



Resettlement Planning Document

Project Number: 45507-003
December 2016

PRC: Yunnan Chuxiong Urban Environment Improvement Project – Updated Resettlement Plan for Chuxiong City Longchuan River Component

Prepared by Chuxiong Prefecture Project Management Office

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Asian Development Bank

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

**Chuxiong Urban Infrastructure and Environment
Improvement Subproject:
Chuxiong City Longchuan River Component**

Updated Resettlement Plan

**ADB-Financed Project Management Office of the Chuxiong Prefecture Government
Chuxiong City Government
December 2016**

Letter of Commitment

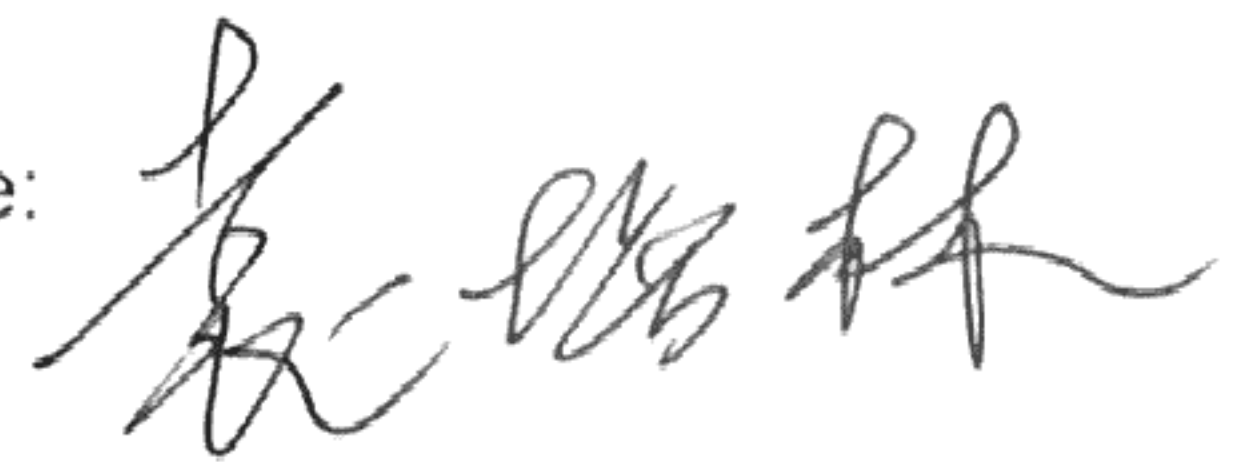
The Chuxiong City Government (CCG) has applied for a loan from the Asian Development Bank (ADB) for this Project through the Ministry of Finance of the People's Republic of China (the "PRC"). Therefore, this Project must be implemented in accordance with ADB's social safeguard policies. This updated 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).

CCG 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. CCG also promises to conduct land acquisition, house demolition and resettlement in accordance herewith during project implementation. CCG has discussed this updated RP with the administrative departments concerned and obtained their consensus. CCG hereby authorizes the Chuxiong Development and Investment Company Limited (CDICL) to implement this Project and the People's Government of Donggua Town in Chuxiong City is in charge of the resettlement work, and other government agencies in the Project area to implement this Project and the related resettlement work within their jurisdictions.

Chuxiong City Government

deputy mayor in charge:

Date: June 9, 2017



Executive Summary

1. Introduction

1. The Chuxiong City Urban Environment Improvement Project (the Upper Longchuan River Improvement Part) (the Project) is one of subprojects of the ADB-financed Yunnan Chuxiong Urban Environment Improvement Project. The project aims to improve the flood protection standard of the upper section of Longchuan River in Chuxiong City, protect local people's lives and properties, and ensure the city's social and economic development.

2. Impacts of LA and resettlement

2. A total of 253.52 mu of collective land will be acquired permanently for the Project, including 234.26 mu of cultivated land and 19.26 mu of fishing pond, affecting 567 households with 2,281 persons. Compared with the original RP, the reasons for increasing land acquisition impacts include: (i) 6,824 meters ecological grass ditch and 136 rain gardens are added, (ii) at the site of ZX6+374, a new natural wetland is added (iii) for the remaining small piece of land, the local villages prefer to be acquired; and (iv) some flood land with land contract are identified as collective land during DMS. 124.25 mu collective land will be occupied temporarily, including 112.47 mu paddy land and 11.88 mu vegetable land, affecting 94 households with 482 persons. Totally, 661 households with 2,723 persons will be affected by the Project. Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau is affected, and 160 m² brick-wood structure house will be demolished. The Project also affects some ground attachments, such as canals and retaining walls. Five villages/communities, one town in Chuxiong City are affected by land acquisition (LA) and temporary land occupation.

3. The Project was included in state planning in 2010, and is expected to commence in 2017 and be completed in 2018. The LA, relevant compensation and resettlement will begin in December 2016 and be completed in June 2017. The estimated resettlement costs are 95.3858 million yuan (2015 price).

3. Policy framework and entitlements

4. 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), the Notice of the Yunnan Provincial Government on Further Strengthening Land Acquisition Administration (YPG [2004] No.55) (March 20, 2004), relevant land acquisition and resettlement regulations of Chuxiong City, and ADB's Safeguard Policy Statement (June 2009).

5. All affected persons (APs) are 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 paddy land, fishpond and vegetable fields is 80,000 yuan/mu, and for dry land is 40,000 yuan/mu. Compensation for young crops in paddy land and vegetable land is 1,500 yuan/mu, and that for dry land and mulberry field is 1,000 yuan/mu and 15,000 yuan/mu respectively. These compensation standards are based on full replacement value. The cash compensation for structures, ground attachments are also based on full replacement value without any depreciation.

4. Resettlement and restoration

6. Income restoration measures for the APs include (i) cash compensation, (ii) skills training and (iii) priority employment for the Project. Since the acquired land is located along the upper

Longchuan River and linear in shape, the loss is small to each affected household and has little impact on the routine agricultural production of affected households.

7. Based on discussion with the community leaders and representatives of the APs, affected households can receive the compensation fees for young crops and ground attachments directly. The land compensation fees and resettlement subsidies are retained by the village group as a fund. The fund can be used for production development, public facility construction of the affected group, or save in bank for interest. The fund is used subject to collective group discussion, and approved by township governments. (i) In Cheping Community, the interest and profits thereon produced from the fund is distributed among the registered population of the village group at the year end. The community will adjust the remaining land each year. (ii) In Donggua Community, the remaining land will not be adjusted. Each year, the AH can receive subsidy based on type of the acquired land.

8. In addition, Chuxiong City Project Management Office (CCPMO) has established a special fund of 224,000 yuan (1% of basic resettlement costs) to support affected vulnerable groups. The Chuxiong Prefecture PMO (CPPMO) with the Chuxiong City Civil Affairs Bureau will use this fund specifically for the assistance of affected vulnerable groups.

5. Public participation and information disclosure

9. The affected groups and persons were informed of key information of this resettlement plan (RP), and involved in the Project by various means, e.g., meeting, interview, focus group discussion (FGD), public participation meeting and community consultation, etc, and their comments have been fully incorporated into the RP.

10. The updated Resettlement Information Booklet (RIB) was distributed to the AHs in December 2016. 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 updated RP based on detailed measurement survey (DMS) will be disclosed to APs and published on ADB's website.

6. Grievance redress

11. CCPMO, the Chuxiong Development and Investment Company Ltd.(CDIC), the affected town government and village committees are responsible for coordinating and settling grievances and appeals arising from resettlement. The grievance redress mechanism will be established by CCPMO. The APs may file appeals about any aspect of resettlement, including collective land acquisition and compensation rates. 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).

7. Agencies

12. Chuxiong Prefecture Project Leading Group is the executing agency of the Project and responsible for the overall deployment and supervision of the Project and solving problems of major issues. The Chuxiong Prefecture PMO (Chuxiong PMO) is responsible for planning the resettlement under the leadership of the Chuxiong Prefecture Project Leading Group, and gathering resettlement plans of each subproject, monitoring and reporting the progress of implementation progress of each RP to ADB.

13. CCPMO is the implementing agency (IA) of the Project and is mainly responsible for organizing the resettlement work of the Project, and making decisions and consultation on major issues arising from construction and resettlement. The affected Donggua town government and village committees are responsible for the cooperation for implementation of this RP with

CCPMO and local land resource administration bureau. Chuxiong City Resettlement Office is responsible for the detail work of the RP implementation.

8. Implementation schedule

14. The resettlement schedule of the Project is prepared based on the progress of 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
1	Information disclosure				
1.1	Updated RIB	5 villages with 20 groups	CCPMO, Donggua town government	December 2016	Done
1.2	Disclosure of the updated RP on ADB's website		IA, PMO, ADB	December 2016	Ongoing
2	Resettlement Plan Budget				
2.1	RP and budget approval (compensation rates)	95.3858 million yuan	Government, CCPMO, CDICL	June 2016	Done
2.2	Village-level income restoration programs	2 affected villages	Village committees	March-May 2016	Done
2.3	RP update after detailed design	/	EA, PMO	June 2016	Done
3	Detail Measurement Survey				
3.1	DMS on LA	5 affected villages	CDICL	March-April 2016	Done
4	Compensation agreement				
4.1	Village-level land compensation agreement	2 affected villages	Land & resources bureau	December 2016-March 2017	Ongoing
4.2	House demolition compensation agreement	Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau	Land & resources bureau	December 2016-March 2017	Ongoing
5	Implementation of restoration measures				
5.1	Payment of land compensation fees to AHs and land reallocation (if possible)	2 affected villages	Town government, village committees	January-June 2017	Ongoing
5.2	Implementation of village-level income restoration programs	2 affected villages	Village committees	2016-2018	Ongoing
5.3	Income restoration through business and employment	528AHs	Town government, village committees, labor and social security bureau	2016-2018	Ongoing
5.4	Implementation of training program	528 AHs	Labor and social security bureau	March 2017-March 2018	Ongoing
5.5	Identifying vulnerable households and implementing assistance measures	40 HHs	Civil affairs bureau, PMO	March 2016-March 2018	Ongoing
5.6	Hiring APs for employment under the	304 job opportunities during construction;	PMO, labor and social security bureau,	April 2017-December 2018	Ongoing

No.	Resettlement	Task	Agency Responsible	Time	Remarks
	Project	19 job opportunities during operation	contractor		
6	Capacity building of resettlement agencies				
6.1	PMO staff training	15 persons	ADB	May 2015	Done
6.2	Training of county, town and village officials	400 persons	PMO, land & resources bureau	May 2015-May 2016	Done
7	Monitoring & Evaluation				
7.1	Baseline survey	One report	External M&E agency	February 2015	Done
7.2	Establishment of Internal Monitoring System	Based on RP	PMO, IA	February 2015	Done
7.3	Recruit an external monitoring agency	One	PMO	February 2015	Done
7.4	Internal monitoring reporting	Quarterly in project progress report	PMO, IA	From March 2015	Ongoing
7.5	External monitoring reporting	Semiannual report/ Annual report	External M&E agency	2015-2018	Ongoing
7.6	Resettlement completion report	One report	IA, PMO	December 2018	Ongoing
8	Public consultation		IA	2015-2018	Ongoing
9	Grievance redress		IA	2015-2018	Ongoing
10	Disbursement of compensation fees				
10.1	- Disbursement to the IA	Initial funds		June 2016	Done
10.2	- Disbursement to villages	All funds	IA	January-June 2017	Ongoing
10.3	- Disbursement to AHs	All funds	IA, village committees	January-June 2017	Ongoing
11	Commencement of civil construction				
11.1	Construction of the Project		CDICL	April 2017	Ongoing

9. Monitoring and evaluation and reporting

15. Resettlement implementation is subject to internal and external monitoring. Internal monitoring is performed by CPPMO and CCPMO, and an internal monitoring report is submitted to ADB quarterly. CPPMO will recruit an independent agency to conduct external monitoring and evaluation (M&E) semiannually during the resettlement implementation, and M&E costs are included in the resettlement budget. An external monitoring report is submitted to ADB annually for two years after the completion of resettlement.

10. Resettlement budget

16. All costs incurred during LA and resettlement shall be included in the total budget of the Project. Based on prices of December 2015 the resettlement costs of the Project are 95.3858 million yuan, including rural LA costs of 22.1513 million yuan or 23.22% of total costs, and compensation fees for infrastructure and ground attachments of 0.2921 million yuan or 0.31% of total costs, and taxes and fees costs of 63.3228 million yuan or 66.39%.

Glossary

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

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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

Units

Currency unit	=	yuan (CNY)
CNY1.00	=	\$0.15
1 hectare	=	15 <i>mu</i>

1. Overview of the Project

1.1. Introduction

1. This resettlement plan (RP) is prepared for the Chuxiong City Urban Environment Improvement Project (the Upper Longchuan River Part) (the Project), one of subprojects of the Yunnan Chuxiong Urban Environment Improvement Project, in accordance with the Land Administration Law of the PRC (amended on August 28, 2004), 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), Land Acquisition Compensation Standard for the 15 Prefectures (Municipalities) in Yunnan Province (amended) issued by the Yunnan Provincial Land Resources Department (effective on June 1, 2014), Notice of the Chuxiong City Government on Issuing the Administrative Measures for Collective Land Acquisition of Chuxiong City (CCG [2010] No.183) (October 2010), and ADB's Safeguard Policy Statement (June 2009).

2. Chuxiong City PMO (CCPMO) prepared the original RP with assistance of Chuxiong Prefecture PMO (CPPMO) and Hohai University, a consulting agency during PPTA stage in 2013, and updated the RP based on detailed design and DMS. The key data and information in this RP is from four sources: (i) information provided by CPMO and CCPMO, e.g., the Feasibility Study Report, detailed design, detailed census survey results, organizational responsibilities and staffing; (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 by the task force through FGDs, interviews and questionnaire survey.

1.2. Description

3. The Project covers rehabilitation and improvement of the upper Longchuan River in the section in Chuxiong City from the exit of the spillway of the Qingshanzui Reservoir to the expressway bridge over the river in Shangzhang Village, with a total length of 9.385km. The flood control standard for the Project is once flood in every 10 years in some subsections of the river and once flood in every 50 years in other subsections.

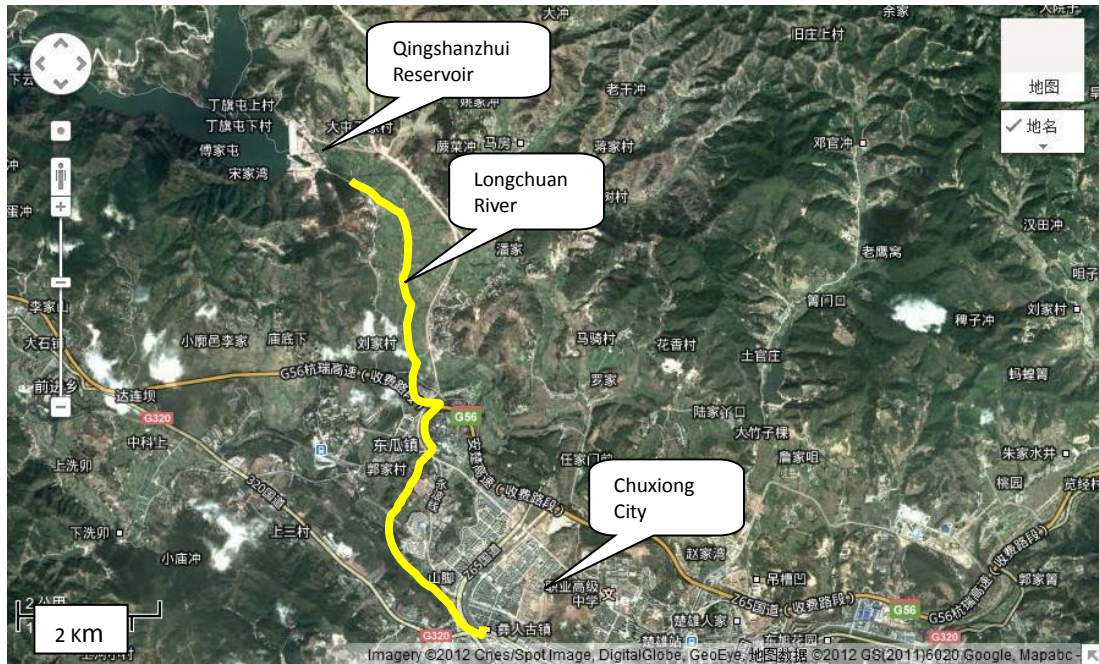


Figure 1: Project Location

4. The Project affects 20 groups of 5 villages/communities of Donggua Town in Chuxiong City. A total of 253.52 mu of collective land will be acquired permanently, affecting 567 HHs and 2,281 persons. 124.35 mu land will be temporarily occupied, affecting 94 HHs and 482 persons. No residential houses are demolished by the Project. See Table 1.

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

Town	Village	Key resettlement impacts
Donggua	Cheping Community	Acquiring 225.06mu of land permanently, affecting 528 households with 2,125 persons
	Donggua Community	Acquiring 28.46 mu of land permanently, affecting 39 households with 156 persons Occupying 10.15 mu land temporarily, affecting 8 HHs with 42 persons
	Yongxing Community	Occupying 45.16 mu land temporarily, affecting 31 HHs with 157 persons
	Xinglong Community	Occupying 7.81 mu land temporarily, affecting 3 HHs with 19 persons
	Liujia Community	Occupying 61.23 mu land temporarily, affecting 52 HHs with 264 persons
Total		Acquiring 253.52 mu of land permanently, affecting 567 households with 2,281 persons Occupying 124.35 mu land temporarily, affecting 94 HHs with 482 persons

5. The Project will be implemented for two years, from 2017 to 2018.

1.3. Measures to Reduce Negative Impacts

6. At the design stage, the project design was optimized through repeated field investigations in order to minimize negative impacts and quantities of LA without affecting the proposed project outputs, as shown in Table 2. In the first design option, the total length of 9.385km of the project river banks would be established with stone and concrete, which need to widen the current river and acquire more land. After full discussion and consultation, a ecological rehabilitation design is selected and the upper section of the project river don't need to be widen, which save a large of farmland. During the detailed design stage, although the alignment of the design is the same as FSR, compared with the original RP, the reasons for increasing land acquisition impacts include: (i) 6,824 meters ecological grass ditch and 136 rain gardens are added, (ii) at the site of ZX6+374, a new natural wetland is added (iii) for the remaining small piece of land, the local villages prefer to be acquired; and (iv) some flood land with land contract are identified as collective land during DMS.

Table 2 Impact Comparison of Options

Option	First	Original RP	Updated RP
Impact Scope	Total land acquisition: 652.42mu, including cultivated land of 549.34mu, vegetable land of 70.61mu and forestry land of 32.47; affected households of 494 and 2232persons	The 190.24 mu of affected collective land includes 181.38 mu of irrigated land and 8.86 mu of vegetable fields, affecting 273 households with 1,215 persons in total	The 253.52 mu of affected collective land includes 234.26 mu of irrigated land, affecting 567 households with 2,282 persons in total

2. Impacts of the Project

2.1. Survey of Land Acquisition and House Demolition Impacts

7. During October–December 2011, CCPMO and technicians from Design Institute of Yunnan Province and consultants from Hohai University conducted a field survey for the Project with the assistance of the affected village committees. In December 2011, CPPMO entrusted Yunnan Design Institute to prepare the Feasibility Study Report of the Project.

8. In addition, CCPMO conducted a sampling socioeconomic survey on the Project area on the AHs according to the Feasibility Study Report from December 2011 to January 2012. In February 2012, on the basis of the feasibility study and survey data, and public consultation, a draft RP was prepared.

9. In July 2012, CCPMO conducted in-depth public consultation activities and a resettlement willingness survey (5 community FGDs were held, involving 93 households, with a sampling rate of 14%), covering the APs' employment and training needs, and expected resettlement modes with the assistance of the consultants. This RP is updated on the basis of the detailed design and the DMS conducted in March–April 2016, and the updated RP will serve as the basis for resettlement implementation. Compared with the FSR, the key differences include: (i) 6,824 meters ecological grass ditch and 136 rain gardens are added; and (ii) at the site of ZX6+374, a new natural wetland is added.

10. The affected villages and groups are presented in Table 3.

Table 3: Range of Impact Survey of the Project

Town	Village	Group
Donggua	Cheping Community	Chepingtun, Renjia, Shengjia, Wangguanshan, Xiaogou, Xujiashanzui, Banqiao
	Donggua Community	Donggua 1, Donggua 2, Zhuyuan
	Yongxing Community	Shuihe 1, 2 and 3
	Xinglong Community	Wutaihe Waiwujia
	Liujia Community	Shayi 1,2,3,4, Lijia

Note: Xinglong Community and Liujia Community is affected by temporary land occupation.

2.2. Impacts of Permanent Acquisition of Collective Land

11. A total 253.52 mu of collective land will be acquired permanently for the Project, including 234.26 mu irrigated land accounting for 92.4%. Land acquisition will affect 567 HHs and 2281 persons. See Table 4.

Table 4: Summary of Permanently Acquired Collective Land

Township	Village	Group	Permanently acquired land (mu)							Affected population	
			Paddy land	vegetable land	Dry land	mulberry field ¹	Subtotal of cultivated land	fishpond	subtotal	AH	AP
Donggua Town	Cheping Community	Banqiao	12.28	1.50	0.00	27.46	41.24	0.00	41.24	60	237
		Xiaogou	7.59	3.35	0.00	11.38	22.32	19.26	41.58	38	161
		Wangguanshan	21.00	4.98	0.00	31.51	57.49	0.00	57.49	49	201

¹ It's paddy land in fact, not forest land.

Township	Village	Group	Permanently acquired land (mu)							Affected population	
			Paddy land	vegetable land	Dry land	mulberry field ¹	Subtotal of cultivated land	fishpond	subtotal	AH	AP
		Shengjia	11.06	1.26	0.00	16.59	28.91	0.00	28.91	103	463
		Shanzuizi	10.26	2.39	0.00	15.38	28.03	0.00	28.03	46	172
		Renjia	5.43	0.00	0.00	8.15	13.58	0.00	13.58	31	149
		Chepingtun	5.69	0.00	0.00	8.54	14.23	0.00	14.23	201	742
		Subtotal	73.31	13.48	0.00	119.01	205.80	19.26	225.06	528	2125
	Donggua Community	Zhuyuan	8.56	1.05	0.00	0.00	9.61	0.00	9.61	15	60
		East 1	12.38	1.60	2.18	0.00	16.16	0.00	16.16	20	80
		East 2	2.17	0.52	0.00	0.00	2.69	0.00	2.69	4	16
		Subtotal	23.11	3.17	2.18	0.00	28.46	0.00	28.46	39	156
Total			96.42	16.65	2.18	119.01	234.26	19.26	253.52	567	2281
Percentage			38.03%	6.57%	0.86%	46.94%	92.40%	7.60%	100.00%		

2.3. Temporary Land Occupation

12. 124.35 mu land will be temporarily occupied, affecting 94 HHs and 482 persons.

Table 5: Summary of Temporary Land Occupation

Community	Paddy land	Vegetable land	subtotal	AHs	APs
Yongxing Community	36.94	8.22	45.16	31	157
Donggua Community	6.49	3.66	10.15	8	42
Xinglong Community	7.81	0	0	3	19
Liujia Community	61.23	0	0	52	264
Total	112.47	11.88	124.35	94	482

2.4. Affected Agency

13. Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau is affected. It leases 87 mu land from the Cheping community for 20 years (2005-2020). 30.41 mu will be acquired by the Project, and it will continue operation on the remaining land. The 20 workers will not lost job. 160 m² brick-wood structure house will be demolished.

2.5. Infrastructure and Ground Attachments Affected by the Project

14. Affected infrastructures and ground attachments are presented in Table 6.

Table 6: Summary of Affected Ground Attachments and Structures

Component	Attachment	Proprietor	Unit	Qty.	Remarks
Cheping segment of Longchuan River	Liutun sluice	Cheping Community			Must be rehabilitated
Cheping segment of Longchuan River	Pumping station of Youjiahu Group	Youjiahu Group			Must be rehabilitated
Cheping segment of Longchuan River	Administrative room of Liutun sluice	Cheping Community	m ²	91.2	3.8m × 4m × 3 rooms × 2 floors
Yongxing segment of Longchuan River	Pumping station of Shuihe 3	Shuihe 3	/	1	12 m ² in masonry timber structure
Yongxing segment of Longchuan River	Heiniwan pumping station	Datun Groups 1, 2, 3 and 4	/	1	32 m ² in masonry timber structure
Donggua segment of Longchuan River	East 1 retaining wall	Donggua Community	m	187	Permanent occupation
Donggua segment of Longchuan River	East 2 retaining wall	Donggua Community	m	205	Permanent occupation
Donggua segment of Longchuan River	Iron sheet bridge of East Group 1	Donggua Community	/	1	
Donggua segment of Longchuan River	Iron sheet bridge of East Group 1	Donggua Community	/	1	
Donggua segment of Longchuan River	3 masonry timber pumping stations	Hongyuan Chemical	m ²	200	
Donggua segment of Longchuan River	One masonry round pool	Hongyuan Chemical	m ²	150	
Donggua segment of Longchuan River	1 masonry timber pumping station	East Group 1	m ²	95	
Donggua segment of Longchuan River	1 masonry timber pumping station	Donggua Community	m ²	24	

15. The East 1 and 2 retaining walls of Dongguan Community are compensated for at the stipulated rate for attachments, and the other affected sluices, pumping stations, bridges and pools are restored by their proprietors to the former size and function.

2.6. Affected Population

16. The Project affects 661 households with 2,723 persons, including 567 HHs with 2281 persons affected by collective land acquisition and 94 HHs with 482 persons affected by temporary land occupation.

2.6.1 Affected Vulnerable Groups

17. Vulnerable groups are defined as households affected by disability, five-guarantee households², women-headed households and households receiving minimum living security (MLS). According to the survey, the main vulnerable groups affected by the Project are households with disability, MLS households, five-guarantee households and women-headed households. A total of 40 vulnerable households with 117 persons are affected by the Project.

Table 7: Summary of Affected Vulnerable Groups

² For elderly, weak, widowed and disabled members who are unable to work and have no means of living, or whose households lack labor, a rural production cooperative would provide production and living assistance, including daily supplies, education for the young and burial for the elderly.

Village / community	HHS	Where				Household population	Vulnerable population	Males	Females	Type of impact (LA/HD)
		Women-headed	MLS	Five-guarantee	Disability					
Donggua Community	13	0	2	0	12	50	20	27	23	LA
Cheping Community	5	0	5	0	1	13	7	6	7	LA
Yongxing Village	17	1	5	1	10	40	20	19	21	temporary land occupation
Xinglong Community	0	0	0	0	0	0	0	0	0	temporary land occupation
Liuja Community	5	1	2	1	1	14	7	8	6	
Total	40	2	14	2	24	117	54	60	57	

2.6.2 Impacts on Women

18. According to the survey, women in the Project area enjoy the same legal rights as men, including land contracting, education receiving, family planning and participation in election. The interviewed female laborers mostly think that they have the same autonomy of production and operation as men, and may elect to work outside or do small business independently.

19. According to the survey, women have the same concerns as those of men: (a) Compensation costs should be based on land output and resettlement cost; (b) Compensation fees for young crops should be paid directly to the AHs.

20. Women have the following needs that are different from those of men: (a) Women expect both cash compensation and land reallocation; (b) Women expect skills training in crop cultivation, stockbreeding and handicrafts; and (c) Women also expect to participate in village-level management.

2.6.3 Affected Ethnic Minorities

21. The population of the village groups affected by the Project is composed mostly of Han people, and only 26 persons fall into ethnic minorities, including Yi and Lisu people, mostly married in from the outside. Therefore, no special ethnic minority development plan is developed for the Project.

3. Socioeconomic Profile

3.1. Socioeconomic Profile of the Project Area

3.1.1 Socioeconomic Profile of Chuxiong City

22. Chuxiong City is located in the central Yunnan Province, and is the political, economic and cultural center and window of reform and opening up of Chuxiong Yi Autonomous Prefecture. The city governs 11 towns and 4 townships, with a territory of 4,433 km² and a population of 510,500 (2010).

23. In 2014, the city's GDP was 26.91 billion yuan, and the contribution of primary (agriculture), secondary (manufacture and construction) and tertiary (services) industries to its national economic growth were 5.4%、64.5% and 30.1%, respectively.

Table 8: Socioeconomic Profile of Chuxiong City in 2014

No.	Item	Unit	Chuxiong City
1	Land area	km ²	4433
	Cultivated area	0,000 mu	35.87
2	Population	/	520847
2.1	Agricultural population	/	266873
2.2	Nonagricultural population	/	253974
3	GDP	0,000 CNY	2690502
3.1	Primary industries	0,000 CNY	256056
3.2	Secondary industries	0,000 CNY	1498219
3.3	Tertiary industries	0,000 CNY	936227
3.4	Per capita GDP	CNY	51656
4	Per capita disposable income of urban residents	CNY	26068
5	Per capita net income of farmers	CNY	8149

3.1.2 Socioeconomic Profile of the Affected Townships

24. Donggua Town is located in northern Chuxiong City, and governs five urban communities and seven villages, with 175 village/urban resident groups, and a territory area of 229 km². The town has 20,251 households (including the development zone) and 60,456 persons, including 9,856 agricultural households with 39,052 persons, accounting for 54.23% of total population. The town has 23,896 mu of cultivated land, including 18,990 mu of irrigated land, accounting for 79.47%, and 4,906 mu of non-irrigated land, accounting for 20.53%, and per capital cultivated area is 0.62 mu. In 2013, the town's rural economic income was 1.37 billion yuan, and the per capita net income of farmers was 8,011 yuan.

Table 9: Socioeconomic Profile of Donggua Town

No.	Item	Unit	Donggua Town
1	Land area	km ²	229
	Irrigated area	0,000 mu	1.899
2	Population	/	60456
2.1	Agricultural population	/	39052
2.2	Nonagricultural population	/	21404
3	GDP	0,000 CNY	137000
3.1	Per capita GDP	yuan	22661
5	Per capita net income of farmers	yuan	8011

3.1.3 Socioeconomic Profile of the Affected Villages

25. The 2 villages/communities affected by permanent land acquisition have an average population of 3-4 per household, a per capita cultivated area of 0.22-1.17 mu, and farmers' per capita net income of 9,000-10,742 yuan. The traditional crops of the affected villages are paddy rice and wheat. The affected villages/communities are located along the Longchuan River and enjoy an advantaged geographic location, where the non-agricultural economy is developed, agriculture is no longer a main income source, and the main income sources are outside employment, transport and other tertiary industries. As Donggua Community is the site of the Donggua Town government, due to the large scale of land acquisition in the past years, most of the rural population has been changed to urban registration.

Table 10: Socioeconomic Profile of the Affected Villages

Town	Village / community	HHS	Population	Agricultural population	Labor force	Cultivated area (mu)	Average population per household	Per capita cultivated area (mu)	Per capita net income of farmers (CNY)
Donggua	Donggua Community	1388	4529	283	3270	1010	3	0.22	10742
	Cheping Community	1091	4100	4100	2960	4800	4	1.17	9355

3.2. Socioeconomic Profile of the Affected Population

1. Basic economic profile of the affected population

26. Of the 661 households with 2,763 persons affected directly by the Project, 93 households were sampled, with a sampling rate of 14%. The sample household survey was done in 2013. 2 new communities will be affected by temporary land occupation, and the Dongguan and Cheping Community is still affected by land acquisition.

2. Ethnic and gender analysis

27. The 93 sampled households have a total population of 396, a total labors of 237 and an average population of 4.2 per household. There is no ethnic minority; there are 203 women, accounting for 51.14% of total population; women deal with crop cultivation and housework mainly.

3. Age structure

28. Among the 396 sampled persons, 70 are aged 0-15 years, accounting for 17.6%; 171 are aged 16-39 years, accounting for 43.15%; 112 are aged 40-59 years, accounting for 28.08%; and 43 are aged 60 years or above, accounting for 11.17%. See Figure 2.

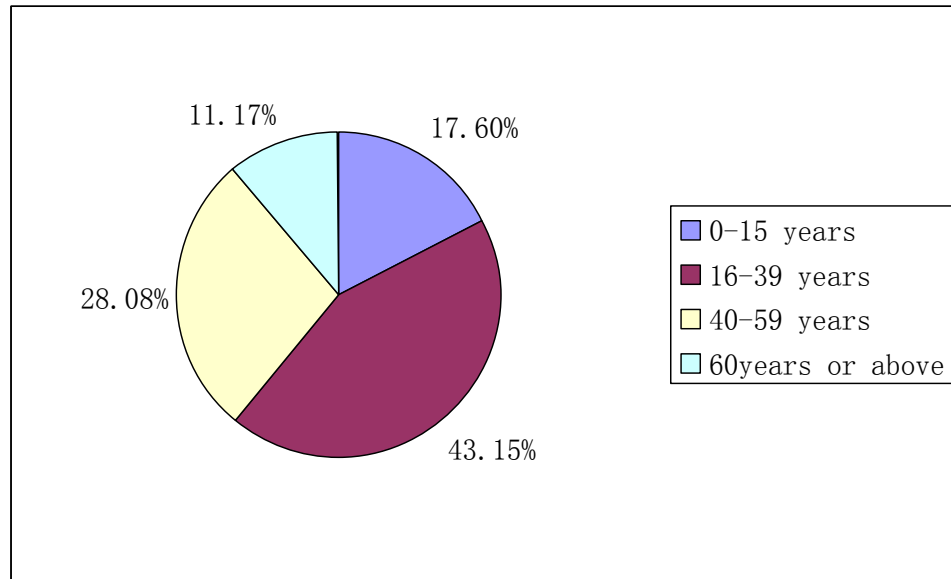


Figure 2 : Age Distribution

4. Educational level

29. Among the 396 sampled persons, 80 have received primary school or below education, accounting for 20.1%; 158 have received junior high school education, accounting for 39.95%; 101 have received senior high school or secondary technical school education, accounting for 25.57%; and 57 have received junior college or above education, accounting for 14.38%. See Figure 3.

