



External Monitoring Report

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PRC: Yunnan Chuxiong Urban Environment Improvement Project – Resettlement External Monitoring Report (No. 2) for Lufeng Component

Prepared by Sichuan Fontal Strategic Consulting Co., Ltd

For Chuxiong Prefecture Project Management Office

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

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

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

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1. Summary of Monitoring

1.1 Summary of the Project

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

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

Total approved investment on the Project is CNY 1.048 billion as to the detailed engineering design, including USD 50.418 million (equal to CNY 307.5 million) loan from the Asian Development Bank (accounting for 30.35%) and supporting fund of CNY 705.8 million from domestic China (accounting for 69.65%).

1.2 Construction Progress

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

1.3 Summary of Resettlement Monitoring

Land acquisition, demolition and resettlement works are involved in the river regulation, flood control and construction of roads for urban development and auxiliary facilities of the Lufeng sub-project. The estimated resettlement cost of the Project is RMB 345.58 million, including basic land requisition (and occupation) cost, house demolition cost, taxes and contingencies, accounting for 34.13% of the total budget of the Project. Anyway, the land acquisition and demolition work hasn't started officially yet. Chuxiong Wanding Geological Information Co., Ltd is entrusted to carry out statistics on the population, land area and ground attachments of villages affected by land acquisition and demolition. The Lufeng sub-project is pushed forward slowly and the land requisition and house demolition work hasn't started yet.

1.4 Monitoring and Evaluation

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

On September 12, 2015, the monitoring team arrived at Lufeng County affected by the Project to collect information for monitoring and evaluation. The team had fully learned the implementation progress of resettlement work there by ways of actively survey on public opinions and door-to-door interviewing with affected villagers, in addition to the informal discussion with leaders of the affected towns and villages. Thus, opinions of affected population on resettlement work are learned and sufficient

communication is realized.



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

2. Monitoring on Impacts of the Project

2.1 Planned Data of Impacts by the Project

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

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

3. Monitoring on Compensation Standards and Compensation Funds

The *Notice by the Land and Resources Bureau of Yunnan Province as to Forward the Guideline of the Ministry of Land and Resources on the Determination of Uniform Annual Output Value Standard for Land Acquisition and Uniform Land Price of the Affected Area* (YGTZG [2005] No.188) and the *Uniform Annual Output Value for Land Acquisition and Compensation Standards for Ground Attachments of the Expropriated Land* (trial) (LZT [2009] No. 105) issued by the People's Government of Lufeng County are applied here. Detailed compensation standards for land acquisition are as follows:

CNY 86,040/mu (CNY 129/m²) for rice land and CNY 86,040/mu for residence site;

Compensation standards for crops: CNY 1,200/mu for spring-summer crops and CNY 600/mu for winter-spring crops.

Compensation standards for demolished residential house: CNY 950/m² (brick-concrete structure), CNY 700/m² (brick-wood structure), CNY 450/m² (earth-wood structure), CNY 200/m² (simple structure), together with moving subsidy at the rate of CNY 2,000/household and temporary resettlement fund at the rate of CNY 5/m²/month for 12 months. Award for earlier moving is provided at the rate of CNY 3,000/household (30 days earlier than the expiration of proposed deadline).

