

# Resettlement Plan (Draft)

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July 2014

PRC: Yunnan Pu'er Regional Integrated Road  
Network Development Project

Prepared by Pu'er City Transportation Bureau for the Asian Development Bank.

## CURRENCY EQUIVALENTS

(as of 9 June 2014)

Currency unit	–	Yuan (CNY)
CNY1.00	=	\$0.16229
\$1.00	=	CNY6.1579

## ABBREVIATIONS

ADB	–	Asian Development Bank
APs	–	affected persons
AAOV	–	average annual output value
AV	–	administrative village
CRO	–	County Resettlement Office
DMS	–	detailed measurement survey
DI	–	Design Institute
EA	–	executive agency
FS	–	feasibility study
IA	–	implementation agency
LAB	–	Land and Resources Bureau
LAR	–	land acquisition and resettlement
L&RO	–	Land & Resources Office
LEF	–	Land-expropriated Farmer
M&E	–	monitoring and evaluation
MOU	–	memorandum of understanding
NDRC	–	National Development and Reform Commission
PADO	–	Poverty Alleviation and Development office
PAH	–	project affected household
PAP	–	project affected person
PRO	–	project resettlement office
PPTA	–	project preparatory technical assistance
PRA	–	participatory rural appraisal
RP	–	resettlement plan
RIB	–	resettlement information booklet
SES	–	socioeconomic survey
SPS	–	safeguards policy statement
TRO	–	Township Resettlement Office

## NOTES

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

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ADB Loan Project (TA-8149)

**Yunnan Pu'er Regional Integrated Road  
Network Development Project  
(Component: Menglian-Meng'a Road  
Project)**

**Resettlement Plan  
(Draft)**

Pu'er City Transportation Bureau  
June 2014

### **Endorsement Letter**

Pu'er city government applied the Asian Development Bank loans for the Yunnan Pu'er regional integrated road network development project. Therefore, projects must meet the social safeguard policies of the Asian Development Bank. This plan represents a key demand of the Asian Development Bank, and the requirement becomes the basis of this project resettlement activities. This resettlement plan comply with the relevant laws and regulations People's Republic of China, Pu'er city, Yunnan province, in order to better fulfil the resettlement work, the resettlement plan also includes a number of additional measures, implementation and monitoring arrangements.

Pu'er City Government hereby confirms the content of this report and the land acquisition and relocation, compensation and rehousing, and the budget funds of the project will follow this plan. This resettlement plan is based on the project preliminary design and resettlement survey data, and if the eventual implementation of the project is different from the described in the preliminary design, the resettlement plan will be updated accordingly. Revised resettlement plan will be approved by the Asian Development Bank before its implementation.

**Mayor of Pu'er City**



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Signature

18/08/2014 Date

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## **EXECUTIVE SUMMARY**

### **E1. DESCRIPTION OF THE PROJECT IMPACTS**

1. The ADB financed Yunnan Pu'er Regional Integrated Road Network Development Project consists of 3 Components. Component I involves 300 kilometers (km) of regional roads rehabilitation and reconstruction that includes rehabilitation of Ning'er-Jiangcheng-Longfu Highway (N-L), and reconstruction of Menglian-Meng'a Highway (M-M) that also includes construction of Meng'a Port Material Transit Centre (MTC). Component II involves 600 km rural road access improvement (Class IV paved), with spot improvements on around 1,200 km of village access roads and improvement of rural transport services. Component III involves institutional development of Pu'er Municipal Transport Bureau (PTB) and road safety programs. Among the three components only Component I will involve land acquisition and resettlement (LAR). Component II will involve only minor LA; while Component III will not have any LAR impact. This resettlement plan (RP) is prepared for LAR impacts of the Menglian-Meng'a Highway that includes LAR impacts of the Mang'a Port Material Transit Centre (MTC) under the Component I. For the Ning'er-Jiangcheng-Longfu Highway, under Component I, a separate RP has been prepared. For rural roads under component II a resettlement framework (RF) has been prepared to deal with any potential LAR impacts.

### **E2. LAND ACQUISITION AND RESETTLEMENT**

2. For Menglian to Meng'a road component that includes construction of Meng'a Port Material Transit Centre (MTC), land acquisition will affect 718 households with 3395 persons of 6 villages, and 45 households with 225 persons of 2 enterprises. A total of 2,059.3 mu of land areas will be acquired, including 368.5 mu of rice paddy, 455.7 mu non-irrigated farmland, and 451.9 mu economic trees plantation, 729.6 mu forest land, and 53.6 mu other land.

3. The component will demolish of 29,154 m<sup>2</sup> house including 27,954 m<sup>2</sup> from the 6 affected administrative villages and 1200 m<sup>2</sup> from two affected agricultural enterprises, Mengma Tea Company and Menglian State Farm. Out of total house demolition, 7,057 m<sup>2</sup> are brick and concrete, 22,031 m<sup>2</sup> are brick and wood, and 66 m<sup>2</sup> are simple houses. Within the 6 affected villages, house demolition includes 6,807 m<sup>2</sup> brick concrete structure building, 21,081 m<sup>2</sup> of brick-wood buildings, and 66 m<sup>2</sup> simple house buildings. Within the two affected agricultural enterprises, 250 m<sup>2</sup> brick concrete structure and 950 m<sup>2</sup> brick-wood structures will be demolished.

### **E3. RESETTLEMENT PRINCIPLES AND ENTITLEMENTS**

4. The Resettlement Plan (RP) is prepared in accordance with the related policies of the PRC, Yunnan province and Pu'er prefecture, and county level policies as well as ADB's Safeguards Policy Statement (SPS, 2009), Safeguards Requirement (II) on involuntary resettlement. The objective of a resettlement plan is to ensure that livelihoods and standards of living of displaced persons are improved, or at least restored to pre-project level. The principles for resettlement include: (i) minimizing LAR impacts wherever possible; (ii) providing adequate compensation and entitlements to APs in order to improve their income and livelihood; (iii) providing adequate assistance during transition period; (iv) providing cash compensation and re-employment assistance to make up income loss due to land acquisition; (v) keeping all APs informed of their eligibility, compensation rates, implementation schedule, and livelihood restoration plans to ensure that they could participate in the RP planning and implementation process; (vi) delivering all compensations to APs before land acquisition and house demolition;

(vii) conducting internal and external monitoring during the RP implementation; (viii) providing special assistance to vulnerable to ensure they can live a better life and benefit from the project; and (ix) allocating sufficient budget to cover all aspects of compensation and rehabilitation assistance.

#### **E4. COMPENSATION STANDARDS**

5. Based on adequate consultations, the resettlement policy is formulated in accordance with ADB's SPS policy requirements, PRC laws, and provincial and municipal regulations. The objective is to ensure income rehabilitation and improvement of affected people could be achieved within a short period after resettlement. The compensation provided is based on meeting the 'replacement cost' for the losses incurred by the affected peoples. Based on consultation with the affected persons (APs) and general practices in the project area, the project implementing agency (IA) has adopted a set of resettlement principles and an entitlement matrix has been prepared for the Project. The compensation standard for land acquisition is in accordance with national laws and regulations, as well as the resettlement policy of Yunnan Province and Pu'er City and fulfill the 'replacement cost' requirements of the ADB SPS 2009 requirements. It is based on the location zoning as 'county seat area', 'flatland areas' and 'other areas'. And compensation standards range between CNY35,000-60,000 for irrigated paddy and fish pond land; CNY30,000-45,000 for non-irrigated paddy land; CNY20,000-35,000 for non-irrigated slop land; CNY15,000-30,000 for collective construction land; CNY75,00 for forest land and CNY8500 for other not yet in use land. The 'county seat area zone' has the highest standards followed by 'flat land areas zone' and 'other areas zone.' None of the project affected people will be within the 'county seat area zone' and to ensure that the affected people get better compensations, 'flatland area' entitlement standards will be applicable for both flatland area and other areas. The compensation standard for house demolition is set according to replacement cost of Menglian County based on the local material market price, CNY1,400 per meter<sup>2</sup> for brick concrete, CNY1,000 per meter<sup>2</sup> for brick wood and CNY600 per meter<sup>2</sup> for earth wood. The compensation standards for other affected assets also are set according to replacement cost. The affected assets include trees, surface attachments, and water and power facilities.

6. Compensation for land acquisition, residential housing, and other attachments will be paid to the affected villages and APs. For land acquisition, compensation fees include land compensation, resettlement subsidy and compensation for crops and trees. For relocated households, all of them will be provided with compensation for lost houses, attachments, new housing plots free of charge, and other relocation allowance. The compensation payments will be in cash according to the agreement reached with each households based on compensation standards and negotiation. Compensation for crops, trees, other facilities, and temporary impacts will be paid directly to the APs. Income losses resulting from reduced production and/or sales and wages caused by the Project will be assessed and compensated in cash.

#### **E5. RESETTLEMENT AND LIVELIHOOD REHABILITATION**

7. Among the AH affected by LA, about 67% of the AH will loss 0- 5% of their cultivated land, about 20% will loss 5-10% , about 12% will loss 10-20% , and only around 1% of the AH will lost over 20%. The land acquisition impacts are therefore limited and will have minimal impact on the livelihood standards of the affected households. To minimize the resettlement impacts to APs and restore their living standards a detailed rehabilitation plan has been developed and included in the RP. The comprehensive compensation package that will be used by the affected peoples to expanding cash crop plantation and improving existing low yield cash crops will help offset the losses incurred due to the LAR impacts. Additionally waged farming jobs, off-farming business,



and special measures for vulnerable groups have been put in place. For relocated households, rehabilitation is through providing resettlement housing sites within their original communities near their current locations with complete infrastructure facilities and cash compensation for lost houses based on replacement costs as well as transfer allowances.

## **E6. PUBLIC PARTICIPATION AND GRIEVANCE**

8. From April 2013 to March 2014, a series of consultation activities were carried out with the APs, resettlement communities (RCs), and other project stakeholders. The APs have participated in the preparation of the RP throughout the measurement and socioeconomic surveys, and community meetings. Their concerns and comments have been integrated into the RP. Further consultations will be held during the implementation of the RP. A grievance procedure has been established for the APs to redress their LAR and other project related issues. Grievances received both oral and written and their redress will be recorded and will be made available to the external monitor and ADB missions on request. The APs can also put forward grievance to external monitoring and evaluation agency.. Or the APs can put forward grievance to project team of ADB for negotiated resolution. If good faith efforts are still unsuccessful and if there are grievances that stem from non-compliance with ADB's safeguard policy, the affected person may submit a complaint to ADB's Office of Special Project Facility or Office of Compliance Review in accordance with ADB's Accountability Mechanism (2012).<sup>1</sup>

## **E7. INSTITUTIONAL ARRANGEMENT**

9. Pu'er Municipal Government (PMG) will be the project EA and Pu'er Transportation Bureau (PTB), and Menglian County Menglian-Meng'a Road Construction Headquarter will be the IA. The PMO of PTB will assume overall responsibility for the implementation of RP, including the planning, implementation, financing, and reporting of RP. PMO will also take the primary responsibility for the resettlement consultation, implementation, and timely delivery of entitlements. To ensure smooth implementation, the staff in charge of RP will undertake training on resettlement implementation. The resettlement implementation schedule has been prepared based on the preparation and construction timetable. The RP will be updated based on the final design and detailed measurement survey and be submitted to ADB for review and approval prior to award of civil works contracts. The PMG and its LAR implementing agencies which will be mainly responsible for the implementation have experience in implementing projects involving land acquisition and relocation, though this will be the first time it will be involved in dealing with an ADB financed project. In the PRC there are established mechanisms for LAR and the local agencies responsible are well versed in these. To ensure that the IA and other staff are trained in the ADB's social safeguards requirements, during PPTA, ADB's social safeguards specialist has provided training to the relevant staff. Additionally, a safeguards capacity building expert will be procured under the ADB's consultancy services to build the IA and other relevant agencies' capacity to effectively implement the resettlement plan.

## **E8. COST AND SCHEDULE**

10. The resettlement costs of the Project are CNY136.01 million, including LA costs of CNY 53.92 million, compensation fees of house demolition CNY47.95 million including compensation fees for infrastructure and ground attachments, special supporting funds for vulnerable groups CNY 2.04 million, technical training 500,000, RP M&E CNY500,000, taxes and management costs of 18.92 million, and contingencies of CNY 10.19 million

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<sup>1</sup> For further information, see <http://www.adb.org/Accountability-Mechanism/default.asp>.

## **E9. MONITORING AND EVALUATION**

11. Details for both the internal and external monitoring and evaluation (M&E) are included in the RP. The Pu'er city level PMO will submit an internal progress report quarterly to ADB. Furthermore, the project sponsor will engage an independent external resettlement monitoring institute or firm to deliver undertake external monitoring of the RP implementation. A baseline study will be conducted before the LAR begins and the first monitoring report will be submitted in 2015. After that and until project completion, semi-annual monitoring reports will be prepared and submitted for ADB's review. After completion of the LAR, annual evaluation reports will be submitted to ADB for 2 years or longer if there any remaining issues.

## 1. Project Overview and Background

### 1.1 Project Overview

1. Yunnan province of PRC is located in southwestern part of China. According to the State Council's approval, the Yunnan province should become China's Southwest-facing open "bridgehead", and will bring new opportunities for economic development and infrastructure construction for Yunnan province. According to The Southwest-facing open "bridgehead" development planning of Yunnan province, Pu'er city as one of the frontier city or municipality of Yuannan Southwestern area, is the open forward areas of States and Yunnan Province. Pu'er city is located in the southwestern of Yunnan province. The total land area is 45,000 sq km. Pu'er city administrative areas include 9 counties, 1 district, and a total of 103 towns or townships. The total population is 2.546 million people, minority population account for 61%. Pu'er city is the only one city neighbouring with Viet Nam, Laos, and Myanmar. The border line is about 486 km, has the best position of one city neighbouring three countries. Pu'er city is the important southwest portal of China, and Yunnan province. In the multi-relationship between Yunnan province and Southeast Asia, Pu'er city has locational advantages.

2. In order to drive the economic and social development of Pu'er, Pu'er Municipal Government plans to upgrade the existing roads under this project.

3. Pu'er city regional road network integrated development project includes three components:

- (i) **Component 1: Rural road upgrading project.** This component will upgrade approximately 600 kilometers of rural road. The project will pave the surface based on the original roads; no new land acquisition and demolition are anticipated. A resettlement framework (RF) approach is undertaken to address any unanticipated land acquisition. A RF has been prepared and if any of these rural road upgrading will require any land acquisition or relocation, a resettlement plan will be prepared and submitted for ADB's approval prior to any commencement of land acquisition and relocation and any civil work.
- (ii) **Component 2: Ning'er-Jiangcheng-Long Fu Road construction project.** The proposed road class is level III Highway. Some road sections will use old road, some sections will be new alignments, resulting in permanent land and house demolition. A RP is prepared for this component.
- (iii) **Component 3: Menglian-Meng'a is class II level highway.** The project component will require land acquisition and house demolition. This resettlement plan is prepared to deal with land acquisition and relocation (LAR) impacts of Menglian-Meng'a highway (Figure 1).

4. This resettlement plan deals with the LAR impacts and measures for the Menglian-Meng's road reconstruction and includes LAR impacts of Meng'a Port Material Transit Centre (MTC).

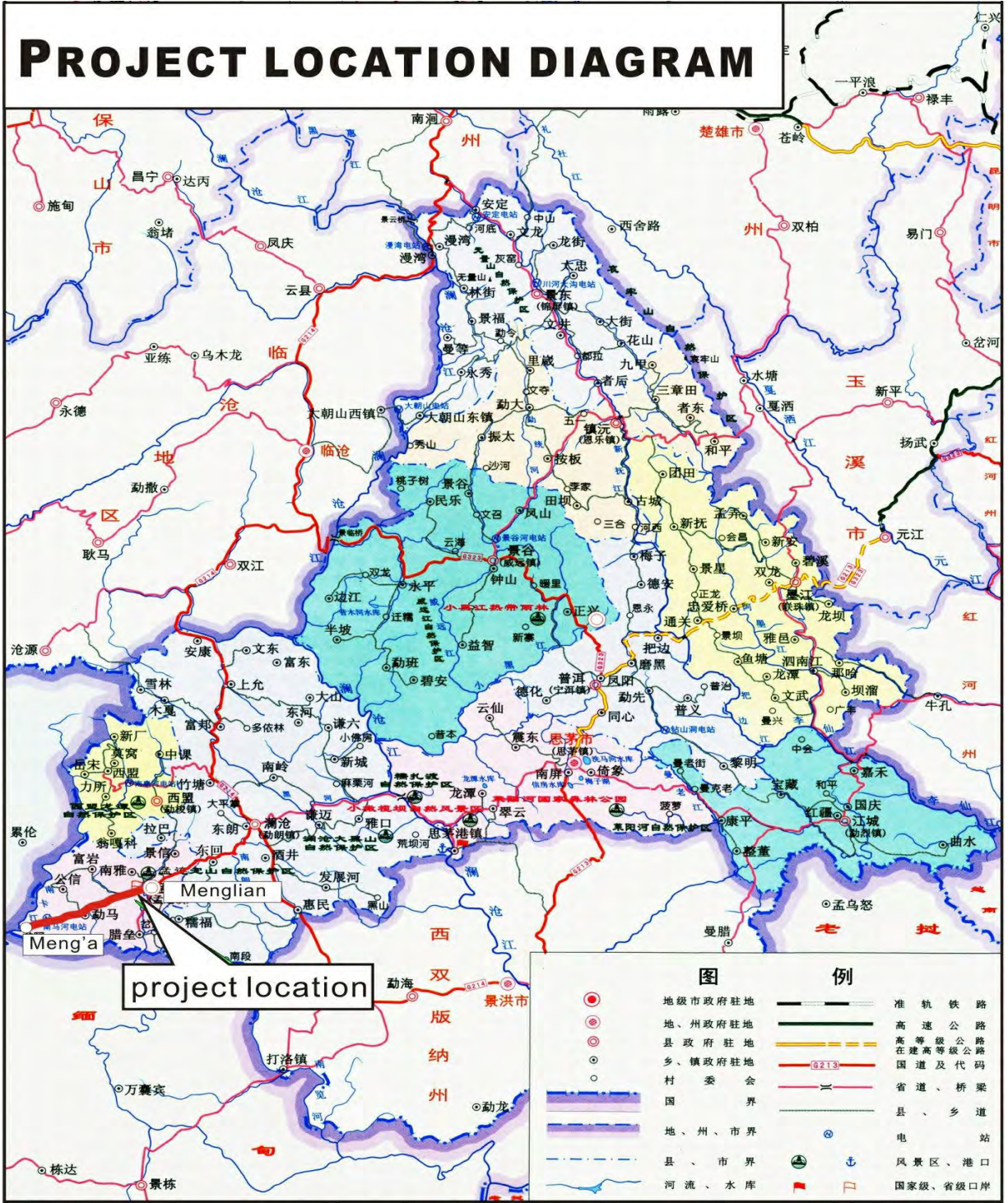


Figure 1: Menglian-Meng'a road location map

## 1.2 Project Description

### 1.2.1 Road Alignment

5. Menglian-meng'a Highway is located in Menglian County of Pu'er City. The proposed road is the important channel for Pu'er city links with Myanmar. The construction of the project will be important towards the improvement of trunk highway network in Yunnan province, and improvement of the southwest traffic conditions of Pu'er city, and strengthening inter-linkages in southwestern Yunnan and Southeast Asia, and to the promotion of economic development in southwest Yunnan.

6. The direction of the road alignment overall is east-west. The beginning point of Menglian-Meng'a road is located in K55+200, and the ending point is K102+751.424, at Meng'a land port. The construction of Menglian-Meng'a road, will be a foundation towards to the forming of border economic zone, and economic development of the border areas. The project also will improve the transportation services, and the regional road network.

### 1.2.2 Technical Indicators of the proposed road

7. The proposed road foundation widths are : 1, K55+ 200 to K95+ 200, roadbed is 12 meters wide, carriageway is 2x3.5m; and 2, Meng'a port, K95+ 200 to K99+ 744, roadbed width 23 meters.

8. The alignment of the proposed Menglian-Meng'a road will follow the original road. But according to the Class II road design standards, there are sections that will be away from the original road, and the following sections will be the new alignment sections:

- a.) Meng'ma 72 tea company K56+700 to K64+600;
- b.) K71+700---K72+900;
- c.) K74+600---K75+500;
- d.) K80+900---K82+100;
- e.) K83+500---K84+400;
- f.) K91+700---K93+000;
- g.) K93+700---K94+800; and
- h.) K95+900---K99+700.

9. Six administrative villages will be involved in the land acquisition and house demolition: Mangzhang village of Nayun town; Paliang, Mengma, He'an, Manghai, and Meng'a villages of Meng'ma town. Four local enterprises will also be affected.

### 1.2.4 Measures to Reduce Resettlement

10. The road alignment mainly passes through mountainous and forest areas, and the farmland will not be affected much. The design of the road takes the principle of "near town district, but not directly pass through", to reduce the negative impacts of the project. Much attention has been given to 1) avoiding house demolition, 2) ensuring road safety, 3) environmental impact and 4) construction costs. In the alignment design stage, efforts are made to combine hydrological, geological and climate conditions. Many design features have been adopted, such as increased number of bridges and tunnels, strengthening drainage and protection measures, less farmland acquisition, reduced soil erosion, paying attention to farmland facilities, etc., to reduce the negative impacts of the project. A comparison of the alignment alternatives follows.

11. Alternatives of the road alignment: Since most of the Menglian to Meng'a class II road was designed along the old Menglian-Meng'a road, only those sections with significant new alignments were required were assessed for the alternatives to minimize the LAR impacts. One is the alternative road alignment of Menglian State Farm section, and another is the Luo-xiaohai Rubber Processing Plant section.

12. Menglian State Farm Alternative:

a. Alignment One:

- (i) Advantages: The road will pass through the villages, and the old road use rate will be higher, therefore the farmland will not be affected much.
- (ii) Disadvantages: The road will pass through the villages, and thus the road intersections will affect the traffic safety. The house demolition will also increase. The costs will increase about 2.23 million compared with the recommended road alignment.

b. Alignment Two (Recommended):

- (i) Advantages: The road will be near the villages but not pass through it. This design will significantly reduce house demolition, reduce number of intersections, and reduce the noise affect to the residents of the village. In addition, during the road construction period, the local people can use the old road to avoid construction disturbance. Overall, this design will reduce the investment by reducing house demolition.
- (ii) Disadvantages: The old road use rate will be lower, and the land acquisition for farmland will increase.

13. Luo-Xiaohai section Alternatives:

a. Alignment One:

- (i) Advantages: The distance of road alignment will be shorter, and the farmland occupation will be reduced.
- (ii) Disadvantages: the road alignment will pass through the center of Luo-xiaohai Rubber Processing Plant, and the house demolition will increase and the road construction will have a big effect on the processing plant. The costs of this alternative will increase 6.35 million Yuan compare with the recommended line.

b. Alignment Two (Recommended) :

- (i) Advantages: the road will pass through the edge of the Rubber Processing Plant, the affect towards to the Plant will be reduced, and the house demolition also will be reduced. The cost of the road will be less than the alternative.
- (ii) Disadvantages: the road will be longer, and the farmland acquisition will increase.

14. By following these alternatives, the project reduced house demolition, avoided major impact of 2 enterprises, reduced paddy land acquisition.

15. This project is an extension of provincial highway S309. Local governments and the majority of people along the road have shown great enthusiasm towards to the project. They eagerly look forward to the early construction of the highway. The local government and related departments have expressed strong support for the construction of the road, and they also showed that they will actively help to solve the resettlement issues, coordinate construction units and local relations, make the project construction under a better social environment, thereby improve the quality of construction, to speed up local economic development.

16. House demolition impacts are minimized and it is based on the principle of relocation within the original village, and does not alter the lifestyle of the affected people.

17. The construction of this project will provide some job opportunities for the local people.

### **1.3 The Formulation of RP**

18. This resettlement plan is prepared to deal with LAR resulting from Pu'er Regional Integrated Road Network Development Project, for Menglian to Meng'a Class II road component. It is prepared in accordance with ADB's involuntary resettlement policy requirements specified in the Safeguard Policy Statement (2009), People's Republic of China's laws and regulations, and local governments land requisition and house demolition policies enacted. The plan outlines policy principles to avoid, minimize and take remedial measures to address the negative effects of the proposed project. This resettlement plan specifies the measures for all affected people and seriously affected villages to recover their life and income, including how to implement, as well as within what time limits these measures must be implemented.

19. In terms of the Chinese Government and the Asian Development Bank concern, resettlement plan's primary aim is to ensure that those who inevitably lose land or property in the project obtain equal or better livelihood and standard of living.

20. The prepared basis of the resettlement plan are as follows: (i) in June 2012 and January 2013 editions of the project feasibility study report, (ii) field investigations along the proposed project route (2012 and 2013); (iii) investigation with the local government agencies, village leaders and investigation on the affected persons (July, and September, 2013) and (iv) the preliminary design completed March 2013.

## 2. Impacts and Scope of Land Acquisition and House Demolition of Meng'a Road

### 2.1 Project Impact Scope

21. The proposed road will affect 6 villages of two towns, and 4 enterprises of Menglian County. Table 2-1.

**Table 2-1: Impact Scope of Meng'a road Component**

City	County	Town	Affected village committee
Pu'er	Menglian	Nayun	Mangzhang
		Mengma	Paliang
			Mengma
			He'an
			Manghai
			Meng'a
		Enterprises	Mengma Tea Company
			Menglian State Farm
			Luo Xiaohai Rubber Processing Plant
			Mengma Rubber Company

### 2.2 Permanent Land Acquisition Impact

22. According to preliminary design and field resettlement survey, Menglian-Meng'a Class II Road component that includes development of Meng'a Port Material Transit Centre (MTC) will permanently occupy 2059.3 mu land, including 1756.5 mu from 6 affected administrative villages and 303.3 mu from two affected agricultural enterprises. Meng'a Port Material Transit Centre will require acquisition of 20 mu of land. The total land acquisition include paddy 368.5 mu, non-irrigated farmland 455.7 mu, economic forest (garden) 451.9 mu, forest 729.6 mu, and 53.6 mu other land (including fish pond, un-used yet land). Table 2-2 listed the land acquisition data by land type and village/enterprise.

23. The land acquisition will affect 763 households with 3620 population including 718 from affected villages and 45 from two affected agricultural enterprises. Land acquisition by Meng'a Port will impact 5 households with 20 persons.

**Table 2-2: Estimated Permanent Land Acquisition Areas of Meng'a Road**

City	County	Town	Village committee	Land to be acquired (mu)	Among of the total (mu)				
					Paddy	Non-irrigated farmland	Economic forest (garden) – Tea/banana/ coffee	Forestry under village collective	Others including house plots
Pu'er	Menglian	Nayun	Mangzhang	250.5	16.4	51.7	12.2	164.8	5.4
		<b>subtotal</b>		<b>250.5</b>	<b>16.4</b>	<b>51.7</b>	<b>12.2</b>	<b>164.8</b>	<b>5.4</b>
		Mengma	Paliang	587.8	30.7	282.2	0	264.4	10.5
			Mengma	378.8	113.9	62.6	2.2	180.7	19.4
			He'an	27.4	0	14.9	0	12.5	0
			Manghai	289.4	82.4	38.2	91.7	77.1	0



City	County	Town	Village committee	Land to be acquired (mu)	Among of the total (mu)				
					Paddy	Non-irrigated farmland	Economic forest (garden) – Tea/banana/ coffee	Forestry under village collective	Others including house plots
			Meng'a	222.1	125.1	6.1	42.5	30.1	18.3
		<b>Subtotal</b>		<b>1505.5</b>	<b>352.1</b>	<b>404</b>	<b>136.4</b>	<b>564.8</b>	<b>48.2</b>
		Enterprises	Mengma Tea company	199.6	0	0	199.6	0	0
			Menglian State farm	103.7	0	0	103.7	0	0
		<b>Total</b>		<b>2059.3</b>	<b>368.5</b>	<b>455.7</b>	<b>451.9</b>	<b>729.6</b>	<b>53.6</b>

Note: In the other land of Mengma village, 6.1 mu are fish pond.

### 2.3 Temporary Land and Facility Affection Use during Construction Period

24. Project's temporary land acquisition during the construction period, will include earth deposit sites, living quarters land, pioneer road, and so on. Preliminary estimations suggest Meng'a Road construction will temporary occupy approximately 100 mu land.

### 2.4 Ground Attachment

25. The project is mainly following the existing alignment except at few places and the scope of impact on the ground attachment is limited. The preliminary estimates are about 40.2 km of power line and 35.1 km of optical fiber line will be affected. Some other impacts on the ground attachments could be in form of non-economic scatter tree that will be identified during the detail design.

### 2.5 House Demolition

26. According to the resettlement survey and affected village leader interviews, the project will demolish of 29,154m<sup>2</sup> house including 27,954m<sup>2</sup> from the 6 affected administrative villages and 1200 from two affected agricultural enterprises, Mengma Tea Company and Menglian State Farm. Out of total house demolition, 7,057 m<sup>2</sup> are brick and concrete, 22,031m<sup>2</sup> are brick and wood, and 66 m<sup>2</sup> are simple houses. Within the 6 affected villages, house demolition includes 6,807 m<sup>2</sup> brick concrete structure building, 21,081m<sup>2</sup> of brick-wood buildings, and 66 simple house buildings. Within the two affected agricultural enterprises, 250 m<sup>2</sup> brick concrete structure and 950 m<sup>2</sup> brick-wood structure will be demolished.

27. The house demolition will affect total 161 households with 675 persons including 146 households from 6 affected villages and 15 households from the affected enterprises. Table 2-3 lists the house demolition data by type and villages. All the house demolition affected households are also affected by land acquisition.

**Table 2-3: Estimated House Demolition Data of Menglian-Meng'a Road**

County	Town	Village committee	House will be demolished						Affected population	
			Brick and concrete	Brick and wood	Earth wood	Wood and tile	Simple house	total	HH	Persons
Menglian	Nayun	Mangzhang	0	2044			20	2064	13	54
		<b>Subtotal</b>	<b>0</b>	<b>2044</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>2064</b>	<b>13</b>	<b>54</b>
	Mengma	Paliang	495	2482			46	3023	16	65
		Mengma	3528	8848				12376	82	330
		He'an	0	0				0	0	0
		Manghai	891	2809				3700	12	48
		Meng'a	1893	4898				6791	23	103
		<b>Subtotal</b>	<b>6807</b>	<b>19037</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>25890</b>	<b>133</b>	<b>546</b>
	Subtotal of villages		<b>6807</b>	<b>21081</b>	<b>0</b>	<b>0</b>	<b>66</b>	<b>27954</b>	<b>146</b>	<b>600</b>
	Enterprises	Mengma Tea Company		650				650	10	50
		Menglian State Farm	250	300				550	5	25
	<b>Subtotal of enterprise</b>		<b>250</b>	<b>950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1200</b>	<b>15</b>	<b>75</b>
	<b>Total</b>			<b>7057</b>	<b>22031</b>	<b>0</b>	<b>0</b>	<b>66</b>	<b>29154</b>	<b>161</b>

## 2.6 Affected Population

28. The component will affect total 763 households with 3620 people including 718HH, 3395 people in six administrative villages and 45 HH, 225 people in two agricultural enterprises.

29. Out of the total affected population in villages, 572 HH with 2795 people will be affected by land acquisition while 146 HH with 600 people will be affected by both land acquisition and house demolition. Out of total affected population in the two affected enterprises, 30 HH with 150 people will be affected by land acquisition while 15 HH with 75 members will be affected by both land acquisition and household demolition. Details see table2-4.

**Table 2-4: Population be affected by Menglian-Meng'a Road**

County	town	Affected Administrative village	Total HH	Total popul	Total affected HH	Total Aps	HH be affected by land only	APs	HH affected by both house demolition and land	Aps
Menglian	Nayun	Mangzhang	599	4200	50	200	37	146	13	54
	Mengma	Paliang	1307	5370	101	450	85	385	16	65
		Mengma	937	4179	90	360	8	30	82	330
		He'an	428	1519	10	41	10	41	0	0
		Manghai	348	1427	218	1221	206	1173	12	48

County	town	Affected Administrative village	Total HH	Total popul	Total affected HH	Total	HH be affected by land only	APs	HH affected by both house demolition and land	Aps
						Aps				
		Meng'a	1213	4513	249	1123	226	1020	23	103
		<b>Subtotal</b>	<b>4832</b>	<b>21208</b>	<b>718</b>	<b>3395</b>	<b>572</b>	<b>2795</b>	<b>146</b>	<b>600</b>
	Enterprises	Mengma Tea Company	n.a	n.a	25	125	15	75	10	50
		Menglian State farm	n.a	n.a	20	100	15	75	5	25
		<b>Subtotal</b>	<b>N.a</b>	<b>n.a.</b>	<b>45</b>	<b>225</b>	<b>30</b>	<b>150</b>	<b>15</b>	<b>75</b>
	<b>Total</b>		<b>4832</b>	<b>21208</b>	<b>763</b>	<b>3620</b>	<b>602</b>	<b>2945</b>	<b>161</b>	<b>675</b>

Sources: Field survey and villager leader's estimation.

## 2.7 Minority People Affected

30. Menglian county is Dai, Lahu, and Wa people Autonomous County, therefore, within the affected population, ethnic minority population occupies a considerable proportion. Within the six affected villages, out of total 3395 AP from 718 households, 3250 from 682 households are ethnic minorities, accounting for 95.7%, including Dai 2759 persons, 81.3%; Lahu 245 persons, 7.2%, and Wa 246 persons, 7.2% (table 2-5 with the details). Among the 3250 affected Ethnic minorities, 2720 from 553 households will be affected by land acquisition and 530 people from 129 households will be affected by both land acquisition and house demolition. Details see table 2-5a.

**Table 2-5: Total affected population by gender, ethnicity**

Administrative Village	AH	AP	Male	F	Han	Sub-total EM	Dai	Lahu	Wa
Mangzhang	50	200	102	98	0	200	200	0	0
Paliang	101	450	230	221	0	450	0	204	246
Mengma	90	360	184	176	80	280	280	0	0
He'an	10	41	21	20	0	41	0	41	0
Manghai	218	1221	623	598	56	1165	1165	0	0
Meng'a	249	11123	573	550	9	1114	1114	0	0
<b>Total</b>	<b>718</b>	<b>3395</b>	<b>1743</b>	<b>1663</b>	<b>145</b>	<b>3250</b>	<b>2759</b>	<b>245</b>	<b>246</b>
%		100.0	51.3	49.0	4.3	95.7	81.3	7.2	7.2

**Table 2-5a: Affected Minority Population**

Village	Total affected EM		EM affected by LA		EMs Affected by Both LA and HD	
	HH	Population	HH	Population	HH	Population
Mangzhang	50	200	37	146	13	54
Paliang	101	450	85	385	16	65
Mengma	70	280	5	20	65	260
He'an	10	41	10	41	0	0
Manghai	204	1165	192	1117	12	48

Village	Total affected EM		EM affected by LA		EMs Affected by Both LA and HD	
	HH	Population	HH	Population	HH	Population
Meng'a	247	1114	224	1011	23	103
<b>Total</b>	<b>682</b>	<b>3250</b>	<b>553</b>	<b>2720</b>	<b>129</b>	<b>530</b>

\*Households mixed with Han and EM are counted as EM households.

## 2.8 Vulnerable Groups Affected by Resettlement

31. Based on field survey, within the 718 households affected, 20 families have disabled persons, accounting for 2.8% of the total affected. There are 3 women-led families, account for 0.4% percent of total affected households; and 129 households living in poverty, accounting for 18.0% of the total affected households. Table 2-6 has the details.

**Table 2-6: Vulnerable Groups be Affected by Resettlement**

Town	Village committee	disabled		Women-led		Poor	
		HH	Population	HH	Population	HH	Population
Nayun	Mangzhang	3	12	1	3	5	20
Mengma	Paliang	4	4			10	41
	Mengma			2	6	18	72
	He'an	1	1			6	24
	Manghai	2	8			80	320
	Meng'a	10	10			10	45
	Total		20	35	3	9	129

Source: field resettlement survey and village leader interview.

32. During the detailed measurement survey (DMS) these groups will be further assessed to be incorporated in the updated RP.

## 2.9 Enterprises Impacts Analysis

33. The proposed road project will affect 4 enterprises: Menglian County Mengma Tea LLC; Yunnan Menglian State Farm; Menglian Luo Xiaohai Rubber Processing Plant; and Mengma Rubber Company.

### 2.9.1 Menglian County Mengma Tea LLC

34. There are about 10 tea farmer households, about 650 m2 of brick-wood structure building will be demolished, about 199.6 mu land will be acquired..

### 2.9.2 Yunnan Menglian State Farm

35. According to the revised road alignment design for the Menglian state farm, 103.7 mu land will be acquired, which will affect 45 households with 225 person. Out of them, 30 households with 150 persons will be affected by LA partially, 15 households with 75 persons from unit 4 of Menglian state farm will be affected by both LA and HD.

### **2.9.3 Menglian Luo Xiaohai Rubber Processing Plant**

36. In accordance with the revised road alignment design, part of the backyard ground and office houses will be demolished during the construction period. The rubber processing workshop itself will not be affected.

### **2.9.4 Mengma Rubber Company**

37. Proposed class II road would pass through the company's water taking pool, as well as the corresponding pumping equipment will be affected. It will be replaced after the facility recovered. This project has little impact on the company.

#### **1. Degree of Land Loss Impacts on the Affected Villages:**

38. The proposed project road mostly follows the existing alignment; hence the land acquisition impacts are limited. The linear nature of the project further reduces the degree of impact. As indicated in the Table 2-7, about two-third (68%) of the affected households will lose less than 5% of their land; while another 19% will lose land between 5 to 10% of their land. Altogether about 87% of the affected households will lose less than 10% of land. Therefore the overall impacts of the land acquisition are not significant. Table 7-2 further indicates that 11% of the affected households will lose land between 10 to 20% and about 1.4 households will lose land between 20 to 50%. As the source of income for the affected households are predominantly land based about 12% of the affected households are classified as 'significantly affected' and measures have been developed to ensure their income restoration.

Table 2-7: Land Loss Degree of Affected Villages

Town	Village committee	Land loss degree										Total (HH)	Total (APs)
		0~5%		5~10%		10~20%		20~50%		>50%			
		HH	APs	HH	APs	HH	APs	HH	APs	HH	APs		
Nayun	Mangzhang	10	40	0	0	40	160	0	0	0	0	50	200
	<b>Subtotal</b>	<b>10</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>200</b>
Mengma	Paliang	0	0	51	250	40	160	10	40	0	0	101	450
	Mengma	0	0	90	360	0	0	0	0	0	0	90	360
	He'an	10	41	0	0	0	0	0	0	0	0	10	41
	Manghai	218	1221	0	0	0	0	0	0	0	0	218	1221
	Meng'a	244	1098	0	0	0	0	0	0	0	0	244	1098
	<b>Subtotal</b>	<b>472</b>	<b>2360</b>	<b>141</b>	<b>610</b>	<b>40</b>	<b>160</b>	<b>10</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>663</b>	<b>3170</b>
<b>Total</b>		<b>482</b>	<b>2400</b>	<b>141</b>	<b>610</b>	<b>80</b>	<b>320</b>	<b>10</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>713</b>	<b>3370</b>
<b>%</b>		<b>67.6</b>	<b>71.22</b>	<b>19.78</b>	<b>18.1</b>	<b>11.22</b>	<b>9.5</b>	<b>1.4</b>	<b>1.19</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>

## **2. Land Impact on Income of the Affected People:**

39. As the degree of land intake of the household is not high, the impact of land acquisition on the affected people's income is also not significant. Table 2-8 indicates the degree of impact on per capita income of the affected people. Only in case of Paliang and Mengma the per capita income loss is slightly higher. But in both these villages per capita land holding is quite high. For Paliang per capita land holding is 17.8 mu and for Mengma per capita land holding is 11 mu (See Table 3.2). Despite the higher rate of land loss, the affected people will still have substantial land holdings left with them.

Table 2-8: Land Acquisition Impact Rate of Meng'a Road

Town	Village committee	Basic information			Land acquisition impact			Land acquisition impact rate			Total economic losses (10,000 Yuan)	Economic losses per capita (Yuan, total economic losses/APs)
		Total HH	Total population	Total land (mu, paddy + dry farmland+ economic trees+ forest land)	HH	APs	Land be acquired (mu)	HH rate % of HH affected	APs (%)	Land acquisition rate (% farmland to be acquired)		
Nayun	Mangzhang	599	4200	11580	50	200	80.3	8.35	4.76	0.7	9.6360	481.8
Mengma	Paliang	1307	5370	23571.5	101	450	577.3	7.73	8.38	2.45	69.2760	1539
	Mengma	937	4179	12814.6	90	360	357.2	9.61	8.61	2.79	42.864	1190
	He'an	428	1519	8831	10	41	14.9	2.34	2.7	0.17	1.788	436
	Manghai	348	1427	14159	218	1221	213.3	62.64	85.56	1.5	25.596	209.8
	Meng'a	1213	4513	30790	244	1098	153.7	20.12	24.33	0.5	18.444	168

Note: economic losses of the land acquisition = 1200 Yuan/mu (Yearly Production Value) X farmland to be acquired.



### 3. Social and Economic Profile of Affected Areas

40. Menglian-Meng'a highway construction will directly impact 6 villages of 2 towns of Menglian County, and four companies.

#### 3.1 Menglian County

41. Menglian County is located in Southwest of Yunnan province, with a land area of 1893.42 square kilometers. The total population is 140,000 people. The distance from Menglian county seat to Kunming is 680 km, and 50 km to the second special administration region of Myanmar (WA).

42. Richness in tropical resources. The climate of Menglian is general subtropical type, highlights on rainfall, sunshine, very suitable for traditional crops, fruits and vegetables, and rare medicinal herbs and tropical cash crops cultivation. There are lots of tropical areas, covering an area of 557,000 mu. Rubber, sugar cane, tea, coffee and other are increasingly grown in the Menglian county. In the Wa region of Myanmar the planting area of rubber and others has reached 850,000 mu. Both domestic and foreign resources provide potential opportunities for the development of agro-business. Menglian also has the unique advantage of the being a port along the border areas. Menglian was famous for "tea and salt trade" in history. The Wa region, Menglian neighbor with Myanmar, is the capital city of the Second special administration region of Myanmar. The border line is 133.39 km in Menglian county, which is the important land port of Yunnan Province linking with Myanmar, and Thailand, and other Southeast Asia.

43. In 1991, Menglian was approved as Class II open port by the Yunnan Provincial Government. Menglian Port is the most important port of Pu'er city, accounting for 90% of Pu'er trade with Burma regarding to visitors flow rate and cargo flow rate. With the increase of the foreign trade exchange and cooperation, and the construction of "Lancang airport" is just 20 km from Menglian, and the construction of Pu'er to Menglian high grade road, Menglian county's advantages will be enhanced. Menglian county will become one of the most important locations of Yunnan's bridgehead strategy.

44. In year 2011, No.11 document of the State Council formally listed the Menglian (Meng'a) port as one of 4 key construction border zones, together with Tianbao, Mengding, Houqiao, and Pianma, which is a strategy of "open economic belt along border" of Yunnan province. Meng'a becomes an opening port to Myanmar, an important gateway of Yunnan province.

#### 3.2 Menglian Socio-economic Development Profile

##### 3.2.1 Overview

45. In 2012, the County's GDP was 1.611 billion yuan, with the increase of 13.3%. Menglian county has completed 616 million yuan of fixed assets investment, with an increase of 101.42%. The local public budget amounted to 91.81 million Yuan, an increase of 31.76%, to complete the planned 109.3%; total retail sales of social consumer goods reached 606 million Yuan, an increase of 18.3%. Realization of border trade imports and exports totaled 874 million Yuan, an increase of 34%; investment funds of 720 million Yuan, an increase of 428%; per capita disposable income of urban residents reached 12,100 Yuan, an increase of 12.3%, and farmers' per capita net income reached 4,860 Yuan, an increase of 44.86%. Realization of tourism income of 364 million Yuan, an increase of 219%.

46. Compared with 9 main economic and social development indicators in year 2007., 8 indicators, include GDP, fixed asset investment, local public budget revenue, retail sales of social consumer goods, border trade, import and export volume, the per capita net income of farmers, tourism income, attracting investment are more than doubled, urban residents ' disposable income growth is risen to 60.49%.

47. In 2012, the total GDP of Menglian county reached to 1.611 billion yuan with the growth rate of 13.3%. Of which: primary industry added value reached to 727 million, with an increase of 9.2% and the Secondary industry added value achieved 316 million Yuan, with an increase of 17.2%; tertiary industry achieved added value of 568 million Yuan, with an increase of 15.1%.

48. In comparison with 2007, the added value of primary industry increased 435 million yuan, increased 1.49 times, with an annual increase of 20.01%; the secondary industry increased 150 million yuan in added value, increased 0.9 times, with an annual increase of 13.74%; and added value of the tertiary industry increased 293 million Yuan, increased 1.07 times, with an annual increase of 15.61%. The industrial structure of primary, secondary and tertiary industry changed from 40:23:37 to 45:20:35. The primary industry increased 5% comparing with 2007, secondary industry and tertiary industry dropped by 3%, and 2% respectively. It is attributed to the abundant land available for high value added cash crops, improved transport and increased demand stimulated by overall economic growth. The project is expected to further improve the transport to benefit the economic growth trends.

### **3.2.2 Agriculture**

49. The County's planting areas of grain crops reached to 262,600mu, with the total of 58.04 million kg, an increase of 4.38%. The meat production achieved 7,100 tons, animal husbandry output value reached 177 million Yuan, an increase of 33.85%.

50. Menglian is the second largest rubber plantation county of Pu'er followed Jiangcheng county. It's rubber acreage reached to 319,400 mu, dry rubber production reached to 18,100 tons, achieved an output value of 307 million Yuan, with an increase of 34.79%. Sugarcane planting area of 78,300 mu, with 315,400 tons of sugarcane production, and output value of 132 million Yuan, increased by 8.56%. Coffee-growing area reached to 89,500 mu, with the output of 6,700 tons of coffee beans and value of 94 million Yuan, increased by 14.03%. And tea growing area reached 81,600 mu, with the output of 3,000 tons of tea, output value of 73 million Yuan, and increasing rate of 9.45%.

51. In addition to rubber, sugarcane, coffee, and tea described above, banana, dendrobium, amomum (a medicinal plant), and other tropical cash crop plantation continue to grow fast to make Menglian the second largest county of cash tree plantation in terms of average holding in Pu'er. However, it's maturity proportion currently ranks as number 7, which indicates there is a lot of unmaturing plantation. In 2012, the County achieved total agricultural value 1.215 billion yuan, with an increase of 32.04%. Compared to 2007, increased by 764 million Yuan, an increase of 1.66 times, with an annual increase of 21.6%.

### **3.2.3 Industry**

52. In 2012, the County's total industrial investment was 142 million Yuan, an increase of 132.04%. Industrial output value achieved 645 million Yuan, an increase of 43.03%, in which above designated size industry completed an output value of 310 million Yuan, an increase of 15.59%; lower designated size industry completed an output value of 335 million Yuan, with an increase of 83.37%. In comparison with 2007, industrial output increased by 389 million Yuan, it

was 1.52 times of year 2007, with an annual increase of 20.3%. Industrial investments increased by 117 million Yuan, 4.68 times of year 2007, with an average annual growth of 36.16%.

### **3.2.4 Tourist Industry**

53. In 2012, Menglian county had received 786,300 tourists, with an increase of 43.91% and tourism income of 364 million Yuan, increase of 219.63%. Realization of tertiary industry added value increased 568 million Yuan, with an increase of 18.4%. Compared to 2007, increased 293 million Yuan, it was 1.07 times of year 2007, with an annual increase of 15.61%.

### **3.2.5 Border Trade**

54. In year 2012, the County completed the border trade volume of 874 million Yuan, with an increase of 34%. Import was 470 million Yuan, increased by 53%; export 145 million Yuan, with a decrease of 25%. And the border petty trade (trade between local residents) volume reached to 259 million Yuan, an increase of 71%. In comparison with 2007, border trade volume increased 543 million Yuan, an increase of 1.64 times, with an annual increase of 21.43%; investment increased 635 million Yuan, increased by 7.42 times, with an average annual growth of 53.14%. After many years steady growth, the transportation demand increased and the existing road became the bottle neck. The trade has been growth steadily for many years and the project will facilitate the cross border trade by meeting the increasing transport demands.

### **3.2.6 Livelihood and Poverty**

55. In 2012, Menglian rural per capita net income reached to 4,860 Yuan, an increase of 44.86%. In comparison with 2007, rural per capita disposable income increased to 3,272 Yuan. Agriculture was still main livelihood source to Menglian rural people. 96% of rural labor force were employed by agriculture while only about 4% were non-agricultural employment.. Registered urban unemployment rate was 4.6%. About 95% of the rural population participated in the new rural cooperative medical scheme while over 98% of the urban population was covered by medical insurance. Radio and television coverage rate reached to 99% in urban and 97% in rural.

56. Menglian county is a national identified poverty county, with rural poverty incidence rate 41.5% under the national poverty line of CNY2300, including 21.2% under minimum living standard support (MLSS).

## **3.3 Socio-economic Development Profile of Two Towns**

57. Nayun town is located in the eastern part of the county. The total land area is 171.41 square kilometers. It has 5 street offices, 38 village committees. Town government seat is located in Menglian County seat. The main flatland area is located in around Menglian county seat and another small flatland area located in Mangjie, Heya, Mengwai. The maximum elevation of the town has a range of 940-1731 m above the sea level. Nayun's average annual temperature is 19.6°C, with an average annual rainfall of 1380 mm and average annual sunshine 2,087 hours.

58. Mengma town located in the west of the county. Mengma town has a total population of 24,307 persons with the majority of Dai, Lahu and Wa ethnic groups, which 85.87% is minority population. The total land area is 530 square kilometers. Its average annual temperatures is between 13.2-23.4°C and annual average rainfall 1563 mm. The highest altitude is 2,603 m above sea level and the lowest is 500 m. The forest coverage is 59.2%. , Mengma town has 8 village committees.

59. The basic socio-economic indicators of affected town are listed as Table 3-1.

**Table 3-1: Selected Indicators of Affected Town and Townships**

	Town	Land areas (km <sup>2</sup> )	Households	Population (person)	Farmland areas (mu)	Rural income (10,000)	Net income per capita (Yuan)
Menglian	Nayun	367	13238	49768	65513	18615	5846
	Mengma	530	7880	29700	42064	19400	5596

Data source: statistical data of related town.

### 3.4 Socio-economic Profile of Affected Villages

60. Land acquisition and house relocation of the project will affect 6 villages. All villages are ethnic minority dominated. The rural per capita net income is unevenly distributed, between about CNY2,700-12,100. Meng'a has the highest while He'an has the lowest. He'an has relative higher mountain with comparable cooler weather and unpaved rural roads while Meng'a located in the port area with lower altitude and hotter weather more suitable for rubber, banana, dragon fruit and other tropical cash crops. Meng'a started rubber plantation earlier than other villages and also has high percentage of rubber trees in maturity. The affected villages do not have industrial enterprises, and the main source of income comes from agriculture. Main crops are rubber, tea, bananas, coffee, rice, corn, etc. The per capita farming land by villages varies from 0.47mu to 2.46mu with the highest 5 mu in Manghai and the lowest of 0.47mu in Meng'a. The per capita economic forest (cash trees) varies from 0.6-6.34mu with the highest of 6.34mu in Meng'a and the lowest of 0.6mu in Mengma. In terms of per capita forest land, it varies from 0-13mu with the highest of 13mu in Paliang and the lowest of 0 in Meng'a. Table 3-2 shows the selected socioeconomic indicators of the affected villages.

**Table 3-2: Selected socioeconomic indicators of affected village**

	Mangzhang	Paliang	Mengma	He'an	Manghai	Meng'a
<b>Total Land (km<sup>2</sup>)</b>	3.7	125	46	17	15	37
<b>Total HH</b>	599	1307	937	428	348	1213
<b>Total popul (person)</b>	4200	5370	4179	1519	1427	4513
<b>No. of Rural HH</b>	559	1307	937	428	348	1213
<b>Rural Population</b>	4200	5370	4179	1519	1427	4513
<b>Male</b>	2184	2792	2173	790	742	2347
<b>Female</b>	2016	2578	2006	729	685	2166
<b>Labor force</b>	1800	2840	2791	1100	754	3513
<b>Han people</b>	200	1180	350	7	56	9
<b>Minority people</b>	4000	4190	3829	1512	1371	4504
<b>Farm land area(mu)</b>	4800	12576	10301	3331	6033	2149
<b>Per capita farming land (mu)</b>	1.14	1.30	2.46	2.3	5	0.47
<b>Per capita Economic forest(mu)</b>	1.8	3.51	0.6	3.62	5.69	6.34
<b>Per capita forest land</b>	1	13	7.9	3.9	12	0
<b>Rural per capita net income (Yuan)</b>	5520	3600	5913	2700	5376	12096

Data sources: Village survey interview with the village leaders.

61. In terms of income sources, all affected villages' main income source is from plantation. Economic trees, traditional grain and vegetable plantation make up 54-80% of the total net income varying by village. The rest incomes are from livestock, waged jobs, and transport and trade business. Table 3-3 shows the details.

**Table 3-3: Income Source Structure of Affected Villages**

Income sources	Mangzhang	Paliang	Mengma	He'an	Manghai	Meng'a
Rural annual per capita net income (Yuan)	5520	3600	5913	2700	5376	12096
%	100%	100%	100%	100%	100%	100%
<b>1. Plantation</b>	<b>4000</b>	<b>3240</b>	<b>5204</b>	<b>2160</b>	<b>3978</b>	<b>11491</b>
%	72%	90%	88%	80%	74%	95%
1.1 Traditional Planting (rice/corn/vegetable etc.)	1000	360	3548	540	215	1814
%	18%	10%	60%	20%	4%	15%
1.2 Economic trees	3000	2880	1656	1620	3763	9677
%	54%	80%	28%	60%	70%	80%
<b>2. Livestock</b>	<b>500</b>	<b>108</b>	<b>591</b>	<b>540</b>	<b>161</b>	<b>0</b>
%	9%	3%	10%	20%	3%	0%
<b>3. Waged jobs and other non-farming business</b>	<b>1020</b>	<b>252</b>	<b>158</b>	<b>0</b>	<b>162</b>	<b>605</b>
%	18%	7%	3%	0%	3%	5%

Data sources: Village survey interview with the village leaders.

### 3.5 Socio-economic Profile of Affected Population

#### 3.5.1 Sample Distribution

62. A sample of 276 households was surveyed to gather socio-economic information on Menglian-Meng'a Road, of which 42 households in Nayun town, accounting for 15.22%, and 234 sample households in Mengma town, accounting for 84.78% (Table 3-4).

**Table 3-4: Sample Distribution**

County	Town	Sample HH	Rate (%)
Menglian	Nayun	42	15.22%
	Mengma	234	84.78%
	Total	276	100.00%

Source: Field surveys 2013.

**Table 3-5: Demographic characters of surveyed HH**

		No. of surveyed HH	% of surveyed HH
Age sample HH members	0-6 years old	159	11.93%
	7-16 years old	220	16.50%
	17-30 years old	407	30.53%
	31-60 years old	426	31.96%
	>60 years old	121	9.08%
	Total	1333	100.0%
Ethnic minority	EM	1130	84.8%
	Non-IP family	203	15.2%
	Total	1333	100.0%
Gender of	Male	676	50.7%

		No. of surveyed HH	% of surveyed HH
family member	Female	657	49.3%
	Total	1333	100.0%
Poor under MLSS		148	11.13%
Disable		27	2.00%

Source: Field resettlement survey 2013.

### 3.5.2 Income Structure of Households

63. As indicated in Table 3-6, the top income source of the surveyed household is from cash tree/crop, counting for 78.7% and 56.7% of the total income for poor and non-poor respectively, policy allowance and land lease follows, accounting for 6.7% and 16.8% for poor and non-poor respectively, off-farming business (including transport, wholesale, processing, repair, restaurant, etc.) 6.4% for poor and 15.1% for non-poor, waged jobs (including long-term, short-term labor and salary of HH member with permanent jobs) 6.9% for non-poor, and poor household have few income from waged jobs, and traditional livestock and crops for poor is 8.1% for non-poor is 4.4%.

**Table 3-6: Income structure of surveyed HH**

Income source	As percentage of total income	
	Poor (N=21)	Non-Poor (N=79)
Cash tree/crop	78.7%	56.7%
Traditional crop	6.1%	1.9%
Waged jobs (long-term & short-term labors, salary of permanent job)	0.0%	6.9%
Off-farming business (transport, wholesale, processing, repair, restaurant, etc)	6.4%	15.1%
Policy allowance* and land lease	6.7%	16.8%
Livestock	2.0%	2.5%
Others	0.1%	0.1%
Total	100%	100%

\*Including grain plantation, new crop subsidy, natural forest conservation allowance, border residence allowance, supporting to the poor, etc. Source: PMO, Supplementary socioeconomic survey along Menglian-Meng'a road (HH No.=100).

64. The poor's income proportion from plantation is much higher than non-poor. Non-poor have much higher proportion of income from off-farming jobs compared to the poor. In terms of policy allowance, the poor have higher proportion from the supporting to the poor, but the non-poor have higher proportion from forest conservation, new crop subsidy, grain plantation etc. In depth discussion revealed that policy allowance also differs by villages. The more forest land and cultivated land available, the more subsidies received. Nearly half of the households received policy allowance.

65.

66. During the investigation of poverty, there are about 29% of the interviewed villagers who consider themselves as poor; 44% of interviewees do not consider themselves as poor; and about 27% of the interviewees think they are close to poverty.. Table 3-7 listed the detailed information of the survey.

Table 3-7: Poverty Survey Results of Sampled Households

Code	Item	Rate	
1	Is your family poor?	Poor	28.99%
		Not poor	44.20%
		Close to poor	26.81%
2	What are the reasons caused your family poor?	Have patient	30.07%
		Have students	28.99%
		Without labor force	21.74%
		Poor transportation	16.67%
		Lack of resources	2.54%
3	The main difficulties faced by your family	Costs for students	16.72%
		Medical costs high	21.24%
		Low income	59.67%
		Others	2.37%
4	The main income sources of your family	Planting	90.89%
		Livestock sector	1.17%
		Work part time	7.94%
5	Sales mode of your family's agricultural products	Self sale	16.30%
		Specialized cooperatives sale	21.74%
		Sales under the help of village committee	59.78%
6	Sales mode by yourself	Waiting for somebody come	2.17%
		Transport to other place to sale	90.58%
7	The main funds sources of your family agricultural inputs	Self savings	1.45%
		Microcredit	7.97%
		Borrow from others	97.83%
8	Do the microcredit helpful for your family?	Yes	0.00%
		No	2.17%
9	Who is in charge of your family's income?	Male	94.20%
		Female	5.80%
		Both	52.54%
10	Who is your family's main labor force?	Male	36.59%
		Female	10.87%
		Both	55.07%
11	How many kids do your family have?	1	44.93%
		2	16.30%
		3 and above	15.94%
12	Present, your children are studying in	Primary school	67.75%
		Junior high school	48.91%
		Senior high school	3.99%
		College and above	47.10%

Code	Item	Rate	
13	The mode of children go to school	Not far away, walking	57.97%
		Far away, by riding	39.86%
14	The education level of your family's female member	Primary school	67.03%
		Junior high school	15.58%
		Senior high school	15.58%
15	Do your family have received the policy allowance/relief of government?	Yes	49.28%
		No	50.72%
16	The government relief mode	Cash	42.75%
		Relief grain	57.25%
		others	0.00%
17	Do your family members participated rural cooperative medical insurance?	Yes	98.19%
		No	1.81%
18	Do your family members participated rural endowment insurance?	Yes	3.26%
		No	96.74%

### 3.5.3 Expenditures of the Sampled Households

67. Sampled households' expenditure structure is in line with the current stage of the income level (Table 3-8). The farmer's living expenses accounts for a large proportion of the total expenditure. Farmer's living expenditure is spent on the food consumption. Agricultural cost consists of main expenditures of the productive costs.

**Table 3-8: Expenditure Structure of Sampled Households**

Expenditure categories	Poor(N=100)	Non-Poor (N=100)
	Average % of total expenditure	Average % of total expenditure
<b>Living cost</b>	<b>54.2%</b>	<b>50.2%</b>
Food & Clothing	18.4%	17.7%
Furniture and domestic appliances	0.3%	1.9%
Education	6.7%	6.1%
Health care	9.2%	6.1%
Fuel	9.3%	11.7%
Water & electricity	3.0%	1.3%
Travel	0.0%	0.1%
Social	7.4%	5.0%
Other	0.0%	0.1%
<b>Agricultural production</b>	<b>16.8%</b>	<b>6.9%</b>
<b>Investment</b>	<b>27.72%</b>	<b>36.9%</b>
<b>Building/reconstructing house</b>	<b>1.27%</b>	<b>6.0%</b>
<b>Total expenditure</b>	<b>100%</b>	<b>100%</b>

Source: Supplementary socioeconomic survey along Menglian-Meng'a road (HH number=100).



### 3.5.4 Livelihood patterns

#### (i) Dominance of cash tree/crop income

68. This is the most common pattern in the affected villages. There are over 95% of the households in He'an, Menghai, and Paliang village and over 80% of the households in Mangzhang, Mengma and Meng'a, their income mainly depending on cash trees/crops. In the village along the road in Mengma onwards to the end of Meng'a, the weather is hotter and is suitable for rubber, dragon fruit, large scale of banana and coffee plantation. This area started rubber plantation earlier. Some rubber trees are over 25 years subject to replacement. In Mangzhang and Mengma, some households specialize in vegetable growing because of it being close to the town center. From Mangzhang to Paliang, the weather is less hot and the most suitable cash crops are coffee and tea. In the case of He'an, it started relatively late in cash crop planation. Almost whole villages plant cash crops.

69. In terms of needs, some of the households expected to invest on rubber replacement, or improve the low yield of the cash crop resulted from insufficient investment on planting and daily care, or poor techniques in the initial stage.

#### (ii) Transition from traditional agriculture to cash tree/crop plantation.

70. This is a relatively small proportion of affected households. Some households were poor and lacked of investment and others are lower-risk takers to cash crop development, or far away from the main road. This type of households are scattered in all villages but relatively more in He'an, Paliang and Manghai village. The needs are more in technique training and credit support.

#### (iii) Combination of income from both cash trees/ and non-farming business.

71. This pattern is founded more in Mangzhang, Mengma and Meng'a village. In addition to cash income, more and more households started to diversify their income from non-farming business such as transportation, processing, wholesale and trade. Homestay tourism is another emerging business. Technical training and credit support are needed in this type of the livelihood pattern.

#### (iv) Off-farming income dominated households

72. There is a very small proportion of households whose income are derived more from off-farming than from plantation. They are mainly engaged in rubber processing, latex collector and trade. Their needs are working capital for business operation.

73. In addition to the above four basic types, a few of households are engaged in the land leasing for and labor working for outside investors. Some young people in AP households is looking for seasonal work out of village, which aims to explore wider opportunities.

### 3.5.5 Analysis of Affected Women in the Project

74. Women make up 48.2% of the total population in Pu'er Prefecture Municipal of which the majority were rural women accounting for over 65% of total female population. The social status of women in Pu'er has been improving through carrying out Pu'er Municipal Women Development Strategies. Women's political participations are significant. There were about 20% female leaders working in various government departments in 2012. In the same year,

congresswomen at municipal level reached 23.6%. Women, both minority and non-minority, in Pu'er enjoy equal rights in all aspects of political, economic and social life. They are entitled fundamental needs of education, health, housing, employment. In the community level, women have less percentage of participation in the community decision body compared to men. Rural women are engaged in agricultural activities such as growing crops and raising animals. They play crucial roles of household livelihood maintenance and development. Looking after household members particularly children and the elderly and household maintenances such as food preparation and water collection activities are mainly undertaken by women. With the expanding of cash crops areas in Pu'er, more and more rural women are getting involved in cash crops cultivation in terms of rubber, tea, banana, etc in order to meet the increasing demand of cash income in the household.

75. The average education level of rural women is lower than that of men. Specifically, 31.2% of female respondents are in the no-schooling category, higher than male respondents (25.1%). Similarly, female respondents with 7-9 years of education (23.8%), is lower than for males (30.8%). Very few respondents obtained more than 10 years of education. Regarding primary years of education, both genders were over 35%. However, the percentage of minority women's education level aged above 50 are less than Han women with the same age on average as they were living usually in the remote mountainous areas with difficult access to school, difficult access to road in the past. Lower education level is a limitation for minority women aged above 50 to do income-generating activities because they have difficulties to receive market information as well as to learn technology.

76. The majority of respondents were farmers with 63.5% (61.7% female and 65.3% male) being fully engaged in agriculture on their farmland. Although the occupation of local farming labor was not popular in the Project area, the survey indicated that men (2%) were slightly more likely than women (1.4%) to work outside their family land as laborers seeking cash earnings, on local cash crops fields (such as sugarcane, tobacco, coffee). Women were often left at home both for cultivating family land and taking care of household.

77. Young people tend to be long-term migrant laborers (more than 1 year) with 2.4% for men and 2.3% for women. Because of cash crop plantation growth in the project area labour migration is to the area rather than out-migration. The survey indicates that there are slightly more males being seasonal migrant laborers than women. However women running businesses or involved in private enterprises is much less. Of the respondents, only 0.2% of females were running business compared to males (0.5%), and 0.4% of females working in private enterprises compared to males (0.8%). 0.8% of females are village cadres as compared to 1% for males. These statistics indicate that women's participation in community decision-making and other socioeconomic activities was lower than for men.

78. Women and men are involved differently in agricultural production practices. Males usually dominate ploughing and clearing activities, while females are more engaged in transplanting and weeding. Both women and men take part in activities such as fertilizing, harvesting and raising pigs. Tending poultry feeding is solely a woman's activity. It is common for both females and males to be involved in income-generating activities. Among middle-aged groups, men tend to be seasonal migrant labor and women deal with selling agricultural produce.

79. Women's health, in particular reproductive health, has been addressed through a variety of programs. The quality of births has improved a lot by implementing the program "Safe Mother and New-Born Baby". The rate of maternal hospital delivery in rural areas of Pu'er Municipality has substantially increased, with consequent reductions in maternal and infant mortality. In 2012, the rate of hospital delivery reached 68% and the rate of regularly premarital examination for

rural pregnant women increased up to 84%. Women who deliver babies in hospital can receive a government subsidy of CNY400.

80. The surveys show a variety of travel destinations: within village, township, county town and province town. Rural village, township and county towns are the major travel destinations for both women and men. There is some travelling by both men and women to provincial towns. Main travel purposes are to buy or sell products, visit health center and seek local job opportunities. The percentage of female travel to townships is lower than that of men because men generally handle buying or selling products within bigger township markets. Women travel more to county towns for the purpose of accompanying their family members to hospital. Women's transport purposes and modes differ to men's. The primary mode of women travel is walking within village, though they also use motorcycles and truck-trailer when they can gain access to them. The main purpose of women's travel includes; seek paid jobs, buy and sell products at nearby market and fetch small children from school.

#### 4. Legal Framework and Policies

##### 4.1 Laws, Regulations and Policies Applicable to Resettlement

81. 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; and
- (ii) 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);
  - State Council Decision to Deepen Reform and Strictly Enforce Land Administration in October (SC [2004] No. 28);
  - Implementation Regulation for Land Administration Law of PRC;
  - Protection Regulation of Basic Farmland; and
  - Forestry Law of PRC, revised in 1998.
- (iii) Regulations and policies of Yunnan Province
  - Opinions of the Yunnan Provincial Government on Strengthening Farmland Protection and Promoting Scientific Urbanization (YPG [2011] No.185);
  - Notice of the Land and Resources Department of Yunnan Province on the Announcement and Implementation of the Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim) (May 18, 2008);
  - The Regulation of Yunnan Province on Land Administration (1999), the latest document in Yunnan;
  - The Unified Standard for Annual Output Value and Regional Integrated Land Price Compensation in Land Acquisition in Yunnan Province (tentative) (Implemented on 1st Jul. 2009);
  - Regulation on the Expropriation of Buildings on State-owned Land and Compensation (Order of the State Council, No. 590, Implemented on 21 January 2011); and
  - The Implementation Methods for Farmland Occupation Tax of Yunnan Province. (Yunnan Provincial Government Document 149, Implemented in 2008)
- (iv) Regulations and policies of Pu'er
  - The Notice of Further Explicit Land Acquisition Related Issues of Pu'er City Government (Pu'er City Government [2006] No.50);
  - The House Demolish Compensation and Relocation Management Methods for Pu'er urban area collective land houses (Pu'er City Government [2009] No.53); and
  - The Implementation Methods of Basic Endowment Insurance for Farmers with Land Acquired. (Pu'er City Government [2010] No. 11).

82. See Appendix 1 for the details of the PRC and Provincial and local policies.

#### 4.1.1 Abstract of ADB Policies

##### a.) Involuntary Resettlement

83. The displaced persons (called affected persons, or APs) 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.

84. Basic principles include:

- Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks.
- Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- 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.
- 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.
- 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.
- 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.
- 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.

- 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.
- 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.
- 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.
- 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.
- Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- 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.

85. The borrower/client will undertake meaningful consultation with affected Indigenous Peoples (which includes ethnic minorities) to ensure their informed participation in (i) designing, implementing, and monitoring measures to avoid adverse impacts on them or, when avoidance is not possible, to minimize, mitigate, and compensate for such effects; and (ii) tailoring project benefits that accrue to them in a culturally appropriate manner. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities.

#### **b.) Gender and Development**

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

- 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;
- Gender analysis: A systematic analysis of the project's impacts on men and women should be made to learn their economic and social connections;

- Gender planning: A special strategy that offers equal opportunities to men and women should be developed; and
- 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.

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

##### a.) **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.

##### b.) **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: Replacement land is hardly practical. Cash compensation is the preference of most people and can be upfront investment for cash crop development. The AAOV based compensation is deemed as adequate to meet the 'replacement cost' criterion. Further it is based on the premise that the affected persons' living standards should not fall below the pre-project level. To ensure that the affected people use the compensation in a rational manner, 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.

##### c.) **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 made available to assist the vulnerable groups, who will be identified during the DMS. All measures have been specified in the RP.

##### d.) **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 Pu'er PMO will disclose the RP to APs as required by ADB and a further consultation scheme has been included in the RP.

##### e.) **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.

**f.) 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.

**g.) Grievance Procedures**

- The PRC Land Law has provision for grievance process but experience has shown that documentation of grievances is incomplete.
- Solution: the RP includes the mechanism of grievance procedures that town government and the county road construction headquarter will be responsible for the APs grievance redress and recording the grievances received both in written and oral forms.

## 4.2 Compensation Principles of the Project

87. 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.

88. According to ADB's requirements:

- (i) The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs.
- (ii) In the case of physically displaced persons, the IA will provide (a) relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services as required; (b) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (c) opportunities to derive appropriate development benefits from the project.
- (iii) In the case of economically displaced persons, regardless of whether or not they are physically displaced, the IA will promptly compensate for the loss of income or livelihood sources at full replacement cost. The IA will also provide assistance such as credit facilities, training, and employment opportunities so that they can improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels. The IA will also provide opportunities to displaced persons to derive appropriate development benefits from the project.



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

Principles	
1	Involuntary resettlement should be avoided where feasible.
2	The APs are granted compensation and rights that can at least maintain or even improve their livelihoods from pre-project level. The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs.
3	The APs are given compensation at full replacement cost and assistance in resettlement whether legal title is available or not.
	Cash compensation for land loss
5	The IA will ensure that APs fully understand their entitlements, the method and standard of compensation, the livelihood and income restoration plan, and the project schedule, and participate in the implementation of the RP.
6	The IA will ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost has been paid to each AP for project components or sections that are ready to be constructed; (ii) other entitlements listed in the RP have been provided to APs; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help APs improve, or at least restore, their incomes and livelihoods.
8	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.
9	All resettlement cost is included in the project budget and sufficient to cover all affected aspects.
10	The IA and an external monitoring agency will monitor and measure the progress of implementation of the REMDP and will prepare monitoring reports to ensure that the implementation of the RP has produced the desired outcomes.

### 4.3 Cut-off Date of Compensation

89. All APs and organizations (whether public or private) losing land, buildings/houses, crops or sources of income will be compensated or rehabilitated according to the types and amount of their losses (permanent and temporary) as long as they are included in the final Detailed Measurement Survey (DMS), or identified as affected by temporary impacts during construction.

90. Usually the local governments will issue an order that there should be no new construction along the proposed road. However, since the alignment has not been staked, for unclear/disputed cases, the cut-off date for compensation eligibility will be set as soon as the DMS is concluded. APs will be notified.

### 4.4 Compensation Standard

#### 4.4.1 Permanent Land Acquisition

91. Table 4-2 lists the AAOV based compensation rates of Menglian County based on the Yunnan provincial defined standard.

**Table 4-2: Yearly Production Value and Compensation Standards of Menglian County**

Area	Yearly production value (Yuan/Mu)	times	Average compensation standards (Yuan/mu)	Area scope
Class I	1200	21	25200	Nayun town

Area	Yearly production value (Yuan/Mu)	times	Average compensation standards (Yuan/mu)	Area scope
Class II	1000	20	20000	Mengma town
Class III	680	19	12920	Mangxin town, Jingxin township
Class IV	560	18	10080	Gongxin, Nanya, Fuyan township
Average of whole county	860	20	17200	

92. Meanwhile, according to the Menglian county government red tape policy, the compensation rates for permanent LA showed in Table 4-2a are higher than the integrated area prices of Yunnan province. So in line with the Menglian county policy, Menglian's compensation standards in Table 4-2a will be adopted as the project compensation standard. In terms of categories of location, in all the affected villages, the compensation standards will adopt the standards of "flatland area" standard. These rates are based on rates set by Menglian county government and higher than the rates set by Yunnan province. These rates are considered as reasonable and adequate and comply with the replacement cost principle. The affected people are aware of these rates through consultations and find these rates agreeable.

**Table 4-2a: Rates of Compensation Fees for Land Acquisition  
(Menglian county government)**

Code	Land type	Compensation standard (Yuan/mu)			Scope
		County set areas	Flatland areas	Other areas	
1	Irrigated paddy (include vegetable garden)	60000	50000	35000	County set areas: East to: Zhongle reservoir, Mangzhong areas; South to: Shuitan villagers' group; West to: 61 ecological garden; North to: Mangjie areas.
2	Non-irrigated paddy	45000	40000	30000	
3	Non-irrigated farmland (Include economic tree plantations)	35000	25000	20000	Garden include tea, coffee, rubber and fruits plantation
4	collective construction land	30000	20000	15000-	Include collective enterprises land, residential land, public facility land, and infrastructure land
5	Fishpond	60000	50000	35000	
6	Forestry land	7500			
7	Unused land	8500			Unused land is the other land except the farmland, forestry land, pond, grassland. "Unused" is the present status, not useless land.

**a.) Economic trees and garden plot resettlement subsidy**

93. Table 4-2c showed the list of compensation standard for standing crops.

**Table 4-2c: The Compensation of Standing Crops**

Crop types		Number of trees per mu	Compensation standard (Yuan/mu)	Compensation for single tree (Yuan / tree)	Note
Tea garden	Young	1200	1800	1.5	
	Productive		3600	3	Planted for 4-6 years
	Harvest ready		6000	5	Planted for above 7 years
Coffee garden	Young	333	1665	5	
	Productive		3330	10	Planted 3-5 years
	Harvest ready		5994	18	Planted above 6 years
Banana		110	2750	25	Banana tree should higher than 1 m
Sugarcane			First season 4000 Second season 3000 Third season 2000 Fourth season 1000 Fifth season 500		
Corn			1300		
Rice			1500		
Rubber	Young	33		8	Planted 1 to 3 years, 150 yuan each; 4 to 6 years, 270 yuan each; 7 to 8 years, 360 yuan each.
	Not productive		8910	270	
	Productive		13200	400	

#### 4.4.2. Compensation Rates for House Demolition

94. According to the Menglian government policy, residential houses on both state-owned and collective land in Menglian County shown in Table 4-3. The rates are decided based on the replacement costs that is CNY1391 for brick concrete house (Table 4-3) and CNY835.69 for brick wood house (Table 4-4) respectively.

**Table 4-3: The Replacement Cost of Brick Concrete House**

	Item unit	unit	Amount of unit area (m <sup>2</sup> )	Unit price	Amount (Yuan)	note
A	Labor & machine fee	Yuan	1	378.60	378.60	
B	Materials expenses					
1	Cement	kg	180	0.45	81.00	
2	Sand	m <sup>3</sup>	1	120	120.00	
3	Gravel	m <sup>3</sup>	1.43	130	185.90	
4	Steel	kg	27	5.3	143.10	
5	Wood	m <sup>3</sup>	0.046	1500	69.00	
6	Red brick	piece	300	0.45	135.00	
7	Lime paste	kg	2.8	2	5.60	

	Item unit	unit	Amount of unit area (m <sup>2</sup> )	Unit price	Amount (Yuan)	note
8	Other materials		1	256	256.00	
C	Comprehensive fee		1	4.8	4.80	
D	Measure fee		1	12	12.00	
E	Total	Yuan/m <sup>2</sup>			1391.00	

**Table 4-4: The Replacement Cost of Brick Wood House**

	Item unit	Unit	Amount of unit area (m <sup>2</sup> )	Unit price	Amount (Yuan)	Note
A	Labor & machine fee	Yuan	1	160	160.00	
B	Materials expenses					
1	Cement	Kg	80	0.5	40.00	
2	Sand	M <sup>3</sup>	0.4	120	48.00	
3	Gravel	M <sup>3</sup>	0.5	120	60.00	
4	Steel	Kg	1.3	5.3	6.89	
5	Wood	M <sup>3</sup>	0.036	1500	54.00	
6	Red brick	Piece	280	0.45	126.00	
7	Lime paste	Kg	2	2	4.00	
8	Rough stone	M <sup>3</sup>	0.4	250	100.00	
9	Tile	Piece	140	0.5	70.00	
10	Other materials		1	150	150.00	
C	Comprehensive fee		1	4.8	4.80	
D	Measure fee		1	12	12.00	
E	Total	Yuan/m <sup>2</sup>			835.69	

95. The compensation standards of Menglian county for house demolition will adopted the standards as indicated in Table 4-5.

**Table 4-5: House Demolition Compensation Standards of Menglian-Meng'a Road**

Building structure	Compensation standards (Yuan/m <sup>2</sup> )
Brick concrete	1400
Brick wood	1000
Earth wood	600

## 4.5 Compensation and Entitlement

### 4.5.1 Entitlement Policies

96. For the individuals or institutions affected by the project, the entitlement, compensation and rehabilitation measures, as detailed in Table 4-6.

**Table 4-6: Compensation and Relocation Policy of Menglian-Meng'a Road**

Impact Type	Entitled person	Policy
House demolition	Affected households	<ol style="list-style-type: none"> <li>1. All houses compensation for relocation will be based on the replacement cost, without taking account of depreciation and with affected households' right to salvage free of cost the material from demolished structure.</li> <li>2. The housing reconstruction will be located within the original village, and close to the affected household's farmland.</li> <li>3. The affected households can rebuild their houses according to their will and the old house materials also can be used. Until the reconstruction is complete, they can use the old house, and before the deadline date of relocation. There will not be forced evictions.</li> <li>4. In accordance with the relevant laws and regulations, the township government and village committee will plan and allocate housing plots.</li> <li>5. 3 months before the housing reconstruction, the affected population will receive renewal notification, and housing construction period will be at least 4 months. The construction time will be discussed with the affected population to avoid the time conflict of housing construction and agricultural, as well as avoiding the rainy season. Relocation of affected population will receive subsidies for transportation costs and delay works subsidy. The amount will vary according to the distance of the new location.</li> <li>6. PMO will take effective measures to assist affected vulnerable people (for example: elderly, disabled, poor and female-dominated family). After consultation with them, township and village will help them to rebuild and relocate.</li> <li>7. The compensation fee will be paid before the housing reconstruction of affected people. The funds will be deposited into a joint bank account (husband and wife). If payment by instalment, the final amount shall be paid before the completion of new housing.</li> <li>8. The relocation of affected people is free to make complaints towards to the related issues (including compensation).</li> <li>9. Serviced housing plots will be provided to APs prior to house demolition.</li> <li>10. Transition subsidies will be paid to cover the period between house demolition and moving into the resettlement housing.</li> </ol>
Temporary land use	Affected households	<ol style="list-style-type: none"> <li>1. The project will provide compensation fees to the affected people for young crops.</li> <li>2. The selection of land must be approved by the township land bureau and the contractor must deposit funds for restoration with the bureau.</li> <li>3. In addition to the first-year compensation for young crops, this project will also provide agricultural losses compensation to the affected farmers for the temporary requisition of each year during the period. Compensation criteria will take into account land annual output value. The period of temporary occupation will not exceed 2 years; if a longer period is required, a new contract must be approved by township land bureau.</li> <li>4. Upon completion of construction, temporarily occupied land will be rehabilitated to its original form and reallocated to the affected people.</li> </ol>
Permanent Land Acquisition	Affected households	<ol style="list-style-type: none"> <li>1. The project will pay the land requisition compensation fees for all types of land, compensation standard will be in accordance with the relevant law.</li> <li>2. In addition to land compensation fees, this project will pay the resettlement fees for various production land types.</li> <li>3. The funds will be deposited into a joint bank account (husband and wife).</li> <li>4. Land resettlement fee should be used for production improvement and daily life recovery of the affected people, including new farmland development, improving the existing farmland, increasing yields, improve agricultural infrastructure and early relocation assistance.</li> <li>5. The land compensation fees will be paid to affected people 3 months before land acquisition.</li> </ol>
Trees	Affected households	For the trees that will be affected by the project, if they belong to the private owners they will be compensated for these directly. If they are collectively-owned, compensation will be paid to the village or group.

Impact Type	Entitled person	Policy
Others	The owner	This project will provide compensation for all affected special facilities such as: communication lines, transmission lines, power tower, village roads, irrigation channels, etc. Compensation will be based on facilities' existing function, size, and standards.

#### 4.5.2 Entitlement Matrix

97. The entitlement matrix for this project is set out in Table 4-7. The matrix covers eligibility and compensation for all kinds of losses (e.g., land, housing, businesses, and other income sources, temporary loss of income, displacement, and moving cost). It provides a summary of the measures, provisions and standards described in the earlier part of this section.

**Table 4-7: The Entitlement Matrix**

	<b>Types</b>	<b>Scope</b>	<b>Entitled Persons</b>	<b>Entitlements</b>	<b>Compensation Policies</b>
1.	Permanent land acquisition	All affected land by the Menglian-Meng'a road project	6 Affected villages and 718 households with 3,395 affected persons who used land before specified deadline	<p>1. Cash Compensation for land acquisition includes land compensation fee, resettlement subsidies and compensation for young crops.</p> <p>2. All land compensation fee and resettlement subsidies will be paid to APs if the land is contracted to farmers.</p> <p>3. Compensation for young crops will be paid to owners directly.</p> <p>4. Preferential employment to APs for unskilled jobs generated during construction and operation</p> <p>5. Preferential training to APs</p> <p>6. If the APs meet the requirements , they can participate in the endowment insurance voluntarily..</p>	<p>The compensation rates for flatland areas will be use.</p> <p>Young crop compensation (Table 4.2c) to go to the affected households.</p>
3.	Residential housing demolition	All 146 households of 6 villages and 15 households of enterprises	Property/ house owner, 146 households with about 600 persons in 6 villages, and 15 households with 75 persons of affected enterprises	<p>. Compensation for house at replacement cost will be paid to affected household directly;</p> <p>Movement subsidy and transition subsidy will be paid to AHs</p> <p>The house plot in original village will be provided to AHs free for the new building construction.</p> <p>Compensation for structures and all other lost assets will be paid in full before relocation.</p> <p>APs have the right to use salvaged material free of cost.</p> <p>Vulnerable groups will be assisted to reconstruct the house by local government.</p>	<p>The project will follow the policy that the house demolition takes place only once the affected household has built the new house. If there is any outstanding case, transition subsidy will be provided to such households.</p>

	<b>Types</b>	<b>Scope</b>	<b>Entitled Persons</b>	<b>Entitlements</b>	<b>Compensation Policies</b>
	Significantly affected HH by LA	Losing more than 10% of productive land and/or house relocation	80 households with 360 AP losing more than 10% of land and 161 households with 675 persons affected by house demolition	<p>Supplement cash compensation with Preferential job opportunities for at least one person from the affected family for project generated unskilled employment.</p> <p>Skill training: A total amount of CNY 500,000 have been budgeted to provide skill training. .</p> <p>Provide credit support for those who need to improve their remaining land productivity or plan to involve in off-farming business, such as vehicle purchasing.</p> <p>Provide assistance in obtain permission in transport service businesses</p> <p>Meng's Port Material Transit Centre (MTC) will provide permanent employment to one member of each affected family (total 5 families)</p>	Ensure that their livelihood standards are either improved or at least restored to the pre-project level.
	Temporary land acquisition	About 100 mu of land (estimated)	The households and persons affected	<p>All affected persons shall obtain compensations. The period of temporary occupation will not exceed 2 years; if a longer period is required, a new contract must be approved by township land bureau.</p> <p>The land user shall be responsible for rehabilitation of the temporarily acquired land after completion of the project construction.</p>	The compensation rate for temporary land acquisition is CNY 5,000/mu.
5.	Public facilities and ground attachments	All types of ground attachments identified during the detailed measurement survey.	Property owner	<p>Compensation fees based on replacement costs are provided to the proprietor,</p> <p>Affected special facilities are restored by proprietors after receiving compensation from the Project owner, or reconstructed by the Project owner as per original size, function and standards</p>	Types of ground attachments and special facilities will be identified during the detailed measurement survey and will be compensated at the replacement cost.



	Types	Scope	Entitled Persons	Entitlements	Compensation Policies
6.	Income rehabilitation measures <sup>2</sup>	All project affected people by land acquisition or house demolition	718 households with 3395 persons in 6 villages , and 45 households with 225 persons in 2 enterprises	<p>The affected persons will obtain resettlement subsidy and to restore their income and living standard. PMO will ensure that relevant departments provide guidance to the affected people on how to best utilize their compensation to improve their incomes.</p> <p>The local government will provide employment assistance (i.e., training and job arrangements) for the affected persons in the local enterprises.</p>	The APs have the right to choose the income restoration options; the income restoration plan must be fully consulted with the APs and must be agreed with the APs.
		Special supporting measures for affected <b>vulnerable groups</b>	Affected vulnerable groups (129 households 522 person), women headed households, (3 households with 9 persons) and households with disable persons (20 households with 35 persons)	<p>Low cost rented housing for families in hardship will be provided.</p> <p>Special fund for the vulnerable (2% of basic resettlement cost) as part of the RP budget.</p> <p>Provide labor for house construction</p> <p>The vulnerable groups will be given priority to obtain the project-related employment opportunities.</p> <p>Labor support for the vulnerable groups in the house reconstruction will be provided.</p>	The APs belonging to the vulnerable category were further assessed during the DMS and appropriate measures will be developed that will be included in the final RP.
7	Complaints and Grievances	Compensation rate, payment of compensation and relocation measures, income restoration, and related issues	The affected persons who lodge a complaint on land acquisition and relocation matters	<p>Various expenses related to relocation complaints putting forward by the affected persons and management expenses will be exempted.</p> <p>Every resettlement office must hire at least one female worker to responsible for women's affairs in the process of</p>	

<sup>2</sup> Please see related section 7 for more information.

	<b>Types</b>	<b>Scope</b>	<b>Entitled Persons</b>	<b>Entitlements</b>	<b>Compensation Policies</b>
				resettlement.	

#### **4.6 Flow of Funds**

98. The Pu'er Project Resettlement Office, County Resettlement Office, Township Government and Administrative Village will be responsible for finances at different levels for land acquisition compensation. For house removal compensations, the responsible agencies will be the Pu'er Project Resettlement Office, Menglian County Resettlement Office, and Township Government then AP directly. In order to guarantee compensation funds to be timely transferred and be properly used, the resettlement compensation funds shall be transferred from higher level to lower level; each department shall strictly implement the stipulations in finance accounting and audit system. The use and transfer status of compensation funds will be periodically checked and reported. If unexpected event takes place, the adjustment plan and remedial measures will be submitted without delay.

99. Based on the compensation policy and standards stipulated in the resettlement plan, the Project Resettlement Office shall sign "Houses Removal Agreement" and "Land Acquisition Agreement" with County/District Resettlement Office. The County Resettlement Office (on behalf of the Project Resettlement Office) shall sign the compensation agreement for land acquisition with the Township and Village Committees concerned. In accordance with the contents, quantities and time stipulated in the house relocation compensation agreement, the compensation fee will be transferred by the Project Office through the bank to the County Resettlement Office. Then the County Resettlement Office will distribute the compensation funds through Township Government, who will allocate payments to households.

## 5. Information Disclosure, Consultation and Participation

### 5.1 Stakeholder Identify

100. The stakeholders include the parties affected by the project and the institutions concerned:

- (i) Affected persons or institutions by the land acquisition and house demolition;
- (ii) All the affected villages and town or townships that the road will pass through;
- (iii) Township or town government and villages' committees that the road will pass through.

### 5.2 Consultation during the Project Preparation

101. At the pre-feasibility, feasibility study and PPTA, intensive consultation of stakeholders have been conducted with focus on the alignment selection, design standards, and alternatives of reducing affected populations. During the PPTA, SAP, RP, EMDP and GAP preparation, surveys have been undertaken in July 2013 to March 2014. A total of 316 households (276 samples of potential affected households along the alignment corridor in RP development, 140 households from wider area of the project in social impact analysis and development of EMDP, GAP) from 7 villages were surveyed. In addition, a total of 7 FGDs and 3 consultation workshops have been held with women, poor, elderly, ethnic minorities and village representatives in the project area and a number of key informant interviews were held with various bureaus. Over 1000 people were interviewed/surveyed or consulted in the process. Participants included individual villagers, village leaders, staff of government agencies such as the Resettlement Bureau, Ethnic Affairs Bureau, Tourism Bureau, Development and Reform Bureau, business owners and employees. The assessments, surveys and discussions provided the quantitative and qualitative materials that were used to prepare the SPA, RP, EMDP, EMP, and other documents to comply with both ADB and PRC policy requirements.

102. Methods and tools used include (i) field visits to collect basic information on the project impact from project beneficiaries and APs; (ii) household survey to understand family situations, livelihood status and living conditions; (iii) focus group discussion to learn expectations and requirements of affected people; (iv) interviews with representatives of households, villages or communities to find potential impacts, coping strategies and demands for support; (iv) interviews with government agencies, development organizations and industrial parks to identify existing programs that can help the poor and ethnic minorities to take advantages of the project benefits, and (v) workshops were held to collect feedback on the draft RP, EMDP and GAP.

#### A. Attitude towards the Road Project

103. Over 99% of the interviewees agree with the reconstruction of Menglian-Meng'a road, 100% of the interviewees agree with the land acquisition and 87.24% agree with the demolition of houses. 100% of interviewees believe the road will improve the transportation and around 92-99% of them believe that the road will stimulate the local economic development, tourism development, investment and increase of house price. Meanwhile, about 90% of them views that the project will benefit the poor and 85% thinks that women can benefit from the project. Over 97% of the interviewees believe that their family will benefit from the project and life will be better. In terms of negative impact, around 90% of them think the environment will not change while 10% view it might become worse because of more traffic. Over 93% of the potential LA and affected people believe their loss will be fairly compensated while around 7% don't know. Around 85% of the interviewees believe they would get some other helps from related government agencies in addition to compensation.

104. Group discussion revealed that all of them have heard the project because it was talked for years. They show very supportive attitude towards the project because the frequent traffic jams affect their cash crop transport, especially in the harvesting season of perishable fruit of banana, dragon fruit, and vegetables. The villagers along the re-alignment sections express strong support to the project with expectation of cash crop development and increase of land value.

105. Group discussion also revealed that people have concerns about compensation rate although they generally agree with the land acquisition. The Menglian County categorized the land by types and location. To the same type of paddy, CNY60,000 per mu is compensated to the land located in county seat area CNY50,000 per mu to the land located in flatland area and CNY35,000 to the land located in “other area”(details see table 4-3). APs view that the compensation rate for “other area” is very low and afraid their land would be categorized as that located in other area. The late discussion with Menglian county PMO and Pu’er PMO confirmed that all the land acquisition in Menglian-Meng’a road will follow either “county seat area” standard or “flatland area” standard and no category of “other land area” standard will be used. As the road will start outside the county seat area, the compensation rate therefore will all adopt category of “flatland area” which is higher than the standard of “other area”.

106. Compared to land acquisition, people have less concern of house demolition because the project road is an open access class II road and the geographical feature of the project area it is not hard to find a similar place to relocate their houses. In summary, local people believe they can significantly benefit from the project and most of them believe their loss will be fairly compensated. Details shown in Table 5-1.

**Table 5-1: Opinions towards Road Project**

Code	Item	Rate	
1	Do you agree the construction of the project?	Yes	99.64%
		No	0.00%
		Not concern	0.00%
		Do not know	0.36%
2	Do you agree to acquire your land?	Yes	100.00%
		No	0.00%
		Not concern	0.00%
3	Do you agree to relocate your house?	Yes	87%
		No	3%
		Not concern	10%
4	The project will increase the employment opportunity of villagers or not?	Yes	96.01%
		No	0.36%
		Do not know	3.62%
5	The project will improve the local transportation or not?	Yes	100.00%
		No	0.00%
		Do not know	0.00%
6	The project will promote the local economic development or not?	Yes	98.55%
		No	0.00%
		Do not know	1.45%
7	The project will promote the local tourism development or not?	Yes	97.10%
		No	0.00%

Code	Item	Rate
		Do not know 2.90%
8	The project will stimulate local house price increase?	Yes 96.38%
		No 2.90%
		Do not know 0.72%
9	Whether or not the project will improve the investment environment?	Yes 91.67%
		No 0.00%
		Do not know 8.33%
10	Whether or not the project can benefit poor?	Yes 89.86%
		No 0.00%
		Do not know 10.14%
11	Whether or not the project can benefit women?	Yes 85.14%
		No 1.09%
		Do not know 13.77%
12	The project will cause what kind of impact on the local environment?	No change 89.91%
		Worse 10.09%
13	How the project will affect your family life?	Become better 97.10%
		Worse 0.00%
		No change 1.45%
		Do not know 1.45%
14	Generally speaking, do you think you will benefit from the project?	Yes 97.46%
		No 0.00%
		Do not know 2.54%
15	Do you fully understand the project impacts towards to your family?	Yes 95.65%
		No 2.17%
		Do not know 2.17%
16	Do you think your loss would be fair compensated?	Yes 93.12%
		No 0.00%
		Do not know 6.88%
17	Except compensation, can you get any help from related government agencies during the resettlement process?	Yes 85.14%
		No 0.00%
		Do not know 14.86%

Source: Field resettlement survey.

## B. Consultation on the Resettlement Issues

107. The opinions on the resettlement issues are listed in Table 5-2. Regarding the compensation type, 100% of APs chose cash compensation and 84.87% of Aps agree to provide endowment insurance. It is well known that the endowment insurance is a government welfare policy in favor to LEF eligible (available remaining cultivated land less than 0.3mu per capita). However, in the project area, the cultivated land is abundant. t. Therefore the project road will have little chance to create illegible LEF. Very few APs in favor options of “job arrangement, “provide enabling environment for running their own business/self-employment”, “allow farming land converting from forest/bush land”. Generally in the project area along Menglian\_Meng’a

road, local farmers have higher real income and higher potential to increase income compared to employees of companies, factories and state farm. Areas from Mengma town towards Meng'a are the earliest area to plant rubber in Pu'er. In recent years, banana plantation becomes the most profitable cash crop. Farmers along the road either plant by themselves or lease land to or share cropping with outside investors to make more income. Large areas of banana and rubber help the villagers to earn good income.. Land acquisition for the road takes only a very limited proportion of the land they cultivated. The job arrangement is not very attractive to the APs

108. With respect to “technical training”, only about 11% of the APs think it is necessary, which is far less than the expected. Meanwhile, wider survey in villages along the project road in rural area without land acquisition indicated higher demand for technique training in cash crop plantation. Group discussions, in- depth discussion key informants interviewed and households survey results find the following points: i) cash crop plantation technique is not an issue to the HH in the villages near the main road such as Menglian-Meng'a road because they have cultivated plantation for years and obtained the skills; (ii) To new cash crops, it is the villages along the main road instead of remote villages that often were selected as either demonstration site or agro-business (such as dragon fruit plantation in recent years) with strong technical and marketing support from the companies involved in the plantation business. They do not worry about relevant technologies; and (iii) Cash compensation is a better choice for farmers. If a compensation package includes training, farmers would like to hold cash in hand and can choose their desired training instead of training that might not be useful for them.

109. In contrast, the villagers along rural road or located away from the main road demand for more technical training because: i) those villages haven't started yet or just started cash crop plantation and do not have the necessary skills; ii) they have less chance to be selected as demonstration site with strong technical support; and iii) technical training is an additional benefit since they are not APs of LA or HD.

110. With respect to use the compensation fee, 96.01% of potential AP attempt to replant high value crops, 63.77% likes to increase inputs of other fields, 44.93% intend to contract or rent farmland from others, and 35.51% will improve low-yield farmland.

111. Regarding to restoration of the income loss caused by LA, the preference from common to less common is investing more to the remaining land to increase yield (of cash crops), contracting or renting other peoples' land, applying for pension or MLSS which depends on the illegibility, seeking an outside employment opportunity which is popular to young people whose main objective is exposure to the outside world, improving livelihood chosen by either very much better-off households whose income will not be affected significantly or those very poor households with no labor force to do any income generation). Details are in Table 5-2.

**Table 5-2: Opinions preferred towards the Land Acquisition**

Code	Item	Rate	
1	After your land be acquired, what kind of help and compensation you want? (multiple choice)	Cash compensation	100.00%
		Land re-adjustment	15.22%
		Part cash and part land re-adjustment	2.90%
		Job arrangement	2.17%
		Provide enabling environment for running their own business or self-employment.	0.36%
		Allow land reclamation	3.26%

Code	Item	Rate
	Technical training	11.23%
	Provide Endowment insurance for the farmers who loss land	84.78%
2	When your farmland be acquired, how will you use your compensation funds? (multiple choice)	
	Contract or rent other people's land	44.93%
	Improve the low yield farmland	35.51%
	Increase the invest to the remaining farmland	63.77%
	Improve the irrigation facilities	7.61%
	Change crops to high income crops	96.01%
	As the capital of business	4.71%
	Establish or enlarge enterprises	0.36%
	Others	0.00%
3	After your farmland be acquired, how do you plan to cover your losses? (multiple choice)	
	Contract or rent other people's land	44.93%
	Invest more to the remaining land to increase yield	63.77%
	Seek an outside employment	9.42%
	Start or enlarge the existing business	7.97%
	Improve livelihood by using the compensation	6.88%
	Get pension or minimum living standard	18.84%
	Establish an enterprises	0.36%
Others	0.00%	

Source: Resettlement survey 2013.

112. Table 5-3 summarized the public consultation activities carried out before and during the PPTA.



**Table 5-3: Public Consultation Activities**

Time	Organized by	Participants and number	Key activities	Key outputs/issues raised
Before April, 2013 by EA and IA	Pu'er Prefecture City PMO	Design institute, county transportation bureaus Township officials Village leaders Over 800 in over 2 years from initial individual project component to an integrated package. Around one fourth are female	1. Project concept development 2. Preparation of FS 3. Reviewing project components and scope 4. Estimate APs and beneficiaries 5. Comparing and Soliciting options balancing project costs and distribution among counties/district 6. Selecting rural road 7. Prepare EIA	1. The proposed components were disclosed to project counties and sites communities in Jiangcheng, