



External Monitoring Report

Project Number: 45507-003
June 2016

PRC: Yunnan Chuxiong Urban Environment Improvement Project – Resettlement External Monitoring Report (No. 3) for Lufeng Component

Prepared by Sichuan Fontal Strategic Consulting Co., Ltd

For Chuxiong Prefecture Project Management Office

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**Asian Development Bank Loaned Chuxiong Urban
Environmental Improvement Project Lufeng Sub-project**

**Resettlement External Monitoring Report
(Phase III)**

**Sichuan Fontal Strategic Consulting Co. Ltd
July 2016**

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1. Summary of Monitoring

1.1 Summary of the Project

Lufeng urban environmental improvement project (the Project) is one of the sub-projects of the urban environmental improvement projects of Chuxiong Yi Autonomous Prefecture with loan from the Asian Development Bank.

Contents of the Project consist of: (1) East River and the West River embankment protection, landscaping, and flood early warning system; (2) about 7.5km urban roads and associated facilities, and a stormwater detention pond system; (3) urban solid waste management equipment, including garbage compactor trucks, garbage collection vehicles and street sweeping vehicles; (4) ability development.

Total approved investment on the Project is CNY 1.013 billion as to the feasibility report, including USD 50.418 million (equal to CNY 307.5 million) loan from the Asian Development Bank (accounting for 30.35%) and supporting fund of CNY 705.8 million from domestic China (accounting for 69.65%).

1.2 Construction Progress

At present, procedures to be implemented in domestic China, including project approval, location planning, preliminary land reviewing, environmental appraisal, water protection, resettlement action plan and feasibility report, are finished. On June 16, 2015, bidding on construction supervision for the “ADB Loaned Chuxiong Urban Environmental Improvement Project Lufeng Urban Roads and Watercourse Comprehensive Regulation Sub-project” was held in Chuxiong Prefecture Trading Center of Common Resources and the proposed winner is Yunnan Urban Construction Engineering Consulting Co., Ltd. Related contracts were submitted to ADB for reviewing and such contracts were finally signed. For the purpose of pushing forward construction of the Project, the ADB Project Office in Lufeng County carried out the PPP work for ADB projects and had finished the prequalification work of the social capital contributors on June 20, 2016.

1.3 Summary of Resettlement Monitoring

Land acquisition, demolition and resettlement works are involved in the river regulation, flood control and construction of roads for urban development and auxiliary facilities of the Lufeng sub-project. The estimated resettlement cost of the Project is RMB 345.58 million, including basic land requisition (and occupation) cost, house demolition cost, taxes and contingencies, accounting for 34.13% of the total budget of the Project. Anyway, the land acquisition and demolition work hasn't started officially yet. Chuxiong Wanding Geological Information Co., Ltd is entrusted to carry out statistics on the population, land area and ground attachments of villages affected by land acquisition and demolition. The Lufeng sub-project is pushed forward slowly and the land requisition and house demolition work hasn't started yet; the demolition work started just now and the actual demolition amount of and final resettlement measures for 29 households to be demolished were confirmed. All these 29 households prefer resettlement in nearby areas and would be resettled in Guangou Community, Shangying Community and Beiguang Community, respectively.

1.4 Monitoring and Evaluation

Sichuan Fontal Strategic Consulting Co., Ltd, entrusted by the ADB Project Office of Chuxiong Prefecture with the external independent monitoring and evaluation service on the Project, has prepared the independent monitoring and evaluation work plan which defines the scope, contents, monitoring indicators, working methods and time

schedule of the external monitoring and evaluation service for the Project.

On June 21, 2016, the monitoring team arrived at Lufeng County affected by the Project to collect information for monitoring and evaluation. The team had fully learned the implementation progress of resettlement work there by ways of actively survey on public opinions and door-to-door interviewing with affected villagers, in addition to the informal discussion with leaders of the affected towns and villages. Thus, opinions of affected population on resettlement work are learned and sufficient communication is realized.



Picture 1-1 The resettlement monitoring team is discussing with related institutions

2. Monitoring on Impacts of the Project

2.1 Planned Data of Impacts by the Project

Planned data of impacts by the Asian Development Bank (ADB) loaned Chuxiong Yi Autonomous Prefecture Urban Environmental Improvement Project Lufeng Sub-project are as follows: totally 1,130.89mu of collectively-owned land will be expropriated permanently, with 2,827 people from 663 households being affected directly; totally 33.8mu of land will be occupied temporarily, with 111 people from 35 households being affected; totally 3,292m² of houses will be demolished, with 120 people from 29 households being affected. 5 villages/communities of Jinshan Town, Lufeng County will be involved in the resettlement work.

Up to the monitoring of the current phase, the land acquisition and demolition work hasn't started yet and data of actual impacts will be reported in the coming monitoring phases.

3. Monitoring on Compensation Standards and Compensation Funds

On June 1, 2016, the People's Government of Lufeng County released the *Standard of Compensation for Land Requisition Involved in the Asian Development Bank Loaned Chuxiong Urban Environmental Improvement Project Lufeng Urban Roads and River Regulation Sub-project* and the *Resettlement Action Plan for the Asian Development Bank Loaned Chuxiong Urban Environmental Improvement Project Lufeng Urban Roads and River Regulation Sub-project*. Later on June 2, 2016, the same government released the file LZF [2016] No.57 where the aforesaid standard of compensation and the resettlement action plan for the Project were approved. The latest compensation standards, higher than the former ones to be applied, will be used here in the Project, according to the *Uniform Annual Output Value for Land Acquisition and Compensation Standards for Ground Attachments of the Expropriated Land* (trial) (LZT [2009] No. 105) issued by the People's Government of Lufeng County and the file LZF [2010] No. 28.

The latest standards of compensation for land requisition and demolition involved in the Project are as follows:

CNY 86,070/mu for vegetable land, CNY 86,040/mu for paddy land, CNY 44,772/mu for dry land and CNY 52,920/mu for orchards (fruit, mulberry and tea gardens); the compensation standard for residence sites keep the same with that before construction of the Project.

Compensation standards for crops: CNY 2,000/mu for vegetable land, CNY 1,500/mu for spring-summer crops and CNY 1000/mu for winter-spring crops (paddy land), or CNY 1,000/mu for spring-summer crops and CNY 800/mu for winter-spring crops (dry land).

The latest compensation standards for relocation of graves are shown below:

CNY 1,000/grave (earth graves and rubble graves, CNY 1,200/grave (brick graves), CNY 1,600/grave (rock graves); for joint-burial graves, the compensation level is 1.6 times of single-burial graves. Lump-sum rewards will be granted for signing of the grave relocation agreement and relocating graves in time stipulated in the aforesaid agreement, to be specific, CNY 500 for each earth grave, CNY 600 for each brick grave, CNY 800 for each rock grave and CNY 1,000 for each joint-burial grave.

The latest compensation standards for demolition and relocation of houses involved in the Project are as follows:

CNY 1,300/m² for houses of steel-concrete structure, CNY 1,200/m² for houses of brick structure type I (decorated, with ceramic tiled outer wall), CNY 900/m² for houses of brick structure type II, CNY 800/m² for houses of brick-wood structure type I (decorated interior, with painted outer wall), CNY 700/m² for houses of brick-wood structure type II, CNY 600/m² for houses of earth-wood structure, and CNY 300/m² for houses of simple structure, Tuzhang houses (traditional houses of Yi people) (brick-wall asbestos-tile houses, roofed toilets, curing barns, earth-wall asbestos-tile houses, hog houses and cow houses included).

Subsidies for moving will be granted at the rate of CNY 2000/household/time. Such subsidies will be granted twice considering transitional resettlement. Temporary resettlement fund will be granted at the rate of CNY 7/m²/month for 12 months. Award for earlier moving is provided at the rate of CNY 500/household for each earlier day (not longer than 20 days at the maximum) commenced from the day when the house is handed-over empty and available for immediate demolition. For households enjoying the five guarantees, seniors without family but living with support from the civil

administration authority, martyr's families, and disabled people, to be relocated because of the Project, lump-sum special grants will be offered at the rate of CNY 3,000/person.

The resettlement work of the Project hasn't started yet and the actually applied documents and compensation standards will be monitored, evaluated and reported after the official implementation of resettlement work.

4. Organizational and Public Participation

4.1 Organizational Structure

To actually strengthen administration of the ADB loaned project, push forward powerfully construction of the Project and enhance the use efficiency of the ADB loan, Lufeng County has set up the ADB loaned project command to fully take charge of the overall planning and coordination of the Project. Lufeng Urban Construction Investment and Development Co., Ltd are responsible for the implementation of the Project.

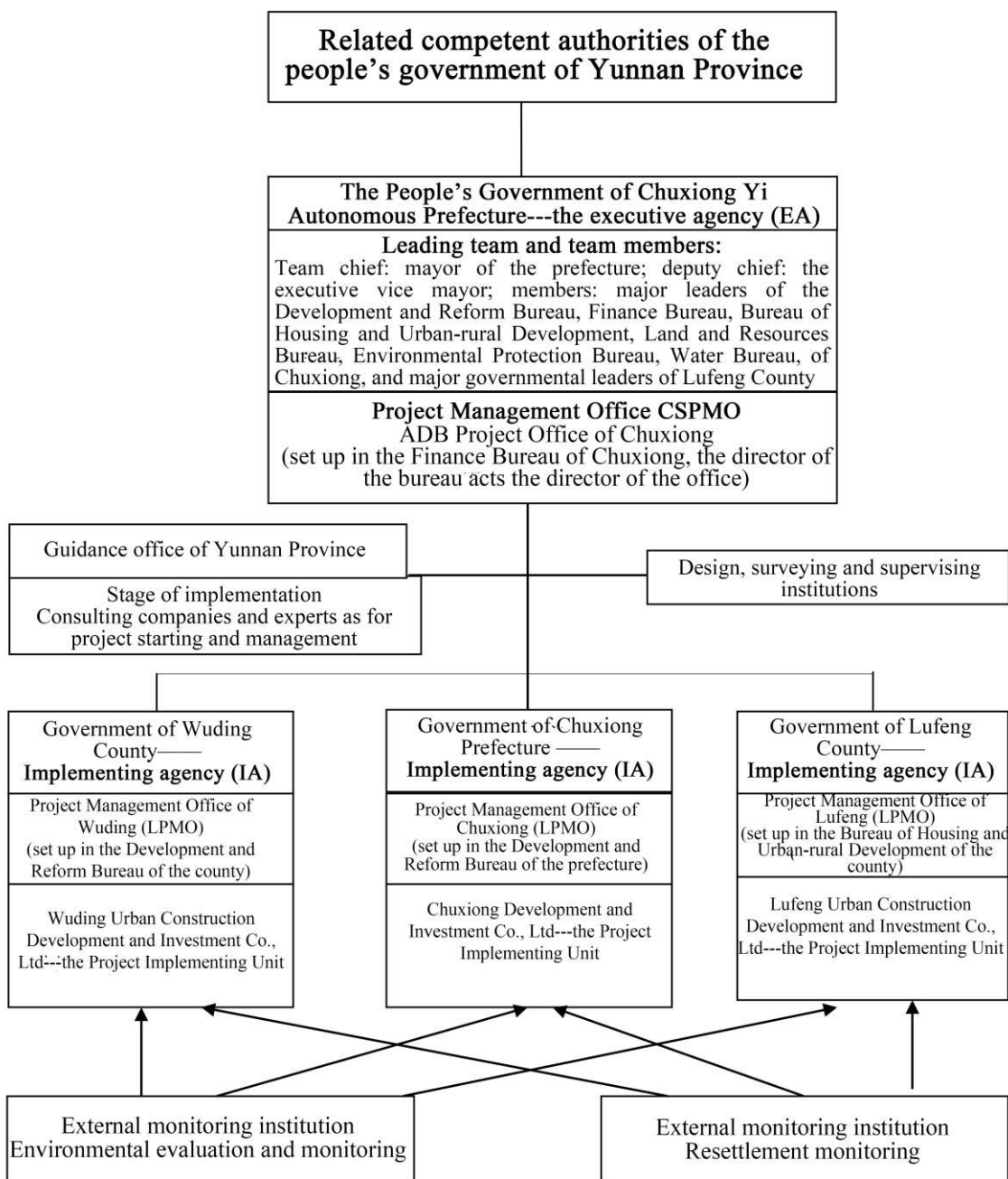


Figure 4-1 Organizational Chart of the ADB Loaned Chuxiong Project

4.2 Work of the Monitoring Team and Public Participation

Public participation of the Project is reflected as: 1) Public participation in the preparatory stage of the Project; 2) Public participation in the implementation stage of

the Project.

Standards determining quality of public participation include: 1) Knowledge of the public about policies concerning land acquisition, demolition and resettlement; the more knowledge and the earlier understanding, of the public, indicate the higher public participation degree; 2) the voice of the public on policies concerning land acquisition, demolition and resettlement; the more voice of the public proves the higher degree of public participation.

Contents for and ways of public participation are as follows: 1) negotiate and villager meeting; 2) announcements (publicize related policies via media and announcements); 3) participate in survey on physical losses and survey on social and economic conditions; 4) discuss on compensation standards; 5) choose the site to build the resettlement houses; 6) build new houses at the free will; 7) choose employment ways; 8) make comments on the final use of the compensation fund for land acquisition.

5. Conclusion of Monitoring

Contents of the ADB Loaned Chuxiong Urban Environmental Improvement Project Lufeng Sub-project consist of: (1) East River and the West River embankment protection, landscaping, and flood early warning system; (2) about 7.5km urban roads and associated facilities, including the rainwater pond system with capacity of 68,135m³, the water supply and drainage facilities, rainwater pipelines and pollutant intercepting facilities; (3) urban solid waste management equipment, including garbage compactor trucks, garbage collection vehicles and street sweeping vehicles; (4) ability development. At present, China domestic works including discussion and approval on the Project establishment, site selection and planning, land use preliminary reviewing, environmental impact assessment, conservation of soil and water, resettlement action plan and feasibility report are finished. For the purpose of pushing forward construction of the Project and made available the domestic supporting funds, the ADB Project Office in Lufeng County carried out the PPP work for ADB projects and had finished the prequalification work on social capital contributors by June 20, 2016. Up to now, no material progress in land requisition and house demolition is made when compared to those in the monitoring phase II. The compensation standards for the Project are improved in certain degree compared to those set forth in the updated resettlement action plan. The external monitoring organization will make detailed and overall report on the resettlement work in the next phase and monitoring on the livelihood recovery of the affected population will be treated as a key point for external monitoring and evaluation then.