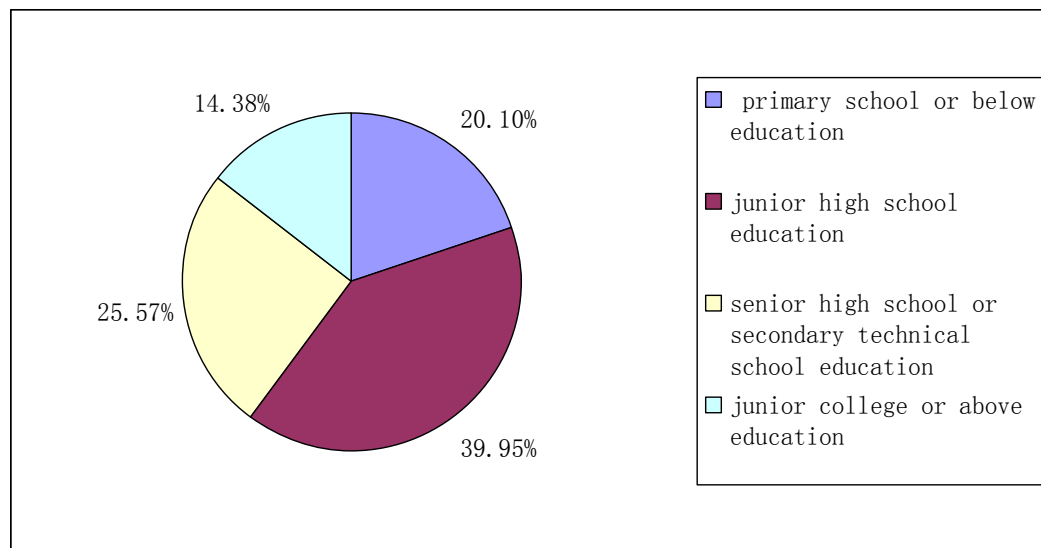


Figure 3: Educational Level Distribution

5. Farmland resources

30. The 93 sampled households with 396 persons have an average cultivated area of 2.3 mu per household and 0.52 mu per capita. The cultivated land is irrigated and non-irrigated land mainly, and the main crops are paddy rice and wheat. Average annual net income is 1,938 yuan per mu.

6. Household properties

31. Among the 93 sampled households, an average household has 1.4 TV sets, 0.82 refrigerator / air-conditioner, 0.24 hi-fi, 2.73 fixed telephones / mobile phones, 0.77 bicycle / motorcycle, and 0.04 tractor / pump. Based on household properties, the AHs have a medium living standard.

7. Household income and expenditure

32. The 93 sampled households with 396 persons have per capita annual income of 4,850 yuan, in which agricultural income is 280.33 yuan, accounting for 5.78%; forestry income 103.31 yuan, accounting for 2.13%; industrial income 83.91 yuan, accounting for 1.73%; building income 521.38 yuan, accounting for 10.75%; transport income 365.20 yuan, accounting for 7.53%; trading and catering service income 733.81 yuan, accounting for 15.13%; other nonagricultural income 868.15 yuan, accounting for 17.9%; employment income 1488.95 yuan, accounting for 30.70 %; collective distribution income 200.31 yuan, accounting for 4.13%; and property income 103.79 yuan, accounting for 2.14%. The main income sources are secondary industry operations and outside employment. Women are usually engaged in both farming and handicrafts.

33. Per capita annual expenditure is 3637.50 yuan, in which productive expenditure is 775.88 yuan, accounting for 21.33%; nonproductive expenditure 2830.34 yuan, 77.81%; and tax payment 31.28 yuan, accounting for 0.86%. See Table 11.

Table 11: Sampling Survey on Household Income and Expenditure of the AHs

Item		Percent (%)	Average income per household (CNY)	Per capita income (CNY)
Annual household income	Agricultural income	5.78	1,194.21	280.33
	Forestry income	2.13	440.08	103.31
	Stockbreeding income	2.08	429.75	100.88
	Industrial income	1.73	357.44	83.91
	Building income	10.75	2,221.06	521.38
	Transport income	7.53	1,555.77	365.20
	Trading and catering service income	15.13	3,126.01	733.81
	Other nonagricultural income	17.90	3,698.32	868.15
	Employment income	30.70	6,342.93	1,488.95
	Collective distribution income	4.13	853.30	200.31
	Property income	2.14	442.15	103.79
	Subtotal	100	20,661.00	4,850.00
Item		Percent (%)	Average expenditure per household (CNY)	Per capita expenditure (CNY)

Item		Percent (%)	Average income per household (CNY)	Per capita income (CNY)
Annual household expenditure	Productive expenditure	21.33	3,305.24	775.88
	Nonproductive expenditure	77.81	12,057.24	2,830.34
	Tax payment	0.86	133.26	31.28
	Subtotal	100	15,495.75	3,637.50
Source: Sampling survey on 93 households.				

8. Resettlement willingness survey

34. The survey findings are as follows:

- (i) Awareness: 74.6% of the respondents are aware the Project, and 21% are unaware.
- (ii) Attitude: 98.3% of the respondents agree to the construction of the Project, and 1.7% do not.
- (iii) Degree of impact: 97.5% of the respondents think the Project is beneficial to the state, 99.2% think it is beneficial to the collective and 87.3% think it is beneficial to individuals. Generally, most of the respondents think the Project is positive.
- (iv) Expected resettlement modes: All the 93 sampled households need employment assistance from the government after LA. 71.2% of the respondents are unaware of the compensation policy for LA, so policy publicity should be further strengthened. 95.8% of the respondents support LA. Nearly half of the respondents expect training on crop cultivation and stockbreeding skills offered by the government, accounting for 49.2%.
- (v) Compensation distribution: Part of the respondents expect compensation fees to be fully paid to the village group or mostly paid to the village group and a small part thereof to be paid to the AHs, accounting for 36.3%, 31.3% and 13.7%, respectively. 55.1% of the respondents expect the income on compensation fees to be distributed among the registered population.

Table 12: Public Opinion Questionnaire

1	Are you aware that the Project is about to be constructed?	1) 74.6% Yes	2) 17.8% No	3) 7.6% Not quite clear;
2	Do you approve of the construction of the Project?	1) 98.3% Yes	2) 1.7% No	3) 0 Don't care
3.1	Is the Project beneficial to the state?	1) 97.5% Yes;	2) 2.5% No	
3.2	Is the Project beneficial to the collective?	1) 99.2% Yes;	2) 0.8% No	
3.3	Is the Project beneficial to individuals?	1) 87.3% Yes	2) 12.7% No	
4	Are you aware of the compensation policy for LA?	1) 28.8% Yes;	2) 71.2% No	
5	Are you willing to accept LA to support the Project?	1) 95.8% Yes	2) 4.2% No	

6.1	If you lose land after LA, will you continue to farm?	1) 56.8% Yes	2) 43.2% No	
6.2	If you lose land after LA, will you be converted into urban status?	1) 16.1% Yes	2) 83.9% No	
6.3	If you lose land after LA, will you get employed?	1) 72.9% Yes	2) 27.1% No	
6.4	If you lose land after LA, will you do business?	1) 35.6% Yes	2) 64.4% No	
6.5	If you lose land after LA, will you participate in social insurance?	1) 88.1% Yes	2) 11.9% No	
6.6	If you lose land after LA, will you attend skills training?	1) 51.7% Yes	2) 48.3% No	
6.7	If you lose land after LA, do you have any other plan?	1) 1.7% Yes	2) 98.3% No	
7	93 households need employment assistance from the government after LA.			
8	What's your preferred mode of distribution of compensation fees for LA?	1) 36.3% Fully paid to the village group 2) 13.7% Fully paid to the AHs 3) 8% Paid half to the village group and half to the AHs 4) 31.3% Mostly paid to the village group and a small part thereof to be paid to the AHs 5) 9.1% Mostly paid to the AHs and a small part thereof to be paid to the village group (Note: 1.6% of the respondents did not answer this question.)		
9	If compensation fees are paid fully or partly to the village group, what's your preferred mode of distribution?	1) 26.3% Investing compensation fees centrally (building bazaars, malls, etc.) 2) 42.4% Depositing compensation fees with a bank to generate interests (Note: 31.4% of the respondents did not answer this question.)		
10	What's your preferred mode of distribution of any income on compensation fees?	1) 11% Distribution by LA area 2) 55.1% Distribution by population (Note: 33.9% of the respondents did not answer this question.)		
11.1	Are you willing to attend free training on crop cultivation and stockbreeding skills offered by the government?	1) 49.2% Yes;	2) 24.6% No	Note: 24 respondents did not answer these questions, accounting for 26.3% of all respondents.
11.2	Are you willing to attend free training on construction skills offered by the government?	1) 14.4% Yes	2) 59.3% No	

11.3	Are you willing to attend free training on catering services offered by the government?	1) 7.6% Yes	2) 66.1% No	
11.4	Are you willing to attend free training on employment skills offered by the government?	1) 5.9% Yes	2) 67.8% No	
11.5	Are you willing to attend free training on housekeeping services offered by the government?	1) 0.8% Yes	2) 72.9% No	
11.6	Are you willing to attend free training on motor vehicle repair offered by the government?	1) 4.2% Yes	2) 69.5% No	
11.7	Are you willing to attend free training on driving and transport skills offered by the government?	1) 14.4% Yes	2) 59.3% No	
11.8	Are you willing to attend free training on business and management skills offered by the government?	1) 9.3% Yes	2) 64.4% No	

3.3. Social Impact Assessment

35. A total of 253.52 mu of collective land will be acquired permanently for the Project, including 234.26 mu of cultivated land, accounting for 92.4% affecting 567 households with 2,281 persons in 10 groups of 2 villages/communities, Donggua Town.

36. Based on discussion with the community leaders and representatives of the APs, affected households can receive the compensation fees for young crops and ground attachments directly. The land compensation fees and resettlement subsidies are retained by the village group as a fund. The fund can be used for production development, public facility construction of the affected group, or save in bank for interest. The fund is used subject to collective group discussion, and approved by township governments. (i) In Cheping Community, the interest and profits thereon produced from the fund is distributed among the registered population of the village group at the year end. The community will adjust the remaining land each year. (ii) In Donggua Community, the remaining land will not be adjusted. Each year, the AH can receive subsidy based on type of the acquired land.

3.3.1 Analysis of lost land resources

37. A comparative analysis of land and income losses arising from land acquisition of the affected village groups is made. Among the affected village groups, Wangguanshan Group has the highest land loss rate of 33.82%, east 2 Group the lowest land loss rate of 1.35%, and the land loss rates of the other village groups do not exceed 20%. See Table 3-6.

3.3.2 Income loss analysis

38. Based on an analysis of the annual lost gross income of the affected groups, per capita lost income ranges from 942.44 yuan (Wanguanshan Group, Cheping Community) to 63.19 yuan (Chepingtun Group, Cheping Community). Average income loss per household ranges from 3865.91 yuan (Wanguanshan Group, Cheping Community) to 233.27 yuan (Chepingtun Group, Cheping Community). Different village groups vary greatly in average income loss per household.

39. Among the 10 affected village groups, income loss rate ranges from Wanguanshan Group, Cheping Community (10.07%) to Chepingtun Group, Cheping Community (0.68%). One group (Wanguanshan) has an income loss rate of 10% or more, accounting for 10% of all affected village groups; nine groups have an income loss rate of less than 10%, accounting for 90% of all affected village groups.

40. It can be seen that the income loss rate of Wanguanshan Group, Cheping Community is as high as 10.07%, while those of the other village groups are less than 10%.

Table 13: Impact Analysis of Collective Land Acquisition

Township	Village / community	Village group	Before Land Acquisition				After Land Acquisition					Income loss			
			Number of HHs	Population	Cultivated area (mu)	Per capita cultivated area (mu)	Affected HHs	Affected population	Cultivated area (mu)	Per capita cultivated area of group after LA	Land loss rate of group (%)	Annual gross income Loss (acquired land x AAOV³) (CNY)	Average loss per house hold (CNY)	Per capita loss (CNY)	Percent of per capita income (%)
Donggua Town	Cheping Community	Banqiao	60	237	240	1.01	60	237	41.24	0.84	17.18%	135885.8	2264.76	573.36	6.13%
		Xiaogou	38	161	120	0.75	38	161	22.32	0.61	18.60%	73544.4	1935.38	456.80	4.88%
		Wanguanshan	49	201	170	0.85	49	201	57.49	0.56	33.82%	189429.55	3865.91	942.44	10.07%
		Shengjia	103	463	310	0.67	103	463	28.91	0.61	9.33%	95258.45	924.84	205.74	2.20%
		Shanzuizi	46	172	240	1.40	46	172	28.03	1.23	11.68%	92358.85	2007.80	536.97	5.74%
		Renjia	31	149	140	0.94	31	149	13.58	0.85	9.70%	44746.1	1443.42	300.31	3.21%
		Chepingtun	201	742	754	1.02	201	742	14.23	1.00	1.89%	46887.85	233.27	63.19	0.68%
			528	2125	1974	0.93	528	2125	205.8	0.83	10.43%	678111	1284.30	319.11	3.41%
	Donggua Community	Zhuyuan	121	428	450	1.05	15	60	9.61	1.03	2.14%	31664.95	2111.00	527.75	5.64%
		East 1	145	470	200	0.43	20	80	16.16	0.39	8.08%	53247.2	2662.36	665.59	7.11%
		East 2	135	415	200	0.48	4	16	2.69	0.48	1.35%	8863.55	2215.89	553.97	5.92%
			401	1313	850	0.65	39	156	28.46	0.63	3.35%	93775.7	2404.51	601.13	6.43%
Total			929	3438	2824	0.82	567	2281	234.26	0.75	8.30%	771886.7	1361.35	338.40	3.62%

^a Percent of per capita income= per capita loss / Per capita net income of farmers.

³ AAOV is 3,295 yuan/mu.

4. Legal Framework and Policies

4.1. Laws, Regulations and Policies Applicable to Resettlement

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

(i) ADB policies

- Safeguard Policy Statement, June 2009
- Gender Checklist, February 2003

(ii) Laws, regulations and policies of the PRC

- Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council) (December 27, 1998)
- Measures for Announcement of Land Acquisition (Decree No.10 of the Ministry of Land and Resources) (January 1, 2002)
- 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)
- 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

- Measures of Yunnan Province for the Implementation of Farmland Occupation Tax (YPG [2008] No.149) (October 30, 2008)
- Opinions of the Yunnan Provincial Government on Strengthening Farmland Protection and Promoting Scientific Urbanization (YPG [2011] No.185)
- Land Acquisition Compensation Standard for the 15 Prefectures (Municipalities) in Yunnan Province (amended) issued by the Yunnan Provincial Land Resources Department (effective on June 1, 2014)
- Notice of the Yunnan Provincial Government on Issuing the Interim Measures of Yunnan Province on Basic Insurance Security for Land-expropriated Farmers (YPG [2008] No.226) (November 18, 2008)
- 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) (December 7, 2009)
- Notice of the Yunnan Provincial Government on Issuing the Measures for the Implementation of the Employment Promotion Law of the People's Republic of China (YPG [2008] No.233)
- Notice of the General Office of the Yunnan Provincial Government on Forwarding the Measures of Yunnan Province on Encouraging Business Startup and Promoting Small-grant Employment Loans (YPGO [2010] No.163) (November 4, 2010)

(iv) **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)

(v) **Regulations and policies of Chuxiong City**

- Notice of the Chuxiong City Government on Issuing the Administrative Measures for Collective Land Acquisition of Chuxiong City (CCG [2010] No.183) (October 2010)
- Notice on Issuing the Administrative Measures for Rural Medical Assistance of Chuxiong City (Interim) (CCG [2005] No.79) (July 6, 2005)

4.2. Abstract of ADB Policies

4.2.1 Involuntary Resettlement

42. 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. .

43. 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 nonland 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.

4.2.2 Gender and Development

44. ADB's gender and development policy is a critical mainstreaming strategy in promoting gender equality, including resettlement, and includes the following key points and a separate gender action plan was prepared for the project:

- (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.

4.3. Laws and Policies of the PRC

45. See Appendix 1 for an abstract of laws and regulations of the PRC, and Appendix 2: policies of Yunnan Province.

4.4. 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. 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 CPPMO agrees to disclose the RP to APs as required by ADB.

Lack of legal title

- **Difference.** ADB policies require all demolished houses, whether lawful or not, should be compensated for at the same rates. According to Chinese laws, people without local registered residence are entitled to the same compensation as local people. In addition, prevailing Chinese laws stipulate that no compensation should be provided for the acquisition of illegally owned land and houses.
- **Solution.** For an ADB financed project, all APs, whether lawful or not, whether having ownership or right of use, will be protected, and provided with compensation or assistance. This is not likely to be an issue for this subproject, as the land use rights are clearly established and there are no impacts on residential structures.

Resettlement monitoring, evaluation and reporting

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

4.5. Compensation Principles of the Project

46. 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.

47. 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 without any depreciations of demolished structures 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.
- (ii) 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 pre-displacement levels. The IA will also provide opportunities to displaced persons to derive appropriate development benefits from the project.

Table 14: Resettlement Principles of the Project

Principles
Involuntary resettlement should be avoided where feasible.
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.
The APs are given compensation in full replacement cost and assistance in resettlement whether legal title is available or not.
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.
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 RP.
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.
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.
All resettlement cost is included in the project budget and sufficient to cover all affected aspects.
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.

4.6. Cut-off Date of Compensation

48. The cut-off date for the eligibility for compensation is March 1, 2016. Any newly claimed land, newly built house or settlement in the project area by the APs after this date will not be entitled to compensation or subsidization. Any building constructed or tree planted purely for extra compensation will not be counted in.

4.7. Resettlement Policies of the Project

4.7.1 Acquisition of Rural Collective Land and Resettlement

49. According to the Land Administration Law of the PRC, the Regulations on the Implementation of the Land Administration Law of the PRC, Land Acquisition Compensation Standard for the 15 Prefectures (Municipalities) in Yunnan Province (amended) issued by the Yunnan Provincial Land Resources Department (effective on June 1, 2014), and the Notice of the Ministry of Land and Resources on Doing a Better Job in Land Acquisition Management

(June 2010), and the applicable policies of Chuxiong Prefecture and Chuxiong City, the uniform AAOV rates of Yunnan Province, Donggua Town belongs to a Tier-1 area, with an AAOV rate of 3,295 yuan/mu, a compensation multiple of 23 times and average compensation rate of 75,985 yuan/mu.

50. The compensation rates for the LA in the Project area shall not be less than those announced in the above documents, as shown in Table 15.

4.7.2 Support to Vulnerable Groups

51. The Project involves four vulnerable groups mainly (i) MLS households, (ii) five-guarantee households, (iii) the disabled and (iv) women-headed households. Vulnerable groups shall have priority during resettlement and be entitled to various supporting policies. The main supporting policies for vulnerable groups are as follows:

1. Rural MLS

52. All rural destitute residents with agricultural household registration in the administrative area of Chuxiong City, where the per capita net income or actual living standard of the family members living together is less than the MLS standard for rural residents of Chuxiong City may be included in rural MLS, mainly including destitute households suffering from dementia; destitute households without ability to work, without supporter and not covered by the rural five guarantees; destitute households suffering from major diseases; destitute households suffering from major disability; destitute households impoverished by disasters or accidents; and destitute households as key subjects of special scare. The MLS standard shall be based on the absolute poverty standard of 1,020 yuan, and an MLS benefit of not less than 30 yuan/month per capita shall be paid.

2. Rural medical assistance policy

• Subjects

53. Subjects of rural medical assistance shall be rural five-guarantee households holding a certificate of rural five-guarantee support, subjects of special care holding a certificate of rural periodic quantitative assistance, rural MLS households holding a certificate of rural MLS, and other subjects approved by the prefecture, county and city governments.

• Scope

54. The following major diseases shall be included in the scope of assistance: acute cerebral apoplexy; chronic renal failure (uremia); malignant tumor or aplastic anemia; acute abdominal diseases (acute cholecystitis, cholangitis of severe type, liver and spleen rupture, acute perforation of stomach); serious burn; and major psychosis.

• Rates and mode

55. For major diseases of subjects of rural MLS and special care within the scope of assistance, if medical expenses borne by the individual in a year exceed 3,000 yuan, 30% of the excess shall be subject to assistance, and the annual accumulated amount of assistance per capita shall not exceed 3,000 yuan in principle

56. Other subjects in special difficulty to be assisted as approved by the prefecture, county or city civil affairs bureau, a one-time subsidy may be granted with the approval of the local government (usually not more than 3,000 yuan per capita per annum); certain major diseases for which the state has enacted a special assistance policy shall not be included in this type of assistance.

For a verified bill of medical expenses of a hospital at or above the township level issued by a subject of medical assistance, except reimbursement under the provisions on cooperative medical care, expenses borne by the individual may be subject to a subsidy as the case.

3. Special support fund for vulnerable groups

57. CCG will grant a one-time subsidy of 2,000 yuan to each member of vulnerable groups, to be used for production and livelihoods of the vulnerable groups affected by the Project.

4.8. Compensation Rates of the Project

4.8.1 Collective Land Acquisition

58. The compensation rates for the LA of Chuxiong City are higher than the uniform AAOV rate for LA of Yunnan Province of 75,785 yuan/mu, so compensation can make up the annual loss per mu.

Table 15: Compensation Rates for Acquired Rural Collective Land

Compensation rates for collective land acquisition of Chuxiong City (based on the Administrative Measures of Chuxiong City for Collective Land)		
Cultivated land	Paddy land, mulberry field (CNY/mu)	80,000
	dry land (CNY/mu)	40,000
	fish pond (CNY/mu)	80,000
	Vegetable fields (CNY/mu)	80,000
Young crops	Paddy land, Vegetable fields (CNY/mu)	1,500
	dry land (CNY/mu)	1000
	mulberry field (CNY/mu)	15000
	fish pond (CNY/ton)	2000

Note: The compensation for young crops will be based on the market replacement value.

4.8.2 Compensation Rates for Houses

59. For the houses belong to the Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau, the final compensation will be determined based on appraisal. The compensation rate of 468.4 CNY/m² for brick-wood structure will be used as reference, which is the replacement cost.

4.8.3 Compensation Rates for Infrastructure and Ground Attachments

60. The compensation rate for rubble retaining walls affected by the Project is presented in Table 16. The other infrastructure and ground attachments affected by the Project are followed those presented in Table 29.

Table 16: Compensation Rates for Infrastructure and Ground Attachments

Item	Unit	Compensation rate
Rubble retaining wall	CNY/m ²	180

4.8.4 Other costs

61. The IA will pay related tax and fees as indicated as follows:

Table 17: Related Tax and Fees of LA

Farmland occupation tax	CNY/mu	17,333
Land reclamation costs	CNY/mu	12,600
Fees for using additional construction land	CNY/mu	10,667
Fees for quality of cultivated land compensation	CNY/mu	186,666.7
Basic pensions for LEFs	CNY/mu	20,000

4.8.5 Vulnerable Groups

62. In addition to the above compensation policies for LA, vulnerable groups affected by the Project are also entitled to the following preferential policies:

- (i) Laborers in vulnerable households will be provided with occupational training, and employment information and guidance in order to increase their job opportunities.
- (ii) During project construction, recruit laborers from vulnerable households to do unskilled jobs.
- (iii) A special support fund will be established at 1% of resettlement costs in cooperation with the Chuxiong City Civil Affairs Bureau.
- (iv) CCG will grant a one-time subsidy of 2,000 yuan to each member of vulnerable groups, to be used for production and livelihoods of the vulnerable groups affected by the Project.

4.8.5 Supporting Measures for Women

63. In addition to the above compensation policies for LA, women affected by the Project are also entitled to the following preferential policies:

- (i) Female working age APs will have priority in employment, and at least 30% of them will receive unskilled jobs.
- (ii) 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.

4.9. Entitlement Matrix

64. The entitlement matrix is established in accordance with the applicable policies in this chapter, as shown in Table 18.

Table 18: Entitlement Matrix

Type of impact	Degree of impact	Affected persons	Compensation and resettlement policy	Measures
Permanent LA of collective land	253.52 <i>mu</i> , including 234.26 <i>mu</i> irrigated land, 19.26 <i>mu</i> of fish pond.	528 households with 2,125 persons in 10 groups of 2 villages/communities, Donggua Town	<ol style="list-style-type: none"> 1) Land compensation fees, resettlement subsidies and compensation fees for collective properties, irrigated land and vegetable land: CNY80,000/<i>mu</i>, shall be paid directly to the affected collective economic organization or village committee. 2) In Cheping Community, income annually generated from the LA compensation fund will be distributed to the whole registered population equally. In Donggua Community, the AHs can get the subsidy based on 4,500 yuan for paddy land and vegetable land and 3,000 yuan for dry land. 3) All compensation for young crops, (i) paddy land and vegetable land: CNY1,500/<i>mu</i>; (ii) dry land: CNY1,000; (iii) mulberry field: CNY 15,000 /<i>mu</i>; shall be paid to affected households directly. 4) The compensation for ground structures or attachments (such as rubble retaining wall: CNY180/m²) shall be paid to their proprietors. 5) Measures such as land transfer, agricultural resettlement, employment, skills training and social security are offered to ensure production and livelihood restoration, and sustainable development of LEFs. 	<p>Measures for land compensation allocation, land reallocation and production investment (cultivation and irrigation skills, tertiary industries, etc.) will be determined by the village meeting.</p> <p>Training will be approved and supervised by the government at the next higher level.</p>
House demolition	160 m ² brick-wood structure	20 workers of Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau	<ol style="list-style-type: none"> 1) the final compensation will be determined based on appraisal. The compensation rate of 468.4 CNY/m² for brick-wood structure will be used as reference, which is the replacement cost. 2) the compensation for mulberry is CNY 15,000 /<i>mu</i>. 3) Operation will be continued on the remaining land and no workers will not lost job. The 	

Type of impact	Degree of impact	Affected persons	Compensation and resettlement policy	Measures
			station will build houses on the remaining land.	
Temporary land occupation	124.35 mu land will be temporarily occupied, including 112.47 mu paddy land and 11.88 vegetable land.	94 households with 482 persons in 10 groups of 4 villages/communities, Donggua Town	1) paddy land and vegetable land: CNY1,500/ <i>mu</i> ; 2) the contractor is responsible to restore the land.	
Women	/	Women	1) Female working age APs shall have priority in employment, and at least 30% of them will receive unskilled jobs from the Project. 2) Women shall receive relevant information during resettlement, and are able to participate in resettlement consultation. Special women FGDs shall be held to introduce resettlement policies.	The women's association will provide acceptable education to women.
Vulnerable groups	Disability	24 households	1) A special subsidy (CNY2,000 per person) for the disabled shall be provided. 2) Able-bodied laborers from vulnerable households shall be recruited to do unskilled jobs and get trained with priority.	Vulnerable households will be confirmed at the beginning of resettlement implementation, and monitored closely until the completion of assistance measures. A special support fund will be established at 1% of resettlement costs and may be disbursed from the contingencies.
	Low-income people (below national poverty line)	14 households	1) Two members (at least one woman) of each AH shall receive livelihood training and prior job opportunities, e.g., participation in project construction. 2) The government shall pay pensions.	
Ethnic minorities	the Yi nationality and the Lisu nationality	26 persons in total	1) Ethnic minorities have priority in employment, and all of them shall receive unskilled jobs. 2) Ethnic minorities have priority in receiving free skills training as well	
Special facilities and ground attachments	Retaining walls	Proprietors	1) Affected special facilities shall be restored by proprietors after receiving compensation from the owner of the Project, or reconstructed by the Project according to the original size, standard and function (see Table 2-4) 2) Compensation fees shall be calculated and	

Type of impact	Degree of impact	Affected persons	Compensation and resettlement policy	Measures
			disbursed for retaining walls as stipulated (CNY180/m).	
Grievances and appeals	/	All APs	Free; all costs so reasonably incurred shall be disbursed from the contingencies of the RP budget.	
Cutoff date	/	/	March 1, 2016	

5. Resettlement and Income Restoration

65. The objectives of production and income restoration programs for the APs are to restore the annual per capita income of the households affected by the LA to the pre-LA level and further improved with local economic growth, and minimize impacts of LA so that the APs' production level and living standard are equivalent to or better than pre-LA levels.

5.1 Production and Income Restoration Programs

66. Different resettlement and income restoration programs have been developed in consultation with government agencies concerned, affected village committees and representatives of the APs during the socioeconomic survey, as detailed below:

5.1.1 Cash compensation and distribution

67. **Cheping Community.** Cheping Community is affected by land acquisition of different projects in the recent 3 years. The community committee once held a community meeting in 2014 to discuss how to allocate the compensation for all projects and it's agreed that the compensation is used for investment and the community will adjust the remaining land each year. Based on the past practice, affected households can receive the compensation fees for young crops and ground attachments directly. The land compensation fees and resettlement subsidies are retained by the village group as a fund. The fund can be used for production development, public facility construction of the affected group, building shops/industrial plants to get rent, or save in bank for interest. The fund is used subject to collective group discussion, and approved by township governments. The interest and profits thereon produced from the fund is distributed among the registered population of the village group at the year end. The community will adjust the remaining land each year. For example, each registered person got 9,000 yuan in 2014 based on the average 9% profit. 225.06 mu land will be acquired for the Project, and the per capita land loss is 0.1 mu. The compensation is 80,000 yuan/mu, and based on 9% profit, each registered person can get 720 yuan each year. As the AAOV is 3,295 yuan, the income loss per capita is 330 yuan, which can be fully compensated by the return from the community.

68. **Donggua Community.** Donggua Community is the site of the Donggua Town Government. Due to the large scale of land acquisition of the development zone, there is very limited remaining arable land and most of the farmers have been changed to non-agricultural registration. The community committee once held a community meeting in 2014 to discuss how to allocate the compensation for all projects. Based on past practice, affected households can receive the compensation fees for young crops and ground attachments directly. The land compensation fees and resettlement subsidies are retained by the village group as a fund. The fund can be used for production development, public facility construction of the affected group, building shops/industrial plants to get rent, or save in bank for interest. The fund is used subject to collective group discussion, and approved by township governments. The community will not adjust the remaining land. Each year, the AHs can get subsidy based on 4,500 yuan for paddy land and vegetable land and 3,000 yuan for dry land.

69. The affected village groups and households are compensated in cash. After receiving cash compensation, the AHs may implement the agricultural and non-agricultural restoration measures with the assistance of the government, and the affected village groups may also use the funds (based on compensations for the LA) to develop the collective economy.

5.1.2 Agricultural resettlement

70. Each village group has some remaining land, and still some farmers expect to restore income through agricultural production, so utilizing existing land resources for future development is one of the means of promoting the realization of the livelihood restoration objectives, including the following measures:

1. Land transfer

71. If any AH expects to continue with agricultural production and needs farmland, it may obtain farmland by means of land transfer in accordance with the Administrative Measures for the Transfer of Rural Land Contracted Management Rights (Decree No.47 of the Ministry of Agriculture). In addition, CCG has enacted the Opinions of the Chuxiong City Government on Exploring Ways of Promoting the Orderly Circulation of Rural Land Contracted Management Rights Actively (Interim) to explore ways of promoting the orderly circulation of rural land contracted management rights actively.

72. According to the data provided by the city agriculture and forestry bureaus, as of December 30, 2011, rural land transfer had involved 6,113 households in 12 townships, accounting for 7.55% of all farmland contracting households; the total amount of land transferred was 12,612 mu, accounting for 3.8% of the total area of contracted farmland, an increase of 764 mu from 11,848 mu in 2010, showing that land transfer is very active in Chuxiong City. See Table 19.

Table 19: Land Transfer of Chuxiong City in 2011

Mode of transfer	Amount (mu)	Percent
Lease	11,002	87.23%
Swap	63	0.50%
Subcontracting	1,436	11.39%
Joint-stock cooperation	100	0.79%
Other modes	11	0.09%

73. Currently, the average price of rural land transfer (sublease) in Chuxiong City is 800 yuan/mu per harvest or 1,000-1,200 yuan/mu per annum, in which the main mode of land transfer is lease to enterprises and major farming households.

2. Crop cultivation development plan and measures

(i) Crop cultivation development plan of the affected town

74. According to the Twelfth Five-year Plan for Agricultural and Rural Economic Development of Chuxiong City, crop cultivation development in the next five years will be focused on commercial vegetables, high-grade cereals and oils, artificial edible fungi, high-grade mulberry, tealeaf, konjac and brewing grape. Since soil on both sides of the Longchuan River is fertile, the LEFs affected by the Project prefer the cultivation of greenhouse vegetables and take this as the future direction of agricultural development.

75. Based on interviews with representatives from the affected village groups, their future crop cultivation development will be focused on structural optimization on the basis of a stable sown area in order to increase unit output and quality, and develop high-grade commercial vegetables and paddy rice.

- Greenhouse vegetables: constructing greenhouses on a large scale with focus on Donggua Town
- Paddy rice breeding: constructing a paddy rice breeding base with focus on Donggua Town
- Tobacco cultivation: cultivating tobacco with a higher economic value with focus on Donggua Town

76. The Agriculture Bureau of Chuxiong City has established a vegetable greenhouse fund of 4 million yuan for the large-scale cultivation of greenhouse vegetables, to be used specifically for the infrastructure construction of vegetable greenhouses. Greenhouses will be owned by the agriculture bureau, and the right of use will belong to farmers or enterprises using vegetable greenhouses.

(ii) **Input/output analysis of protected agriculture and greenhouse vegetables**

77. Based on analysis, compensation fees granted under the Project are sufficient to meet the demand for investment in protected agriculture and characteristic cultivation, and the net income of protected agriculture is 7,000 yuan/mu and that of characteristic cultivation 2,400 yuan/mu. See Table 20.

Table 20: Input/Output Analysis of Protected Agriculture and Greenhouse Vegetables

Type of cultivation	Resettlement subsidy (CNY/mu)	Average investment (CNY/mu)	Average yield (CNY/mu)	Average net income (CNY/mu)	Remarks
Protected agriculture	80,000	Greenhouse vegetables: investment in greenhouses CNY12,000, to be depreciated for 5 years, with average annual investment of CNY2,400/mu; rental CNY1,000/mu; investment in seeds: CNY600 /mu; pesticides and fertilizers: CNY400/mu; irrigation water and electricity costs: CNY400/mu; other investment: CNY200/mu; total: CNY5,000/mu	3 seasons a year, CNY12,000/mu	7,000	Greenhouse vegetables: cucumber, pepper, tomato, eggplant, strawberry, edible fungi
Characteristic cultivation	80,000	Characteristic cash crops: rental: CNY800/mu; investment in seedlings: CNY800/mu; pesticides and fertilizers: CNY200/mu; irrigation water and electricity costs: CNY200/mu, other investment: CNY100/mu; total: CNY1,600/mu	CNY4,000/mu	2,400	Open field vegetables, watermelon, strawberry, potato

78. AHs will benefit from the crop cultivation scheme. Each affected HH is the subject of investments and earnings. Before LA, the agricultural income is about CNY1,100/mu, and the income will be increased between CNY1,300~CNY5,900/mu.

2. Stockbreeding development plan and measures

(i) Stockbreeding development plan

79. Other village groups will pursue stockbreeding development and enjoy the following supporting measures:

Supporting measures for stockbreeding development

80. In recent years, state live pig breeding policies have provided for free quarantine, breeding sow insurance and support for large-scale farms.

- (i) Free quarantine: In order to reduce the quarantine burden on stockbreeding households, the state has cancelled livestock and poultry quarantine charges from, totaling 2 million yuan per annum.
- (ii) Breeding sow insurance: The premium is 60 yuan per breeding sow per annum, in which 48 yuan is borne by central, provincial, prefecture and city finance, and 12 yuan by the household. If a breeding sow dies during the insurance period, the insurance company will pay an indemnity of not more than 1,000 yuan, reducing economic losses arising from the death of breeding sows by over 2 million yuan per annum.
- (iii) Breeding sow subsidy: The state grants a subsidy of 100 yuan for each breeding sow per annum; a subsidy of 3 million yuan is granted per newly built pig farm with a size of 10,000 or more pigs from provincial finance.
- (iv) Support for large-scale farms: For each pig farm with an annual output of 500-999 pigs, a subsidy of 250,000 yuan will be granted from central finance; for each pig farm with an annual output of 1,000-1,999 pigs, a subsidy of 500,000 yuan will be granted from central finance; for each pig farm with an annual output of 2,000-2,999 pigs, a subsidy of 700,000 yuan will be granted from central finance; for each pig farm with an annual output of 3,000-10,000 pigs, a subsidy of 800,000 yuan will be granted from central finance. A pig farm entitled to subsidy must be characterized by human-livestock separation, centralized raising and enclosed management, and not within an area where breeding is prohibited according to law.

(ii) Input/output analysis of stockbreeding development

81. As a characteristic local agricultural activity, stockbreeding is quite profitable and promising, and can play a crucial role in the income restoration of the APs. Therefore, attention is paid to the stockbreeding development plan and promotional measures in the Project area during resettlement.

Stockbreeding development plan of the Project area

82. Through a series of supporting measures for stockbreeding, the AHs in the Project may participate in expanded stockbreeding to develop pig breeding activities.

83. The AHs affected by the LA may purchase pigs using resettlement subsidies to earn more income. It is estimated that the compensation for the LA per mu (80,000 yuan) can purchase 100 live pigs, each generating about 1,200 yuan per annum, which will make up income losses arising from the LA effectively. See Table 21.

Table 21: Input/output analysis of live pig breeding

Item	Purchase cost	Quantity	Government subsidy	Annual income
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	(CNY each)		(CNY0,000)	(CNY each)
Pig	800	1,000	50	1,200

5.1.3 Employment

84. The labor employment and social security agency, and village / community committees will release employment information to the APs regularly, and recommend interested APs for employment. In addition, the following policy measures will be taken to promote the employment of LEFs:

(i) Lending, exemption, support and subsidization measures for promoting business startup and employment

85. The Measures for the Implementation of Lending, Exemption, Support and Subsidization of Yunnan Province (Interim) have been developed in accordance with the Notice of the People's Bank of China, the Ministry of Finance, and the Ministry of Human Resources and Social Security on Further Improving the Management of Small-grant Secured Loans, and Promoting Business Startup and Employment (PBC [2008] No.238), and Some Opinions of the Yunnan Provincial Government on Encouraging Business Startup and Promoting Employment (YPG [2009] No.1) in order to encourage laborers to start up businesses and promote employment. See Appendix 4.

86. From 2009, governments and agencies concerned provide supporting measures in terms of credit support, tax exemption, startup services and financial subsidies to first-time entrepreneurs in our province.

(ii) Employment guidance:

- According to the lending, exemption, support and subsidization policy, LEFs are encouraged to start up businesses independently. Entrepreneurs shall be exempt from administrative fees and relevant taxes, and free from guarantee and interest for small-grant startup loans. Consulting services on supporting policies and laws shall be provided to entrepreneurs to improve their startup capacity. Startup projects proposed by entrepreneurs shall be reviewed by the supporting agency and rural credit cooperative to decide if a small-grant loan shall be recommended and granted. A service mentor shall be introduced to entrepreneurs to provide one-to-one guidance through the startup process. Any entrepreneur who has started up a business successfully for more than one year and employed 3-5 registered unemployed persons in our province with labor contracts, a startup subsidy of 1,000 yuan shall be granted.
- Special talent fairs will be organized for migrant workers to help surplus rural labor get employed, and employment information, labor rights protection services and legal consulting services will be provided.

(iii) Resettlement by employment:

- For farmers having specialty in agricultural production or willing to pursue agricultural production, their crop cultivation and stockbreeding skills should be given full play to, and they should be recommended by city and township governments to local agricultural parks and bases.
- Wages paid by an employer to LEFs shall not be less than the minimum wage standard of Chuxiong City (effective from September 1, 2015: 1400 yuan/month within the administrative area of the city, applicable to full-time laborers, including endowment, unemployment and medical insurance premiums, and housing

provident fund to be contributed by individual laborers, but excluding overtime pay, allowances for working in special environments, and benefits stipulated by laws and regulations).

- For LEFs who have been employed, the labor and social security department shall urge the employer to enter into labor contracts with them, establish books accordingly, and check the labor contracts and employment regularly to protect their lawful rights and interests.

(iv) Offering of job opportunities

- Job opportunities offered by the Project: 213 unskilled jobs and 91 skilled jobs will be needed during the construction of the Project, and 19 permanent jobs will be created by the Project after its completion, such as tree and river bank maintenance and management. The APs will be recruited with priority to promote their employment.
- Placement to public welfare jobs: Urban public welfare jobs, such as landscaping and cleaning, will be first made available to LEFs on the basis of equal pay for equal work. About 120 public welfare jobs are available per year, and 50% of the jobs can be offered to APs.
- Placement to jobs reserved by enterprises: The local government will enter into agreements with new enterprises to reserve 5%-10% of their unskilled jobs, which will be first made available to LEFs on the basis of equal pay for equal work. More than 50% of the jobs can be offered to APs.

5.1.4 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 LA. 1,200 APs will be trained. The training will be held in 2016-2018. 3 times in each year. The training be held in Donggua Town. Donggua Town Labor and Social Security Office will deliver the training.

(i) Subjects

- Laborers with registered residence in Chuxiong City, affected by LA or HD, aged 18 years or more, and received education in some levels
- The Chuxiong City Labor and Social Security Bureau will issue a certificate of professional qualification or special skills as a voucher of training.

(ii) Training Contents

88. Training on an agricultural production and non-agricultural skills will be provided by the project with cooperation with relevant agencies of local governments.

- **Training on major agricultural and rural projects.** Farm machinery operators and repairers, biogas workers and maintainers, and rural construction workers will be trained mainly in support of the implementation of such projects as subsidization for farm machinery purchase, animal and plant quarantine, biogas construction and rural dilapidated house reconstruction.
- **Training on farmers' specialized cooperatives.** Management professionals who are good at management, skilled and able to lead farmers to become rich through cooperation will be trained to promote the rapid, normative development

of farmers' specialized cooperatives, and make agricultural production more organized.

- **Training on agricultural service system.** Livestock and poultry breeders, rural brokers and plant protectors will be trained mainly to provide talent support for the development of the agricultural service system.
- **Training on farm product processing.** This training will be oriented mainly to farmers about to enter and having just entered tobacco, tealeaf, vegetables, walnut and other farm product processing enterprises, and focused on local characteristic food processing techniques.
- **Training on specialized farmers.** This training will be focused on rural tourism in order to guide trainees to get employed nearby based on rural social and economic development.
- **Guiding training.** This training will be oriented to farmers working outside, and focused on urban knowledge, right and interest protection, work safety, AIDS prevention and treatment, disaster prevention and reduction in order to improve their adaptability to the new living and working environment.
- **Nonagricultural skills training.** Nonagricultural skills training with focus on services and construction will be given to young people mainly to meet their employment needs

(iii) **Institutional and funding arrangements**

89. Training activities shall be implemented by Donggua Town Labor and Social Security Office, and training costs will not be disbursed from special funds of the government and not included in the budget of the Project.

Table 22: Skills Training Programs in the Project Area

Item	Type of training	Trainees		Duration (day)	Frequency	Period	Funding (CNY per time)	General budget (CNY0,00)	Funding source
		Total	Females						
Skills training program of the Project	Agricultural	100	50	4	3	2014-2016	200	18	Government special funds
	Nonagricultural	150	75	4	3	2014-2016	300	40.5	Government special funds
	Total	250	125	8	/	/	/	58.5	/

5.1.5 Social security

90. According to the Measures of Chuxiong City on Basic Insurance Security for Land-expropriated Farmers (CCG No.186), 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.

- (i) **Contribution level and raising.** The level of contribution to basic endowment insurance for LEFs shall not less than the MLS standard for urban residents of the current year published by the city civil affairs bureau. An LEF aged 16-60 years should contribute endowment insurance premiums for 15 years, and one aged 61 years or more should contribute premiums for 10 years.
- (ii) **Proportions of contribution.** Basic endowment insurance premiums shall be borne by the individual, village collective and government proportionally, where the sum of the individual contribution and collective subsidy shall not be more than 60%, the government subsidy not less than 40%, and the collective subsidy not less than 15% in principle.
- (iii) **Basic pension.** Any insured having attained 60 years and paid stipulated premiums in full may receive a basic pension monthly until death at a rate not less than the MLS standard for urban residents of the current year published by the city civil affairs bureau.

1. Program of endowment insurance for LEFs

91. The policy on endowment insurance for LEFs of Chuxiong City is as follows:

a. Period and rate of contribution

- (i) The rate of contribution to rural social endowment insurance shall not be less than the MLS standard for urban residents of the current year published by the city civil affairs bureau. The basic proportions of contribution are as follows:
- (ii) 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%.
- (iii) 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%.
- (iv) 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%
- (v) Premiums paid above are basic premiums. If conditions permit, LEFs may establish individual accounts themselves.

b. Eligibility for receiving pensions and treatment

- (i) Eligibility for receiving pensions: Any insured having attained 60 years and paid stipulated premiums in full may receive a basic pension monthly until death;
- (ii) The basic pension shall be calculated and paid by reference to rural social endowment insurance;
- (iii) The basic pension shall not be less than the MLS standard for urban residents published by the city civil affairs bureau;
- (iv) 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;
- (v) 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;
- (vi) 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.

c. Estimate of pension level

92. 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 Chuxiong City. In the Project, the average acquired land area per household of largely LEFs is 0.4 mu and that of partly LEFs 0.07 mu, and the amount of cash compensation per household is 32,000 yuan and 5,600 yuan respectively. Since the average lost land income per AH in the Project is 113 yuan only, LEFs may get insured through individual contribution. Having participated in endowment insurance for LEFs, each insured will receive a pension of 179-214.8 yuan per month, which is sufficient to cover the monthly loss of 113 yuan per household. See Table 23.

Table 23: Calculation of Contribution and Benefit Levels of Endowment Insurance for LEFs

Contribution level (%)	Accumulated total contribution (CNY)	Accumulated individual contribution for 15 years (CNY)	Acquired land area per household (<i>mu</i>)	Cash compensation per household (CNY)	Number of insured per household	Basic pension (CNY/month)	Individual account pension (CNY/month)	Monthly pension (CNY)	Monthly lost land income per household (CNY)
60% (largely LEFs)	32,220	19322	0.255	20,400	0.6	71.6	107.3	178.9	89
80% (partly LEFs)	32,220	25,776	0.09	7,200	0.2	71.6	143.2	214.8	89

Notes:

1. The deficiency below the MLS standard for urban residents in the current year received by each fully LEF per month will still be disbursed from the pool account.
2. The above estimates are based on one-time contribution for 15 years.
3. There is no fully LEF in the Project.

d. Medical insurance

93. LEFs may participate in medical insurance in accordance with the Interim Measures of Chuxiong Prefecture for Basic Medical Insurance for Urban Workers, the Interim Measures of Chuxiong Prefecture for Basic Medical Insurance for Urban Residents, and the Measures of Chuxiong Prefecture for the Management of New-type Rural Cooperative Medical Care Services.

2. New-type rural social endowment insurance

94. According to the Detailed Rules of Chuxiong City on the Implementation of Basic Insurance Security for Land-expropriated Farmers, the farmers affected by LA in the Project may participate in new-type rural social endowment insurance as follows:

a. Insured

95. All urban and rural residents with registered residence in Chuxiong City, 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

96. The new-type rural social endowment insurance fund consists of individual contribution, collective subsidy and government subsidy.

- **Individual contribution.** There are 5 contribution levels for rural residents, from 100 yuan to 500 yuan per month, 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 will be contributed annually.
- **Collective subsidy.** Eligible village collective economic organizations should 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 should subsidize individual contribution.

c. Benefit

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

98. Personal pension consists of a basic pension and an individual account pension, and will be paid on a lifelong basis.

99. The individual pension consists of a basic pension and an individual account pension.

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

100. In sum, diversified resettlement measures are available to the APs under the Project and cover the APs extensively.

5.2 Relocation of the affected agency

101. Compensation for the acquired land will be paid to the Cheping community while the compensation for the affected houses will be paid to the Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau. Operation will be continued on the remaining land and no workers will not lost job. The station will build houses on the remaining land. The 20 workers will not lost job.

5.3 Protection of Women's Rights and Interests

102. During the resettlement process, women's rights and interests will be fully protected, and women will be allowed to play an important role in socioeconomic and resettlement activities. . 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:

1. Startup fund for women

103. In order to provide greater support to women's business startup and employment, the Women's Federation of Chuxiong Prefecture issued the Notice on Establishing a Special Fund for Women's Business Startup and Employment of Chuxiong Prefecture together with the Finance Bureau of Chuxiong Prefecture (2009). Since the average cultivated area per household will be reduced, women will spend more time and effort on business startup and enjoy priority in applying for startup funds. The detailed provisions of this policy are as follows:

a. Source and purposes of startup funds

104. Startup funds will be disbursed from prefecture finance in its budget and used mainly for two purposes: (i) supporting outstanding women who take the lead in business startup and employment promotion; and (ii) rewarding county women's federations with outstanding performance in business startup and employment promotion.

b. Subjects of support

105. Urban laid-off women, female graduates of secondary technical schools, rural women, female LEFs, returned farmers and disabled persons who wish to startup businesses or having difficulty in get employed.

d. Uses of startup funds

106. Circulating fund for women's business startup: 70% of startup funds will be used to provide compensated circulating support to women or businesses with development potential, operating honestly and in good faith, and performing well in employment but having financial difficulty during business startup. Each entrepreneur or business may be granted 10,000-30,000 yuan. The term of repayment is usually one year, or may be extended to two years in special cases.

107. Reward for excellence in business startup: 30% of startup funds will be used to reward outstanding women who take the lead in business startup and employment promotion, and county women's federations with outstanding performance in this respect.

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

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

5.4 Assistance Measures for Vulnerable Groups

109. During the whole resettlement process, the CCPMO, IA and local government will not only provide vulnerable groups with 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

110. A support fund for vulnerable groups of 227,00 yuan (1% of resettlement costs) is established for the Project, used to support vulnerable groups affected by the Project, and each vulnerable household affected by the LA can receive a support subsidy of 2,000 yuan.

2. Giving priority to vulnerable groups in resettlement measures

111. During the resettlement, affected vulnerable households have priority, including: (i) providing land transfer information with priority and assisting in obtaining land required for production development; (ii) 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 (iii) including them in endowment insurance for LEFs and new-type rural endowment insurance.

3. Including eligible vulnerable groups in the MLS system

112. According to Chuxiong City's MLS policy for urban and rural residents, eligible vulnerable groups affected by the Project are 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 1,020 yuan/year and the per capita income of each urban AH is not less than 325 yuan/month.

4. Providing urban and rural medical assistance to eligible vulnerable groups

113. Urban and rural medical assistance can be provided to eligible vulnerable groups to solve their difficulty in receiving medical care. See Section 4.7.2 for the detailed policy.

5.5 Infrastructure Restoration Program

114. Affected special facilities and ground attachments are restored by proprietors after receiving compensation from the owner of the Project.

6. Resettlement Organizational Structure

6.1. Resettlement Implementation and Management Agencies

6.1.1 Organizational Setup

115. 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 in the Project are:

- Chuxiong Prefecture Project Leading Group
- CPPMO
- Chuxiong City Project Leading Group
- CCPMO
- Donggua Town Government
- Village (community) committees
- Design agency
- External M&E agency
- Other agencies, e.g., land and resources bureau, women's federation, labor and social security bureau

6.1.2 Organizational Responsibilities

1. Chuxiong Prefecture Project Leading Group

116. The Chuxiong Prefecture 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 Chuxiong City in charge of urban construction. 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.

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

2. Chuxiong Prefecture Project Management Office

117. CPPMO is the working body of the Chuxiong Prefecture 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.

118. 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.

3. Chuxiong City Project Management Office

119. CCPMO is the working body of CPPMO, responsible for Project management, coordination, supervision, direction, quality assurance and annual planning, and the follow-up monitoring of the implementation thereof, reporting to CPPMO regularly; coordinating the implementation of city-level responsibilities and obligations in legal documents entered into the ADB, and causing the timely completion thereof. 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.

120. 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

4. Chuxiong City Resettlement Office

121. 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 and implementing resettlement; selecting resettlement officials for operational training; organizing public consultation, and communicating resettlement policies; directing, coordinating and supervising 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 CCPMO regularly; and assisting in external monitoring activities.

5. Donggua Town Government

122. 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 main responsibilities are:

- (i) Participating in the survey of the Project, and assisting in the preparation of the RP;
- (ii) Organizing public participation, and propagandizing the resettlement policies;
- (iii) Implementing, inspecting, monitoring and recording all resettlement activities within the township;
- (iv) Responsible for the disbursement and management of land compensation fees;
- (v) Supervising the acquisition, occupation and restoration of land;
- (vi) Reporting LA and resettlement information to CCPMO;
- (vii) Coordinating and handling conflicts and issues arising from its work.

6. Village (community) committees

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

- (i) Participating in the socioeconomic survey and DMS;
- (ii) Organizing public consultation, and communicating the policies on LA;
- (iii) Organizing the implementation of agricultural and nonagricultural resettlement activities;

- (iv) Reporting the APs' opinions and suggestions to the competent authorities;
- (v) Providing assistance to displaced households with difficulties.

7. Design institute

124. At the planning and design stage, it shall survey the physical indicators of LA, 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 preparing the relevant drawings.

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

8. External Resettlement M&E agency

126. Chuxiong PPMO and CCPMO shall employ a qualified M&E agency as the external resettlement M&E agency. Its main responsibilities are:

- (i) Observing all aspects of resettlement planning and implementation as an independent M&E agency;
- (ii) Monitoring and evaluating the effectiveness of resettlement and the social adaptability of the APs, and submitting resettlement M&E reports to ADB; and
- (iii) Providing technical advice to the Resettlement Office in data collection and processing.

6.2. Staffing and Equipment

6.2.1 Staffing

127. 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. The resettlement staff has strong organizing and coordinating capabilities, and rich experience in LA, HD and resettlement. See Table 24.

Table 24: Staffing of Resettlement Agencies

Agency	Number of Staff		Composition
	Males	Females	
Chuxiong Prefecture Project Leading Group	4	3	Civil servants
CPPMO	4	4	Civil servants, technicians
CCPMO	2	1	Civil servants, technicians
Chuxiong Project Resettlement Office	2	2	Civil servants
Village (community) committees	2-3	2-3	Village officials and representatives of APs
External M&E agency	Some		Resettlement experts

6.2.2 Equipment

128. 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.

6.2.3 Organizational Training Program

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

130. A staff training and human resources development system for the municipal-, county-, township- and village-level resettlement agencies will be established. Training will be conducted in such forms as expert workshop, skills training course, visiting tour and on-site training. See Table 25. 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 25: Operational Training Program for Resettlement Agencies

No.	Agency responsible A	Scope B	Trainees C	Time D	Costs (0,000 yuan)
1	CCPMO	Learning resettlement experience from ADB-financed projects in other provinces	Resettlement office staff	2015-2016	2.6
2	External M&E agency	ADB's resettlement policy	Resettlement office staff	Feb 2015	2.8
3	External M&E agency	Updates of state policies on LA and HD	Resettlement office staff	Feb 2015	2.7
4	CCPMO	Experience and lessons in resettlement from other places	Resettlement office staff	May 2015	2.7
5	CCPMO	Computer operation and data processing	Resettlement office staff	May 2015	2.5
6	IA	Resettlement procedures and policies for ADB-financed projects	Town resettlement office, village resettlement teams	May 2016	2.5
7	IA	Resettlement policies and practice	Town resettlement office, village resettlement teams	May 2016	2.7
8	CCPMO	Learning international experience in resettlement	Resettlement staff of component PMOs	2017	2.6
Total					21.1

131. In addition, the following measures shall 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 Project 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

7.1. Public Participation

132. According to the policies and regulations of ADB, the PRC, Yunnan Province, Chuxiong Prefecture and Chuxiong City 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

133. Since October 2011, with Yunnan Design Institute and the resettlement consulting agency, CCPMO has conducted a series of socioeconomic survey and public consultation activities (with at least 30% of participants being women) under the direction of technical assistance experts. At the preparation stage, the PMO, IA and design agency conducted extensive consultation on LA and resettlement. A resettlement information booklet (RIB) is prepared, as shown in Appendix 3, and will be distributed in October 2013. The RP will be updated based on the DMS and will be disclosed to the APs on March 2014 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 26: Public Participation Activities at the Preparation Stage

Date	Organizer	Participants	Number of participants		Purpose	Key points
			Males	Females		
2011.5 -2011.8	Yunnan Design Institute	APs, village officials, technicians	56	24	Feasibility study, field investigation, DMS	<ul style="list-style-type: none"> Introducing the background and purpose of the Project Minimizing farmland occupation Minimizing resettlement impacts
2011.9 -2011.12	Yunnan Design Institute	Reps. of government agencies and APs	182	78	RP preparation, socioeconomic survey	<ul style="list-style-type: none"> Assisting in the impact survey APs expressed strong need for the Project Socioeconomic survey and impact survey
2012.1	Hohai University, Yunnan Design Institute	Reps. of government agencies and APs	112	48	Preparation of income restoration programs	<ul style="list-style-type: none"> Consultation on compensation programs Restoration program for canals Restoration measures for borrow pits

Date	Organizer	Participants	Number of participants		Purpose	Key points
			Males	Females		
2012.7.27-8.3	Hohai University	Officials and APs in the affected village groups	96	42	Public consultation	<ul style="list-style-type: none"> Disbursement and distribution of compensation fees for LA Allocation and use of returned land Impact of LA on income Village group development plans Employment expectations of AHs Training needs of AHs Expectations of AHs for endowment insurance Expected resettlement modes of AHs Unique role of women in resettlement
2013.10	CPPMO	APs, village groups	/	/	Disclosure of RP or RIB	<ul style="list-style-type: none"> Disclosure of compensation rates and appeal channels
2013.10	ADB website		/	/	Disclosure of the first draft of the RP	
2013.12	Chuxiong PPMO, Chuxiong CPMO	Reps. of government agencies and APs	/	/	Update RP based on the DMS	Submission of updated RP 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

7.1.2 Participation Plan at the Implementation Stage

134. With the progress of project preparation and implementation, the IA will conduct further public participation. See Table 27.

Table 27: Public Participation Plan of the Project

Purpose	Mode	Time	Agencies	Participants	Topic
LA announcement	Village bulletin board, village meeting	Mar. 2016	CCPMO, 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	Village bulletin board,	Jun. 2016	CCPMO, development & reform bureau, land & resources bureau,	All APs	Compensation fees and mode of payment

Purpose	Mode	Time	Agencies	Participants	Topic
and resettlement program for LA	village meeting		highway bureau, town and village officials		
DMS results verification	Field investigation	Mar. – Apr. 2016	CCPMO, development & reform bureau, land & resources bureau, highway bureau, town and village officials	All APs	Finding out anything omitted to determine the final impacts
					Preparing a detailed list of lost land and properties
					Preparing the sample compensation agreement
Determination / implementation of income restoration program	Village meeting (many times)	Before implement -ation	CCPMO, 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
Training program	Village meeting	Apr. 2016 – Jun. 2017	Labor & social security bureau, town and village officials	All APs	Discussion of training needs
Monitoring	Public participation meeting	Feb. 2015 – Dec. 2018	Town and village officials	All APs	1) Resettlement progress and impacts 2) Payment of compensation 3) Information disclosure 4) Livelihood restoration

7.2. Grievances and Appeals

135. 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 Chuxiong 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 CCPMO or CPPMO 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 competent administrative authorities level by level in accordance with the Administrative Procedure Law of the PRC for arbitration after receiving such disposition.

- At any point, the appellant may file an action in a civil court in accordance with the Civil Procedure Law of the PRC after receiving the arbitration award.

136. The APs may also express grievance to the external monitoring agency, who would then report it to Chuxiong resettlement office, Chuxiong Land and Resource Bureau, and Chuxiong PPMO. 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).⁴

137. 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.

Table 28: GRM Contact Person

Agency	Name	Telephone Number
Chuxiong Prefecture PMO	Li Shiyang	13908789337
Chuxiong City PMO	Yi Yunguang	0878-3022381

⁴ 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/Accountability-Mechanism/default.asp>.

8. Resettlement Budget

8.1. Resettlement Budget

138. All costs incurred during the LA and resettlement shall be included in the total budget of the Project. Based on prices of December 2015 the LA and resettlement costs of the Project are 95.3858 million yuan, including rural LA costs of 22.1513 million yuan or 23.22% of total costs, and compensation fees for infrastructure and ground attachments of 0.2921 million yuan or 0.31% of total costs, taxes and fees costs of 63.3228 million yuan or 66.39%. See Table 29.

Table 29: Resettlement Budget

No.	Item	Unit	Compensation rate (CNY/unit)	Quantity	Budget (CNY0,000)	Percent (%)
1	Basic resettlement costs	0,000 yuan	\	\	2270.49	23.80%
1.1	Compensation fees for permanent LA	0,000yuan	\	\	2215.13	23.22%
1.1.1	Paddy land	mu	80000	96.42	771.36	8.09%
1.1.2	Vegetable fields	mu	80000	16.65	133.20	1.40%
1.1.3	Dry land	mu	40000	2.18	8.72	0.09%
1.1.4	mulberry field	mu	80000	119.01	952.08	9.98%
1.1.5	Fish pond	mu	80000	19.26	154.08	1.62%
1.1.6	Young crop compensation fees	0,000 yuan	\	\	195.69	2.05%
1.1.6.1	Paddy land	mu	1500	96.42	14.46	0.15%
1.1.6.2	Vegetable fields	mu	1500	16.65	2.50	0.03%
1.1.6.3	Dry land	mu	1000	2.18	0.22	0.00%
1.1.6.4	mulberry field	mu	15000	119.01	178.52	1.87%
1.2	Compensation fees for ground attachments	0,000 yuan	\	\	29.21	0.31%
1.2.1	Retaining walls	m	180	392	7.06	0.07%
1.2.2	Pumping stations, sluices, bridges, etc. (1% of the basic cost)	0,000 yuan	\	\	22.15	0.23%
1.3	Compensation for temporary land occupation	0,000 yuan	1500	124.35	18.65	0.20%
1.4	Compensation for houses	0,000 yuan	468.4	160	7.49	0.08%

No.	Item	Unit	Compensation rate (CNY/unit)	Quantity	Budget (CNY0,000)	Percent (%)
2	Support fund for vulnerable groups (1% of the basic cost)	0,000 yuan	\	\	22.70	0.24%
3	Resettlement planning and monitoring costs	0,000 yuan	\	\	23.26	0.24%
3.1	Resettlement planning and design costs	0,000 yuan	\	\	15.26	0.16%
3.2	Resettlement M&E costs	0,000 yuan	\	\	8.00	0.08%
4	Training costs (1% of the basic cost)	0,000 yuan	\	\	22.70	0.24%
5	Taxes and fees on LA	0,000 yuan	\	\	6332.28	66.39%
5.1	LA management costs (2.8% of the basic cost)	yuan/mu	\	\	63.57	0.67%
5.2	Farmland occupation tax	yuan/mu	17333	253.52	439.43	4.61%
5.3	Land reclamation costs	yuan/mu	12600	253.52	319.44	3.35%
5.4	Fees for using additional construction land	yuan/mu	10667	253.52	270.43	2.84%
5.5	Fees for quality of cultivated land compensation	yuan/mu	186666.7	253.52	4732.37	49.61%
5.6	Basic pensions for LEFs	yuan/mu	20000	253.52	507.04	5.32%
1~5	subtotal	0,000 yuan			8671.44	90.91%
6	Contingencies (10% of total costs)	0,000 yuan	\	\	867.14	9.09%
7	Total	0,000 yuan	\	\	9538.58	100.00%

8.2. Resettlement Investment Schedule and Funding Sources

139. 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 30.

Table 30: Resettlement Investment Plan

Year	2017	2018	2019	Total
Amount of investment (0,000 yuan)	8584.72	476.93	476.93	9538.58
Percent	90%	5%	5%	100%

8.3. Disbursement and Management of Resettlement Funds

140. Land compensation fees and resettlement subsidies shall be used in full consultation with the APs according to villagers representative conference; young crop fees are paid directly to the affected persons; compensation fees for infrastructure and attachments are paid to the affected entities or individuals.

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

- All costs related to LA and resettlement will be included in the general budget of the Project;
- Land compensation fees and resettlement subsidies will be paid up before LA so that all APs can be resettled properly.
- In order to ensure the successful implementation of LA and resettlement, financial and supervisory agencies will be established at all levels to ensure that all funds are disbursed timely and fully. The flow of fund for different items of payment see **Error! Reference source not found.**
- The resettlement costs may be increased due to the change of the Project design, the modification of the compensation fees and inflation, but the IA will ensure that compensation fees are fully paid. The budget will be modified as necessary in the updated RP.

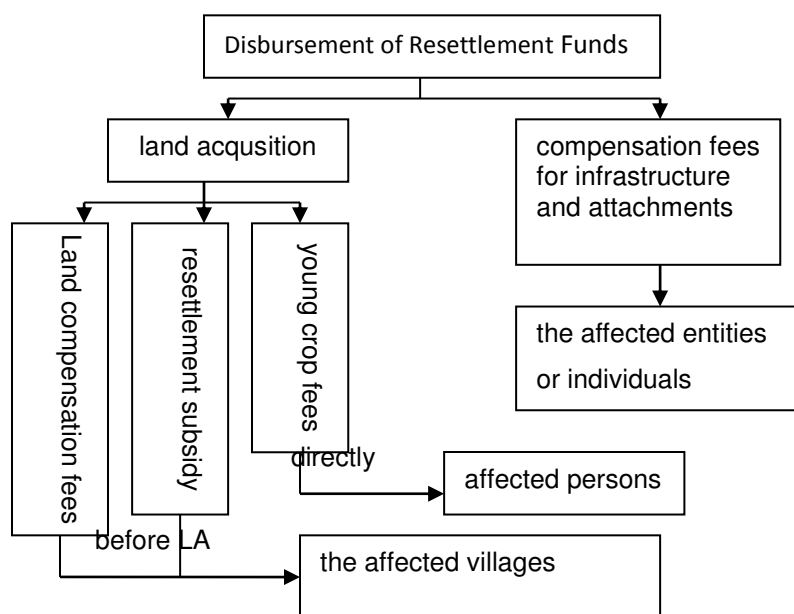


Figure 4: Flow of Resettlement Fund

9. Resettlement Implementation Plan

9.1. Principles for Resettlement Implementation Schedule

142. According to the implementation schedule of the Project, the LA will begin in December 2016 and be completed in June 2017.

- LA should be completed prior to the commencement of construction, and the starting time will be determined as necessary for LA and resettlement. There will be no commencement of civil works until all compensation is paid and all livelihood rehabilitation measures are in place.
- During resettlement, the APs shall have opportunities to participate in the Project. Before the commencement of construction, the range of LA will be disclosed, the RIB distributed and public participation activities conducted properly.
- All compensation fees will be paid to the affected proprietors directly and fully within 3 months of approval of the compensation and resettlement program for LA. No entity or individual should use such compensation fees on their behalf, nor should such compensation fees be discounted for any reason.

9.2. Resettlement Implementation Schedule

143. 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 31.

Table 31: Resettlement Implementation Schedule

No.	Resettlement	Task	Agency Responsible	Time	Remarks
1	Information disclosure				
1.1	Updated RIB	5 villages with 20 groups	CCPMO, Donggua town government	December 2016	Done
1.2	Disclosure of the updated RP on ADB's website		IA, PMO, ADB	December 2016	Ongoing
2	Resettlement Plan Budget				
2.1	RP and budget approval (compensation rates)	95.3858 million yuan	Government, CCPMO, CDICL	June 2016	Done
2.2	Village-level income restoration programs	2 affected villages	Village committees	March-May 2016	Done
2.3	RP update after detailed design	/	EA, PMO	June 2016	Done
3	Detail Measurement Survey				
3.1	DMS on LA	5 affected villages	CDICL	March-April 2016	Done
4	Compensation agreement				
4.1	Village-level land compensation agreement	2 affected villages	Land & resources bureau	December 2016-March 2017	Ongoing
4.2	House demolition compensation agreement	Tea & mulberry station of Chuxiong Prefecture Agriculture	Land & resources bureau	December 2016-March 2017	Ongoing

No.	Resettlement	Task	Agency Responsible	Time	Remarks
		Bureau			
5	Implementation of restoration measures				
5.1	Payment of land compensation fees to AHs and land reallocation (if possible)	2 affected villages	Town government, village committees	January–June 2017	Ongoing
5.2	Implementation of village-level income restoration programs	2 affected villages	Village committees	2016–2018	Ongoing
5.3	Income restoration through business and employment	528AHs	Town government, village committees, labor and social security bureau	2016–2018	Ongoing
5.4	Implementation of training program	528 AHs	Labor and social security bureau	March 2017–March 2018	Ongoing
5.5	Identifying vulnerable households and implementing assistance measures	40 HHs	Civil affairs bureau, PMO	March 2016–March 2018	Ongoing
5.6	Hiring APs for employment under the Project	304 job opportunities during construction; 19 job opportunities during operation	PMO, labor and social security bureau, contractor	April 2017–December 2018	Ongoing
6	Capacity building of resettlement agencies				
6.1	PMO staff training	15 persons	ADB	May 2015	Done
6.2	Training of county, town and village officials	400 persons	PMO, land & resources bureau	May 2015-May 2016	Done
7	Monitoring & Evaluation				
7.1	Baseline survey	One report	External M&E agency	February 2015	Done
7.2	Establishment of Internal Monitoring System	Based on RP	PMO, IA	February 2015	Done
7.3	Recruit an external monitoring agency	One	PMO	February 2015	Done
7.4	Internal monitoring reporting	Quarterly in project progress report	PMO, IA	From March 2015	Ongoing
7.5	External monitoring reporting	Semiannual report/ Annual report	External M&E agency	2015-2018	Ongoing
7.6	Resettlement completion report	One report	IA, PMO	December 2018	Ongoing
8	Public consultation		IA	2015-2018	Ongoing
9	Grievance redress		IA	2015-2018	Ongoing
10	Disbursement of compensation fees				
10.1	- Disbursement to the IA	Initial funds		June 2016	Done
10.2	- Disbursement to villages	All funds	IA	January–June 2017	Ongoing
10.3	- Disbursement to AHs	All funds	IA, village committees	January–June 2017	Ongoing
11	Commencement of civil construction				
11.1	Construction of the		CDICL	April 2017	Ongoing

No.	Resettlement	Task	Agency Responsible	Time	Remarks
	Project				

10. Monitoring and Evaluation

144. 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 will be subject to periodic M&E according to ADB's resettlement policy, including internal and external monitoring.

10.1. Internal Monitoring

145. The internal resettlement monitoring agencies of the Chuxiong CPMO, finance bureau and other departments concerned (e.g., land and resources bureau). The Chuxiong CPMO will 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) use of land compensation and resettlement subsidies by the village committees;
- (iii) restoration of the household income of the APs after LA;
- (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.

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

10.2. External Monitoring

147. According to ADB's policies, the Chuxiong PPMO shall employ a qualified, independent and experienced resettlement agency as the independent resettlement M&E agency for all three subprojects.

148. The external M&E agency will conduct follow-up M&E of resettlement activities periodically, monitor resettlement progress, quality and funding, and give advice. It will also conduct follow-up monitoring of the APs' production level and living standard, and submit M&E reports to the Chuxiong PPMO and Chuxiong CPMO. Chuxiong PPMO shall submit the external M&E report to CPPMO and ADB semiannually.

10.2.1 Scope and Methodology of External Monitoring

10.2.1.1 Baseline Survey

149. 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), random interview and field observation to acquire necessary information. A statistical analysis and an evaluation will be made on this basis.

10.2.1.2 Periodic Monitoring & Evaluation

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

- payment and amount of compensation fees;
- use of land compensation and resettlement subsidies by the village committees, including any amounts allocated to APs or villagers;
- livelihood training;
- support for vulnerable groups;
- restoration and reconstruction of infrastructure and special facilities;
- production resettlement and restoration measures for APs;
- compensation for lost properties;
- timetables of the above activities (applicable at any time);
- resettlement organization;
- other income support measures for the APs;
- income changes of APs through employment;
- level of satisfaction of APs with resettlement; and
- if the APs have benefited from the Project.

10.2.1.3 Public consultation

151. The external M&E agency will attend public consultation meetings held during resettlement implementation to evaluate the effectiveness of public participation and make recommendation for improvements.

10.2.1.4 Grievance redress

152. 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 on existing issues so as to make the resettlement process more effective.

10.2.2 External Monitoring Reporting

153. The external resettlement M&E agency shall submit a monitoring or evaluation report to ADB and the PMO semiannually. See Table 32.

Table 32: Resettlement M&E Schedule

Item	Report	Date
1	Socioeconomic Baseline Survey Report	Feb 2015
2	Monitoring Report (No.1)	Feb 2015
3	Monitoring Report (No.2)	Dec. 2016
4	Monitoring Report (No.3)	Jun. 2017
5	Monitoring Report (No.4)	Dec. 2017
6	Post-evaluation and Completion Report	Dec. 2018

10.3. Post-evaluation

154. 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 (i) ensure the RP objectives have been met and (ii) obtain successful experience and lessons in land acquisition and resettlement as a reference for future work.

Appendixes

Appendix 1: Laws and Policies of the PRC

1. The Land Administration Law of the PRC is the main legal basis of the Project, and the Ministry of Land and Resources, and the Yunnan Provincial Government have promulgated applicable regulations and policies on this basis.

2. The Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28) promulgated in October 2004 defines the principles and rates of compensation for land acquisition and resettlement, land acquisition procedures, and monitoring system, and the Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238) play a similar role. These legal documents have become the legal basis for resettlement of the Project. The key provisions of the above policies are as follows:

TABLE A: ABSTRACT OF THE LAND MANAGEMENT LAW AND RELEVANT POLICIES

Item	Key points	Index
Land ownership	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. 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 2 of the Land Administration Law of the PRC
Application for construction land	Any unit or individual that need land for construction purposes should apply for the use of land owned by the State according to law; Whereas occupation of land for construction purposes involves the conversion of agricultural land into land for construction purposes, the examination and approval procedures in this regard shall be required.	Articles 43 and 44 of the Land Administration Law of the PRC
	All applications for land use for construction shall be accepted by the administrative department in charge of land of the county government in a unified manner, and submitted to higher authorities level by level after examination by the county government. If the acquisition or use of land for construction involves farmland conversion, the administrative department in charge of land of the county government shall file an application, which shall be submitted to higher authorities level by level after examination by the county government. In case of acquisition or use of woodland, or acquisition or use of land in the urban planning area, the land user shall obtain the approval of the forestry and construction departments at or above the county level, and go through the construction land approval formalities as stipulated herein. The approved construction land must be used for the approved purpose and its use shall not be altered without authorization. If the change of use is necessary, Article 56 of the Land Administration Law of the PRC shall apply.	Article 17 of the Land Administration Regulations of Yunnan Province
Land acquisition authority	The acquisition of basic farmland exceeding 35 hectares outside the basic farmland, and other land exceeding 70 hectares shall be approved by the State Council. Acquisition of land other than prescribed in the preceding paragraph shall be approved by the governments of provinces, autonomous regions and municipalities and submitted to the State Council for the record.	Article 45 of the Land Administration Law of the PRC

Item	Key points	Index
	The acquisition of not more than 35 hectares of cultivated land other than basic farmland, and not more than 70 hectares of other land than cultivated land shall be approved by the provincial government.	Article 20 of the Land Administration Regulations of Yunnan Province
Land acquisition announcement system	For the acquisition of land by the State the local governments at and above the county level shall make an announcement and organize the implementation after the approval according to the legal procedures. After the plan for land compensation and resettlement fees is finalized, related local governments shall make an announcement and hear the opinions of the rural collective economic organizations and peasants whose land has been acquired. 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.	Articles 46, 48 and 49 of the Land Administration Law of the PRC
Compensation rates for land acquisition	In acquiring land, compensation should be made according to the original purposes of the land acquired. Compensation fees for land acquired include land compensation fees, resettlement fees and compensation for attachments to or green crops on the land. The land compensation fees shall be 6-10 times the average output value of the three years preceding the acquisition of the cultivated land. The resettlement fee shall be calculated according to the number of agricultural population to be resettled. The number of agricultural population to be resettled shall be calculated by dividing the amount of cultivated land acquired by the per capital land occupied of the unit whose land is acquired. The resettlement fees for each agricultural person to be resettled shall be 4-6 times the average annual output value of the three years preceding the acquisition of the cultivated land. However, the maximum resettlement fee per hectare of land acquired shall not exceed 15 times of the average annual output value of the three years prior to the acquisition.	Article 47 of the Land Administration Law of the PRC
	(1) Acquired vegetable land or irrigated land shall be compensated for at 8-10 times the average annual output value (AAOV) of the three years prior to acquisition of such land, acquired irrigable land, garden land or lotus root pond at 7-9 times, acquired rain-fed farmland or non-irrigated land at 6-8 times, crop rotation land at 6 times, and pasture land or fishpond at 3-5 times; (2) Acquired newly reclaimed farmland that has been cultivated for less than 3 years shall be compensated for at twice the AAOV, and the investment in development shall be compensated for; (3) Acquired housing land, threshing ground or sunning ground shall be compensated for based on the original land type; (4) The compensation rate for allocated state-owned farm, forest farm, pasture or fishing ground shall be based on subparagraphs (1), (2) and (3) of this paragraph. The compensation rate for acquired or allocated woodland shall be as stipulated by the state.	Article 23 of the Land Administration Regulations of Yunnan Province
Temporary land use	Users who use the land temporarily should use the land according to the purposes agreed upon in the contract for the temporary use of land and should not build permanent structures. The term for the temporary use of land shall not usually exceed two years.	Article 57 of the Land Administration Law of the PRC
	If state-owned or collectively owned land is to be used temporarily for project construction, geologic investigation or any other purpose, an	Article 31 of the Land

Item	Key points	Index
	<p>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.</p>	<p>Administration Regulations of Yunnan Province</p>

Table B : Key Provisions of SC [2004] No.28 and MLR [2004] No.238, and Their Application

SC [2004] No.28—Improvement of compensation and resettlement systems for land acquisition		MLR [2004] No.238
Article 12 Improvement of measures for compensation for land acquisition	<p>County-level and above local governments shall take practical measures so that the standard of living of LEFs is not reduced by land acquisition. Land compensation, resettlement subsidy and compensation for ground attachments and crops shall be paid in full and timely pursuant to law. If the land compensation and resettlement subsidy pursuant to the prevailing laws and regulations are insufficient to maintain the former standard of living of the LEFs or to pay the social security expenses of farmers who lose all land due to land acquisition, governments of provinces, autonomous regions and municipalities directly under the central government shall approve an increased resettlement subsidy. If the sum of the land compensation and the resettlement subsidy attains the statutory upper limit and is still insufficient to maintain the former standard of living of the LEFs, local governments may pay a subsidy from the income from compensated use of state land.</p> <p>Governments of provinces, autonomous regions and municipalities directly under the central government shall fix and publish the uniform AAOV rates or integrated land prices for land acquisition of all cities and counties, so that the same price applies to the same kind of land. For key construction projects of the state, land acquisition expenses must be listed in the budgetary estimate in full.</p>	<p>Fixation of uniform AAOV rates</p> <p>Determination of uniform AAOV multiples</p> <p>Fixation of integrated land prices for land acquisition areas</p> <p>Distribution of land compensation</p>
Article 13 Proper resettlement of LEFs	<p>County-level and above local governments shall take specific measures to guarantee long-term livelihoods of LEFs.</p> <p>For projects with a stable income, farmers may become a shareholder using the right to use of land used for construction approved pursuant to law.</p> <p>Within the urban planning area, local governments shall bring farmers who lose all land due to land acquisition into the urban employment system, and establish a social security system; out of the urban planning area, in acquiring land collectively owned by farmers, local governments shall reserve necessary arable land or arrange appropriate jobs for LEFs within the same administrative area; farmers without land who do not have the basic living and production conditions shall be subject to non-local resettlement.</p> <p>The labor and social security authorities shall propose guidelines for the employment training and social security systems for LEFs as soon as possible.</p>	<p>Resettlement for agricultural production</p> <p>Resettlement by reemployment</p> <p>Resettlement by dividend distribution</p> <p>Non-local resettlement</p>

SC [2004] No.28—Improvement of compensation and resettlement systems for land acquisition		MLR [2004] No.238
Article 14 Improvement of land acquisition procedures	<p>During land acquisition, the ownership of collective land of farmers and the right to contracted management of farmers' land shall be maintained. Before acquisition is submitted for approval pursuant to law, the use, location, compensation rate and mode of resettlement of the land to be acquired shall be notified to LEFs; the survey results of the present situation of the land to be acquired shall be confirmed by rural collective economic organizations and farmers to be affected by land acquisition; if necessary, the land and resources authorities shall organize a hearing in accordance with the applicable provisions. The materials for notification to and confirmation by the LEFs shall be taken as requisite materials for approval for land acquisition.</p> <p>Accelerate the establishment and improvement of the coordination and judgment mechanism for disputes over compensation and resettlement for land acquisition to protect the lawful rights and interests of LEFs and land users. Approved matters of land acquisition shall be disclosed unless in special cases.</p>	<p>Disclosure of information on land acquisition</p> <p>Confirmation of land acquisition survey results</p> <p>Organization of land acquisition hearing</p>
Article 15 Strengthening Supervision over the implementation of land acquisition	<p>If the compensation and resettlement for land acquisition has not been implemented, the acquired land shall not be used forcibly.</p> <p>Governments of provinces, autonomous regions and municipalities directly under the central government shall formulate the procedures for the distribution of the land compensation within rural collective economic organizations on the principle that the land compensation is used for rural households affected by land acquisition mainly.</p> <p>Rural collective economic organizations affected by land acquisition shall disclose the receipt, disbursement and allocation of land compensation fees to their members and accept supervision. The agricultural and civil affairs authorities shall strengthen the supervision over the allocation and use of land compensation fees within rural collective economic organizations.</p>	<p>Disclosure of approval items of land acquisition</p> <p>Payment of compensation and resettlement expenses for land acquisition</p> <p>Post-approval supervision and inspection of land acquisition</p>

Appendix 2: Abstract of Applicable Policies of Yunnan Province

1. Land Administration Regulations of Yunnan Province

Chapter 5 Construction land

1. 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.

2. 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.
3. 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 m² 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 m², the resettlement subsidy shall be increased by one AAOV for each 50 m² 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 m² 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/m².

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 m² and the size of one household shall not exceed 100 m²;
- (2) Out of the urban planning area, per capita size shall not exceed 30 m² and the size of one household shall not exceed 150 m².

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. 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.

3. 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.

4. Lending, Exemption, Support and Subsidization Policy (Measures for the Implementation of Small-amount Secured Loans of Chuxiong Prefecture in 2009)

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.

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 Chuxiong City 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.

Fund disbursement and risk control

(1) Fund disbursement

a. Working funds shall be appropriated in advance at 50% of the target to the undertaking agency at the year beginning, adjusted or supplemented in midyear, and settled in the first quarter of the next year; working funds shall be fully honored if annual repayment rate is higher than 95%.

b. A successful entrepreneur may file an application with the county-level labor and social security department, which will disburse a one-time startup subsidy to the applicant timely after approval.

(2) Risk control

a. A small-grant startup loan shall be repaid on a monthly basis from the 4th month of extension.

b. If the quarterly repayment rate of a borrower recommended by the county-level undertaking agency is less than 90%, its operations shall be suspended.

c. For bad debts approved for write-off, the provincial union of rural credit cooperatives shall bear 20%, the prefecture (municipality) and county (city, district) 10% each, and the provincial guarantee fund 60%.

Employment guidance:

(1) According to the lending, exemption, support and subsidization policy, LEFs are encouraged to start up businesses independently. Entrepreneurs shall be exempt from

administrative fees and relevant taxes, and free from guarantee and interest for small-grant startup loans. Consulting services on supporting policies and laws shall be provided to entrepreneurs to improve their startup capacity. Startup projects proposed by entrepreneurs shall be reviewed by the supporting agency and rural credit cooperative to decide if a small-grant loan shall be recommended and granted. A service mentor shall be introduced to entrepreneurs to provide one-to-one guidance through the startup process. Any entrepreneur who has started up a business successfully for more than one year and employed 3-5 registered unemployed persons in our province with labor contracts, a startup subsidy of 1,000 yuan shall be granted.

(2) Special talent fairs will be organized for migrant workers to help surplus rural labor get employed, and employment information, labor rights protection services and legal consulting services will be provided.

5. Program of Social Endowment Insurance for LEFs

The policy on endowment insurance for LEFs of Chuxiong City is as follows:

(1) Period and rate of contribution

The rate of contribution to rural social endowment insurance shall not be less than the MLS standard for urban residents of the current year published by the city civil affairs bureau. The basic proportions of contribution are as follows:

- 9.3. 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%.
- 9.4. 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%.
- 9.5. 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.

(2) Eligibility for receiving pensions and treatment

- Eligibility for receiving pensions: Any insured having attained 60 years and paid stipulated premiums in full may receive a basic pension monthly until death;
- The basic pension shall be calculated and paid by reference to rural social endowment insurance;
- The basic pension shall not be less than the MLS standard for urban residents published by the city civil affairs bureau;
- 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;
- 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;

- 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.

(3) Estimate of pension level

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 Chuxiong City. In the Project, the average acquired land area per household is 0.81 mu, and the amount of cash compensation per household is 64,949.4 yuan, so that 2-10 persons making one-time contribution can be afforded per household on average. Having participated in endowment insurance for LEFs, each insured will receive a pension of 107.4-214.8 yuan per month, which is sufficient to cover the monthly loss of 95-107.5 yuan per household. The deficiency of 72 yuan below the MLS standard for urban residents of 179 yuan in the current year received by each fully LEF per month will still be disbursed from the pool account. Therefore, the compensation received by the households affected by LA is largely sufficient to cover insurance premiums, and insurance benefits received by LEFs are sufficient to cover their income losses arising from LA.

Appendix 3: Resettlement Information Booklet

ADB-financed Yunnan Chuxiong Urban Environment Improvement Project

Chuxiong City Project (Longchuan River Part)

Updated Resettlement Information Booklet

**ADB-financed Project Management Office of the Chuxiong Prefecture Government
Chuxiong City Government
December 2016**

1. Background and Significance

The Upper Longjiang River Improvement Project in Chuxiong City is a Project of the ADB-financed Yunnan Chuxiong Urban Environment Improvement Project. The Project aims to improve the flood protection standard of the river, protect food safety and promote the improvement of people's income, and is significant for safeguarding people's lives and properties, and ensuring the city's healthy economic development.

2. Overview of the Project

The range of the Project is from the exit of the spillway of the Qingshanzui Reservoir to the expressway bridge in Shangzhang Village, with a planned length of 9.385 km. According to the National Flood Control Standard, by reference to the National Near-term Improvement and Construction Plan for Middle and Small Rivers in Key Areas, and the Urban Development Plan of Chuxiong City, and in consideration of economic and social factors, the flood control standard for the Project is once in every 10 years and once in every 50 years.

The Project was included in state planning in 2010, and is expected to break ground in 2017 and be completed in 2018. Compensation and resettlement will begin in December 2016 and be completed in June 2017.

3. Resettlement Implementation Schedule

LA and resettlement will begin in December 2016 and be completed in June 2017, as shown in Table 1.

Table 1: Resettlement Implementation Schedule

No.	Resettlement	Task	Agency Responsible	Time	Remarks
1	Information disclosure				
1.1	Updated RIB	5 villages with 20 groups	CCPMO, Donggua town government	December 2016	Done
1.2	Disclosure of the updated RP on ADB's website		IA, PMO, ADB	December 2016	Ongoing
2	Resettlement Plan Budget				
2.1	RP and budget approval (compensation rates)	95.3858 million yuan	Government, CCPMO, CDICL	June 2016	Done
2.2	Village-level income restoration programs	2 affected villages	Village committees	March-May 2016	Done
2.3	RP update after detailed design	/	EA, PMO	June 2016	Done
3	Detail Measurement Survey				
3.1	DMS on LA	5 affected villages	CDICL	March-April 2016	Done
4	Compensation agreement				
4.1	Village-level land compensation agreement	2 affected villages	Land & resources bureau	December 2016-March 2017	Ongoing
4.2	House demolition compensation agreement	Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau	Land & resources bureau	December 2016-March 2017	Ongoing
5	Implementation of restoration measures				
5.1	Payment of land	2 affected villages	Town government,	January-June	Ongoing

No.	Resettlement	Task	Agency Responsible	Time	Remarks
	compensation fees to AHs and land reallocation (if possible)		village committees	2017	
5.2	Implementation of village-level income restoration programs	2 affected villages	Village committees	2016–2018	Ongoing
5.3	Income restoration through business and employment	528AHs	Town government, village committees, labor and social security bureau	2016–2018	Ongoing
5.4	Implementation of training program	528 AHs	Labor and social security bureau	March 2017–March 2018	Ongoing
5.5	Identifying vulnerable households and implementing assistance measures	40 HHs	Civil affairs bureau, PMO	March 2016–March 2018	Ongoing
5.6	Hiring APs for employment under the Project	304 job opportunities during construction; 19 job opportunities during operation	PMO, labor and social security bureau, contractor	April 2017–December 2018	Ongoing
6	Capacity building of resettlement agencies				
6.1	PMO staff training	15 persons	ADB	May 2015	Done
6.2	Training of county, town and village officials	400 persons	PMO, land & resources bureau	May 2015–May 2016	Done
7	Monitoring & Evaluation				
7.1	Baseline survey	One report	External M&E agency	February 2015	Done
7.2	Establishment of Internal Monitoring System	Based on RP	PMO, IA	February 2015	Done
7.3	Recruit an external monitoring agency	One	PMO	February 2015	Done
7.4	Internal monitoring reporting	Quarterly in project progress report	PMO, IA	From March 2015	Ongoing
7.5	External monitoring reporting	Semiannual report/ Annual report	External M&E agency	2015–2018	Ongoing
7.6	Resettlement completion report	One report	IA, PMO	December 2018	Ongoing
8	Public consultation		IA	2015–2018	Ongoing
9	Grievance redress		IA	2015–2018	Ongoing
10	Disbursement of compensation fees				
10.1	- Disbursement to the IA	Initial funds		June 2016	Done
10.2	- Disbursement to villages	All funds	IA	January–June 2017	Ongoing
10.3	- Disbursement to AHs	All funds	IA, village committees	January–June 2017	Ongoing
11	Commencement of civil construction				

No.	Resettlement	Task	Agency Responsible	Time	Remarks
11.1	Construction of the Project		CDICL	April 2017	Ongoing

4. Impacts of the Project

A total of 253.52 mu of collective land will be acquired permanently for the Project, including 234.26 mu of cultivated land and 19.26 mu of fishing pond, affecting 567 households with 2,281 persons. 124.25 mu collective land will be occupied temporarily, including 112.47 mu paddy land and 11.88 mu vegetable land, affecting 94 households with 482 persons. Totally, 661 households with 2,723 persons will be affected by the Project. Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau is affected, and 160 m² brick-wood structure house will be demolished. The affected ground attachments fall into the two categories of retaining walls and infrastructure.

Table 2: Administrative Divisions Affected by Resettlement

City	Town	Village
Chuxiong	Donggua	Cheping Community
		Liuja Village
		Xinglong Village
		Donggua Community
		Yongxing Village

5. Legal Framework and Policies

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 and Chuxiong Prefecture and Chuxiong City, and ADB's policies.

5.1 ADB policies

Safeguard Policy Statement, June 2009

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)

Land Acquisition Compensation Standard for the 15 Prefectures (Municipalities) in Yunnan Province (amended) issued by the Yunnan Provincial Land Resources Department (effective on June 1, 2014)

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 Chuxiong Prefecture

Notice of the Chuxiong City Government on Issuing the Administrative Measures for Collective Land Acquisition of Chuxiong City (CCG [2010] No.183) (October 2010)

Notice on Issuing the Administrative Measures for Rural Medical Assistance of Chuxiong City (Interim) (CCG [2005] No.79) (July 6, 2005)

6. Key Compensation Rates

6.1 Compensation Rates for Key Land Types

According to the Land Administration Law of the PRC, the Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition, and the Regulations of the Yunnan Province on the Implementation of the Land Administration Law of the PRC, compensation fees for cultivated land acquisition include land compensation fees, resettlement subsidies and compensation for green crops. See Table 3.

Table 3: Compensation Rates for Acquired Rural Collective Land

Compensation rates for collective land acquisition of Chuxiong City (based on the Administrative Measures of Chuxiong City for Collective Land)		
Cultivated land	Paddy land, mulberry field (CNY/ <i>mu</i>)	80,000
	dry land (CNY/ <i>mu</i>)	40,000
	fish pond (CNY/ <i>mu</i>)	80,000
	Vegetable fields (CNY/ <i>mu</i>)	80,000
Young crops	Paddy land, Vegetable fields (CNY/ <i>mu</i>)	1,500
	dry land (CNY/ <i>mu</i>)	1000
	mulberry field (CNY/ <i>mu</i>)	15000
	fish pond (CNY/ <i>ton</i>)	2000

6.2 Social Security for LEFs

According to the Interim Measures for Basic Endowment Insurance for Land-expropriated Farmers of Yunnan Province, the basic pension for LEFs consists of three 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

6.3 Compensation Rates for Infrastructure and Ground Attachments

The compensation rates for infrastructure and ground attachments affected by the Project have been fixed at replacement cost.

Table 4: Compensation Rates for Infrastructure and Ground Attachments [Please provide full items and relevant compensation rate]

Item	Unit	Compensation rate
Rubble retaining wall	yuan/m ³	180

6.4 Compensation Rates for Houses

For the houses belong to the Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau, the final compensation will be determined based on appraisal. The compensation rate of 468.4 CNY/m² for brick-wood structure will be used as reference, which is the replacement cost.

6.5 Assistance Measures for Vulnerable Groups

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

A support fund for vulnerable groups of 0.2244 million yuan (1% of resettlement costs) will be established for the Project, used to support vulnerable groups affected by the Project, and each vulnerable household affected by LA will receive a support subsidy of 2,000 yuan.

(2) Giving priority to vulnerable groups in resettlement measures

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

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

According to Chuxiong City's MLS policy for urban and rural residents, eligible vulnerable groups affected by the Project will be included in the MLS system and receive MLS benefits so as to ensure that the per capita net income of each rural AH is not less than 1,020 yuan/year and the per capita income of each urban AH is not less than 325 yuan/month.

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

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

6.6 Resettlement Budget

All costs incurred during the LA and resettlement shall be included in the total budget of the Project. Based on prices of December 2015 the LA and resettlement costs of the Project are 95.2994 million yuan, including rural LA costs of 22.1513 million yuan or 23.24% of total costs, and compensation fees for infrastructure and ground attachments of 0.2921 million yuan or 0.31% of total costs, taxes and fees costs of 63.3207 million yuan or 66.44%.

6.7 Other Policy-based Costs

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 5: Entitlement Matrix

Type of impact	Degree of impact	Affected persons	Compensation and resettlement policy	Measures
Permanent LA of collective land	253.52 <i>mu</i> , including 234.26 <i>mu</i> irrigated land, 19.26 <i>mu</i> of fish pond.	528 households with 2,125 persons in 10 groups of 2 villages/communities, Donggua Town	<ol style="list-style-type: none"> 1) Land compensation fees, resettlement subsidies and compensation fees for collective properties, irrigated land and vegetable land: CNY80,000/<i>mu</i>, shall be paid directly to the affected collective economic organization or village committee. 2) In Cheping Community, the whole registered population is distributed income annually produced from the LA compensation fund. In Donggua Community, the AHs can get the subsidy based on type of the acquired land. 3) All compensation for young crops, (i) paddy land and vegetable land: CNY1,500/<i>mu</i>; (ii) dry land: CNY1,000; (iii) mulberry field: CNY 15,000 /<i>mu</i>; shall be paid to affected households directly. 4) The compensation for ground structures or attachments (such as rubble retaining wall: CNY180/m²) shall be paid to their proprietors. 5) Measures such as land transfer, agricultural resettlement, employment, skills training and social security are offered to ensure production and livelihood restoration, and sustainable development of LEFs. 	<p>Measures for land compensation allocation, land reallocation and production investment (cultivation and irrigation skills, tertiary industries, etc.) will be determined by the village meeting.</p> <p>Training will be approved and supervised by the government at the next higher level.</p>
Temporary land occupation	124.35 <i>mu</i> land will be temporarily occupied, including 112.47 <i>mu</i> paddy land and 11.88 vegetable land.	94 households with 482 persons in 10 groups of 4 villages/communities, Donggua Town	<ol style="list-style-type: none"> 1) paddy land and vegetable land: CNY1,500/<i>mu</i>; 2) the contractor is responsible to restore the land. 	
House demolition	160 m ² brick-wood structure	20 workers of Tea & mulberry station of Chuxiong Prefecture Agriculture Bureau	<ol style="list-style-type: none"> 1) the final compensation will be determined based on appraisal. The compensation rate of 468.4 CNY/m² for brick-wood structure will be used as reference, which is the replacement cost. 	

Type of impact	Degree of impact	Affected persons	Compensation and resettlement policy	Measures
			2) the compensation for mulberry is CNY 15,000 /mu. 3) Operation will be continued on the remaining land and no workers will not lost job. The station will build houses on the remaining land.	
Women	/	Women	1) Female working age APs shall have priority in employment, and at least 30% of them will receive unskilled jobs from the Project. 2) Women shall receive relevant information during resettlement, and are able to participate in resettlement consultation. Special women FGDs shall be held to introduce resettlement policies.	The women's association will provide acceptable education to women.
Vulnerable groups	Disability	24 households	1) A special subsidy (CNY2,000 per person) for the disabled shall be provided. 2) Able-bodied laborers from vulnerable households shall be recruited to do unskilled jobs and get trained with priority.	Vulnerable households will be confirmed at the beginning of resettlement implementation, and monitored closely until the completion of assistance measures. A special support fund will be established at 1% of resettlement costs and may be disbursed from the contingencies.
	Low-income people (below national poverty line)	14 households	1) Two members (at least one woman) of each AH shall receive livelihood training and prior job opportunities, e.g., participation in project construction. 2) The government shall pays pensions.	
Ethnic minorities	the Yi nationality and the Lili nationality	26 persons in total	1) Ethnic minorities have priority in employment, and all of them shall receive unskilled jobs. 2) Ethnic minorities have priority in receiving free skills training as well	
Special facilities and ground attachments	Retaining walls	Proprietors	1) Affected special facilities shall be restored by proprietors after receiving compensation from the owner of the Project, or reconstructed by the Project according to the original size, standard and function (see Table 2-4) 2) Compensation fees shall be calculated and disbursed for retaining walls as stipulated (CNY180/m).	

Type of impact	Degree of impact	Affected persons	Compensation and resettlement policy	Measures
Grievances and appeals	/	All APs	Free; all costs so reasonably incurred shall be disbursed from the contingencies of the RP budget.	
Cutoff date	/	/	March 1, 2016	

8. Resettlement Organizational Structure

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 in the Project are:

- Chuxiong Prefecture Project Leading Group
- CPPMO
- Chuxiong City Project Leading Group
- CCPMO
- Donggua Town Government
- Village (community) committees
- Design agency
- External M&E agency
- Other agencies, e.g., land and resources bureau, HD management office, women's federation, labor and social security bureau

9. Grievances and Appeals

Since public participation is encouraged during the preparation and implementation of the RP, no substantial dispute will arise. However, unforeseeable circumstances may arise during this process. In order to address issues effectively, and ensure the successful implementation of project construction and 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 Chuxiong 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 CCPMO or CPPMO 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 competent administrative authorities level by level in accordance with the Administrative Procedure Law of the PRC for arbitration after receiving such disposition.

At any point, the appellant may file an action in a civil court in accordance with the Civil Procedure Law of the PRC after receiving the arbitration award.

The APs may also express grievance to the external monitoring agency, who would then report it to Chuxiong resettlement office, Chuxiong Land and Resource Bureau, and Chuxiong PPMO. 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)⁵.

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.

Table 6: GRM Contact Person

Agency	Name	Telephone Number
Chuxiong Prefecture PMO	Li Shiyang	13908789337
Chuxiong City PMO	Yi Yungaung	0878-3022381

10. External Monitoring

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

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. Chuxiong PMO shall submit the external M&E report to ADB semiannually.

The external M&E agency will submit a monitoring or evaluation report to ADB and the PMO semiannually.

Table 7: Resettlement M&E Schedule

	Report	Date
1	Socioeconomic Baseline Survey Report	Feb 2015
2	Monitoring Report (No.1)	Feb 2015
3	Monitoring Report (No.2)	Dec. 2016
4	Monitoring Report (No.3)	Jun. 2017
5	Monitoring Report (No.4)	Dec. 2017
6	Post-evaluation and Completion Report	Dec. 2018

⁵ 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/Accountability-Mechanism/default.asp>.

Appendix 4: Terms of Reference for resettlement external E&M

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 PPMO 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 is accordance with the quality standard, point out existing issues, and propose suggestions for improvement.

2. Scope of resettlement monitoring and evaluation

(1) Monitoring and evaluation of implementation progress of land acquisition and house demolition, including:

- (i) progress of land acquisition;
- (ii) restoration of infrastructure

(2) Monitoring and evaluation of availability and utilization of funds, including:

- (i) availability of funds; and
- (ii) utilization of funds (planned vs. actual).

(3) Monitoring and evaluation of the standard of living of APs, including:

- (i) production level and standard living of AP before LA&R;
- (ii) production level and standard living of AP after LA&R; and
- (iii) comparative analysis and evaluation of production level and standard living of AP before and after LA&R

(4) 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 PPMO and accepted by ADB.

4. Organization of resettlement monitoring and evaluation

The Chuxiong PPMO 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 PPMO 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: at least 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:

- Level of education of adults by gender
- Occupation of adults but gender
- Land area by type
- House type (quality)
- Housing area
- Income by source
- Expenditure by type
- Major assets ownership
- 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 PPMO and ADB semiannually.

	Report	Date
1	Socioeconomic Baseline Survey Report	Feb 2015
2	Monitoring Report (No.1)	Feb 2015
3	Monitoring Report (No.2)	Dec. 2016
4	Monitoring Report (No.3)	Jun. 2017
5	Monitoring Report (No.4)	Dec. 2017
6	Post-evaluation and Completion Report	Dec. 2018