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

4. Organizational and Public Participation

4.1 Organizational Structure

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

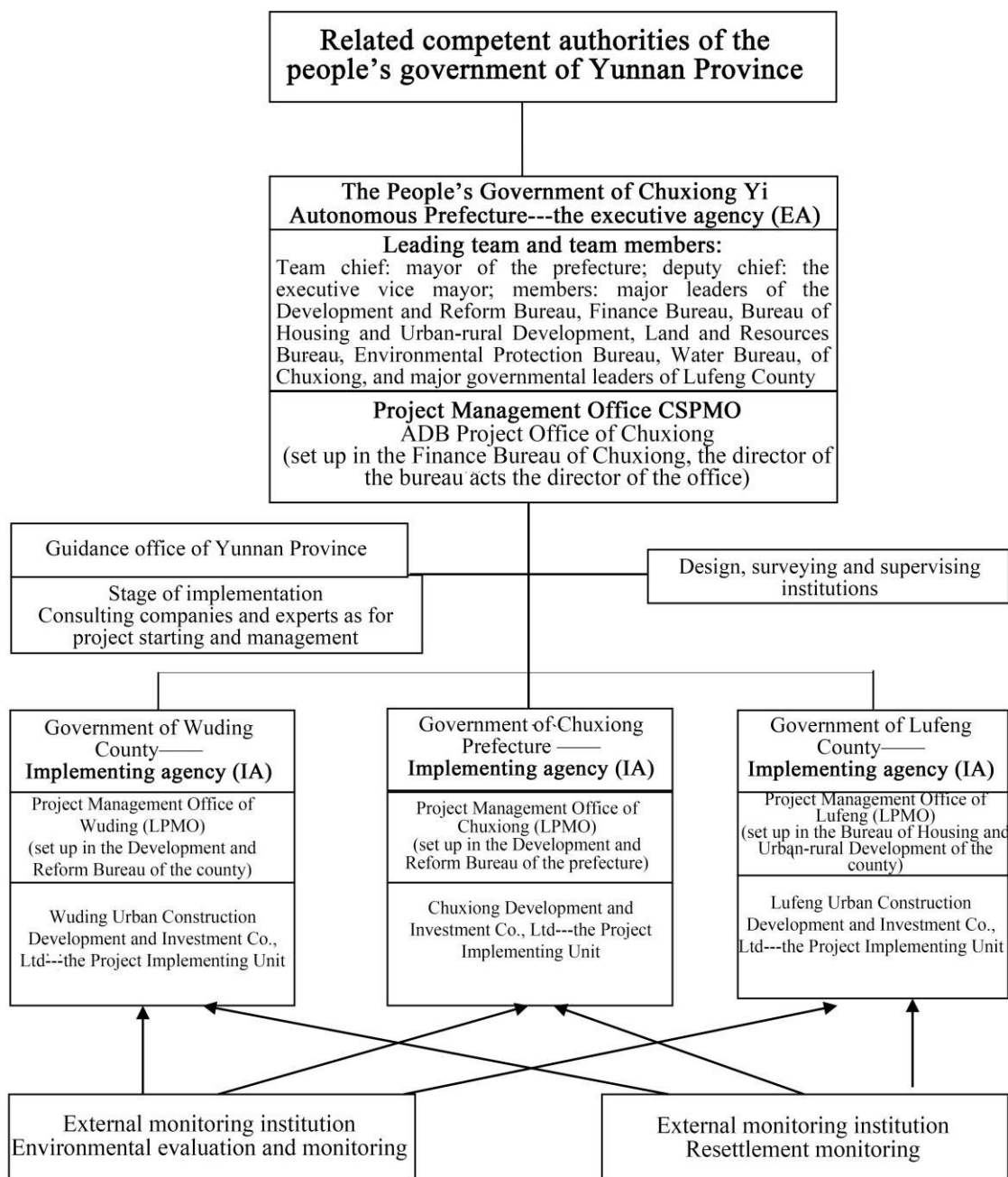


Figure 5-1 Organizational Chart of the ADB Loaned Chuxiong Project

4.2 Work of the Monitoring Team and Public Participation

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

the Project.

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

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

5. Conclusion of Monitoring

Contents of the ADB Loaned Chuxiong Urban Environmental Improvement Project Lufeng Sub-project consist of: (1) East River and the West River embankment protection, landscaping, and flood early warning system; (2) about 7.657km urban roads and associated facilities, including the rainwater pond system with capacity of 68,135m³, the water supply and drainage facilities, rainwater pipelines and pollutant intercepting facilities; (3) urban solid waste management equipment, including garbage compactor trucks, garbage collection vehicles and street sweeping vehicles; (4) ability development. At present, China domestic works including discussion and approval on the Project establishment, site selection and planning, land use preliminary reviewing, environmental impact assessment, conservation of soil and water, resettlement action plan and feasibility report are finished. On June 16, 2015, bidding on the construction supervision for the Chuxiong Urban Environmental Improvement Project Lufeng Urban Roads and Watercourse Comprehensive Regulation Sub-project was held in Chuxiong Prefecture Trading Center for Common Resources.

At present, no material progress in land requisition and house demolition is made when compared to those in the previous monitoring phase. The compensation standards for the Lufeng sub-project are the same with those described in the renewed resettlement action plan. The external monitoring organization will make detailed and overall report on the resettlement work in the next phase and monitoring on the livelihood recovery of the affected population will be treated as a key point for external monitoring and evaluation then.