in width, and (2) 3-meter wide spillways on both river banks, 30-meter wide landscaping on both sides of the river banks is not included. The ADB finance part includes 2.0km of east river outside of the 100meters from the west and east river intersection to the east, whose construction scope covers (1) 50- meter wide river rehabilitation and (2) 3-meter wide spillways on both river banks, and (3) 30-meter wide landscaping for the whole length under river rehabilitation subproject (2.0km of east river and 4.082km of west river).

The ADB finance part of river rehabilitation involves land acquisition and resettlement, therefore the Resettlement Plan for Lufeng Subproject was drafted by the IA according to the ADB safeguard policy (2009) and relevant national laws and regulations. The IA finance part also involves land acquisition and resettlement, although it is not financed by ADB, it is associated with the ADB finance river section, therefore, according to ADB Safeguard Policy 2009, due diligence needs to be conducted for the land acquisition and resettlement for this river section.

This report is the due diligence report. This report will be included into the RP as an appendix, and the IA shall conduct the land acquisition and resettlement works for the IA finance part according to the agreement and requirement set forth in this report and the RP, and conduct monitoring and assessment on the project.

### **Chapter 2 The Scope of Influence**

This project involves permanent land acquisition of 0 mu state land, 143mu collective land, including farmland of 132.44mu, homestead of 0 mu, and uncultivated land of 11.47 mu. The permanent land acquisition will affect 970 households, 3806 people. The temporary land use is 34.8mu, including state land of 0 mu, collective land of 37.6 mu, in which, 34.8mu is farmland, 2.8mu is uncultivated land. Temporary land use will affect 121 households with 473 people in the short term. No house demolition is involved with this project. Besides, the project will also affect some ground attachment and infrastructures, such trees, livestock pens, walls, etc. The project land acquisition and resettlement will affect 4 villages with 10 village groups in Jinshan town of Lufeng County.

The detailed scope of influence is in table 1, 2, 3, 4 and 5. Project river locates in the north and west of the existing urban area, see table 1.



**Table 1: The Scope of Influence for Permanent Land Acquisition**

	Village/Committee	Group/Committee	Permanent Land Acquisition (Mu)						
			State land	Collective land	Irrigable land	Dry land	Vegetable Field	Homestead	Uncultivated land
1	Nanmen Committee	Xiashui Group 3		4.70					
2	Nanmen Committee	Xiashui Group 4		0.16					
3	Gunwa Village	Jiuxue Group 1		15.41					11.47
4	Gunwa Village	Jiuxue Group 2		5.09					
5	Gunwa Village	Jiuxue Group 3		8.10					
6	Gunwa Village	Xishan Group 2		16.50					
7	Gunwa Village	Xishan Group 3		4.49					
8	Gunwa Village	Xishan Group 4		1.94					
9	Gunwa Village	Xishan Group 5		0.35					
10	Gunwa Village	Zuijiaxing		1.59					
11	Gunwa Village	Chaijiaxing Group 1		1.11					
12	Gunwa Village	Chaijiaxing Group 4		4.33					
13	Gunwa Village	Changfang		17.64					
14	Beichang Village	Zhuangke Village Group		23.23					
15	Beichang Village	Xiaobeichang Village Group		13.41					
16	Beichang Village	Beichang Group 7		14.39					
17	Total			132.44					11.47

**Table 2: The scope of influence for temporary Land Use**

	Village/Committee	Group/Committee	Temporary Land Use (Mu)						
			State land	Collective land	Irrigable land	Dry land	Vegetable Field	Home stead	Uncultivated land
1	Nanmen Committee	Xiashui Group 3		2.19					
2	Nanmen Committee	Xiashui Group 4		0.31					
3	Gunwa Village	Jiuxue Group 1		1.08					2.79
4	Gunwa Village	Jiuxue Group 2		3.37					
5	Gunwa Village	Jiuxue Group 3		2.26					
6	Gunwa Village	Xishan Group 2		3.73					
7	Gunwa Village	Xishan Group 3		1.13					
8	Gunwa Village	Xishan Group 4		0.66					
9	Gunwa Village	Xishan Group 5		0.27					
10	Gunwa Village	Zuijixing		0.71					
11	Gunwa Village	Chaijixing Group 1		0.24					
12	Gunwa Village	Chaijixing Group 4		3.12					
13	Gunwa Village	Changfang		3.33					
14	Beichang Village	Zhuangke Village Group		5.48					
15	Beichang Village	Xiaobeichang Village Group		3.93					
16	Beichang Village	Beichang Group 7		2.99					
17	Total			34.8					2.79

**Table 3: Demolition**

	Village/Committee	Group/Committee	Residence ( m <sup>2</sup> )					Others ( m <sup>2</sup> )		
			Steel and Concrete	Brick and Concrete	Brick and wood	Earth and wood	Simple	Toilet	Livestock pen	Others
1	Beichang Village	Beichang Group 7							340	

**Table 4: Affected Persons**

	Village/Committee	Group/Committee	By Land Acquisition		By Resettlement		By Both	
			Households	Persons	Households	Persons	Households	Persons
1	Nanmen Committee	Xiashui Group 3	34	175				
2	Nanmen Committee	Xiashui Group 4	11	47				
3	Gunwa Village	Jiuxue Group 1	60	234				
4	Gunwa Village	Jiuxue Group 2	70	280				
5	Gunwa Village	Jiuxue Group 3	62	204				
6	Gunwa Village	Xishan Group 2	62	248				
7	Gunwa Village	Xishan Group 3	57	247				
8	Gunwa Village	Xishan Group 4	61	224				
9	Gunwa Village	Xishan Group 5	63	266				
10	Gunwa Village	Zuijixing	62	235				
11	Gunwa Village	Chaijixing Group 1	31	127				
12	Gunwa Village	Chaijixing Group 4	45	169				
13	Gunwa Village	Changfang	74	280				
14	Beichang Village	Zhuangke Village Group	73	291				
15	Beichang Village	Xiaobeichang Village Group	127	460				
16	Beichang Village	Beichang Group 7	77	313	1	6		
17	Total		969	3800	1	6		

**Table 5: Affected Group Attachment**

	Village/Committee	Group/Committee	Ground Attachment						
			Trees	Fruit Tree	Pole	Wire ( m )	Toilet	Livestock Pen	Others
1	Nanmen Committee	Xiashui Group 3	8026	3684	4	120			
2	Nanmen Committee	Xiashui Group 4	802	602	5	150			
3	Gunwa Village	Jiuxue Group 1	12715	15143	5	140			
4	Gunwa Village	Jiuxue Group 2	7045	2030	2	50			
5	Gunwa Village	Jiuxue Group 3	3119	1079	2	40			
6	Gunwa Village	Xishan Group 2	14671	13114	3	60			
7	Gunwa Village	Xishan Group 3	266	77	5	150			
8	Gunwa Village	Xishan Group 4	2852	721	4	140			
9	Gunwa Village	Xishan Group 5	382	121	4	120			
10	Gunwa Village	Zuijixing	353	202	3	150			
11	Gunwa Village	Chaijixing Group 1	116	77	3	100			
12	Gunwa Village	Chaijixing Group 4	13816	3877	2	70			
13	Gunwa Village	Changfang	19665	21669	2	60			
14	Beichang Village	Zhuangke Village Group	51780	7187	2	50			
15	Beichang Village	Xiaobeichang Village Group	11091	5899	4	80			
16	Beichang Village	Beichang Group 7	35560	8040	3	75		1	
17	Total		182259	83522	53	1555		1	

### Chapter 3 The Laws and Compensation Standard

Project land acquisition and resettlement shall comply with relevant national laws and regulations which has been written in the RP for Lufeng subproject.

The compensation standard for land acquisition and resettlement is as that in the RP. Compensation standard for land acquisition is as shown in Table 6, 7 and 8, for resettlement is shown in table 9, for ground attachment is shown in table 10 and 11.

**Table 6: Permanent Land Acquisition Compensation Standard**

Category	Land compensation (Yuan/Mu)	Resettlement Compensation (Yuan/Mu)	Total(Yuan/Mu)
Farmland	28680	57360	86040
Homestead			86040

**Table 7: Crop Compensation Standard**

Planting Season	Compensation(Yuan/Mu)
Summer/Spring Grains	1200
Autumn/Winter Grains	600

**Table 8: Temporary Land Use Compensation Standard**

Item		Unit	Compensation
Temporary land use	Farmland	Yuan/Mu·Year	800 - 1200
Temporary used land recovery	Farmland	Yuan/Mu	5,000

**Table 9: House Demolition Compensation Standard**

Housing Nature	Compensation Category		Unit	Base Price ( Yuan )	Notes
Countryside House Demolition	Residence	Homestead	Yuan/m <sup>2</sup>	129	Actual compensation standard is to be defined based on market value assessment (regardless of depreciation), to be not less than the base price
		Brick and concrete	Yuan /m <sup>2</sup>	950	
		Brick and wood	Yuan /m <sup>2</sup>	700	
		Earth and wood	Yuan /m <sup>2</sup>	450	
		Simple	Yuan /m <sup>2</sup>	200	
	Other Compensation	Relocation Subsidy	Yuan /household	2000	Provide at one time, enough for twice relocation
		Temporary Housing Subsidy	Yuan /m <sup>2</sup> ·month	5	Normally 12months
		Incentive fees for relocating earlier	Yuan/Household·day	100	The incentive fees will be given to the affected households who will move in advance within the given time limit. Maximum 30 days.

**Table 10: Fruit Trees and Woods Compensation Standard**

Tree		DBH(cm)	Compensation ( Yuan )
Fruit Tree	Without fruits	< 3cm	10-15
		3—5cm	15-20
		> 5cm	20-30
		New trees	8-10
	With fruits	< 5cm	80
		5—10cm	180
		> 10cm	240
Commercial tree	Young trees	< 5cm	4-6
		5—10cm	8-10
		New trees < 1m (height)	1
		New trees > 1m ( height )	3
		Firewood	4
	Grown Trees	5—10cm	10-15
		10—15cm	15-25
		> 15cm	25-50

**Table 11: Ground Attachment and Infrastructure**

Item	Unit	Compensation (Yuan)
Simple house( including earth wall, asbestos tile house, pen for pigs or cattle )	Yuan/m <sup>2</sup>	100-120
Brick wall	Yuan/m <sup>2</sup>	120-150
Concrete floor	Yuan/m <sup>2</sup>	30
Well	Yuan/m <sup>3</sup>	140
Water pond	Yuan/ m <sup>2</sup>	140
Low-voltage line ( pole included )	Yuan/km	20000

## **Chapter 4 Implementation Schedule**

The project land acquisition and resettlement started on 25 April 2013. Project detailed design was finished on 15 March 2013. The land acquisition and resettlement amount was detailed according to the detailed design on 25 April 2013; so far 1% has been finished.

The Project IA conducted public participation and consultation towards the affected villages and villagers, introduced the project scope, implementation plan and compensation standard.

The implementation plan includes:

1. 25 April 2013 to 25 July 2013, measurement and counting of the land use and ground attachment to be finished;
2. 26 July 2013 to 25 August 2013, finish the compensation payment for land acquisition and resettlement and cleaning the site;
3. 26 August 2013 to 31 August 2013, finish the follow-ups of land acquisition and land use;
4. 1 September 2013 to 30 November 2013, finish construction;
5. December 2013, project acceptance.

## **Chapter 5 Implementation Institute**

The Project IA is the Construction Management Bureau for River Rehabilitation Project in Lufeng, responsible for the river rehabilitation and spillway construction. A working group is established under the bureau to be in charge of the land acquisition, whose main responsibilities are:

Investigate, measure, register, record and compensation payment, provide project land in time and address disputes, ensure smooth construction.

## **Chapter 6 Budget**

The cost for land acquisition and resettlement is included in the total project budget. Land acquisition and resettlement cost is 23,218,840 RMB, in which 12,554,710 is for collective land acquisition; 233,060 is for temporary land use; 0 is for countryside residence demolition compensation; 3,564,930 is for infrastructure and ground attachment compensation; 4,545,140 is for taxes, training and management; 10% contingency fee.

**Table 12: Resettlement Budget**

No.	Item	Unit	Compensation rate (yuan/unit)	Qty. (unit)	Budget (0,000 yuan)	Percent (%)
<b>1</b>	<b>Basic resettlement costs</b>	<b>yuan</b>	<b>\</b>		<b>1635.270</b>	<b>70.43%</b>
1.1	Compensation fees for permanent LA	yuan	\		1255.471	54.07%
1.1.1	Cultivated land	mu	86040	143.91	1238.202	53.33%
1.1.2	Housing land	mu	86040	\	\	
1.1.3	Young crop compensation fees	mu	1200	143.91	17.269	0.74%
1.2	Temporary land occupation	mu	\		23.306	1.00%
1.2.1	Compensation fees for temporary land occupation	mu	1200	37.59	4.511	0.19%
1.2.1	Deposit for land reclamation	mu	5000	37.59	18.795	0.81%
1.3	Compensation fees for HD	yuan	\	\	\	
1.3.1	Masonry concrete structure	m <sup>2</sup>	950	\	\	
1.3.2	Masonry timber structure	m <sup>2</sup>	700	\	\	
1.3.3	Earth timber structure	m <sup>2</sup>	450	\	\	
1.3.4	Simple structure	m <sup>2</sup>	200	\	\	
1.3.5	Transition subsidy	m <sup>2</sup> -year	60	\	\	
1.3.6	Moving subsidy	HH	2000	\	\	
1.3.7	Early moving reward	HH-month	3000	\	\	
1.3.8	Resettlement land costs for HD	HH	49259.89	\	\	
1.4	Compensation fees for ground attachments	yuan	\		356.493	15.35%
1.4.1	Livestock pens	m <sup>2</sup>	120	340	4.080	0.18%
1.4.2	Brick enclosing walls	m <sup>2</sup>	150	\	\	
1.4.3	Terraces	m <sup>2</sup>	30	\	\	
1.4.4	Ponds	m <sup>3</sup>	140	\	\	
1.4.5	Wells	m <sup>3</sup>	140	\	\	
1.4.6	Fruit trees	/	20	83522	167.044	7.19%
1.4.7	Adult timber trees	/	10	182259	182.259	7.85%
1.4.8	Telegraph poles	km	20000	1.555	3.110	0.13%
1.4.9	Guard rooms	m <sup>2</sup>	120	\	\	
<b>2</b>	<b>Support fund for vulnerable groups</b>	<b>yuan</b>	<b>\</b>		<b>\</b>	
<b>3</b>	<b>Resettlement planning and monitoring costs</b>	<b>yuan</b>	<b>\</b>		<b>\</b>	
<b>4</b>	<b>Training costs (0.5% of basic costs)</b>	<b>yuan</b>	<b>\</b>		<b>8.176</b>	<b>0.35%</b>
<b>5</b>	<b>Taxes and fees on LA</b>	<b>yuan</b>	<b>\</b>		<b>446.338</b>	<b>19.22%</b>
5.1	LA management costs (2.1% of basic costs)	yuan	\		45.788	1.97%
5.2	Farmland occupation tax	mu	17333.42	143.91	249.445	10.74%
5.3	Land reclamation costs	mu	10500	143.91	151.106	6.51%
<b>6</b>	<b>Contingencies (10% of total costs)</b>	<b>yuan</b>	<b>\</b>		<b>232.100</b>	<b>10.00%</b>
<b>7</b>	<b>Total</b>	<b>yuan</b>	<b>\</b>		<b>2321.884</b>	<b>100.00%</b>



## **Chapter 7 Monitoring**

Chuxiong Project Management Office will conduct internal monitoring on the land acquisition and resettlement, meanwhile, an external monitoring institute will be solicited by the project management office to conduct the external monitoring. See details in Lufeng RP.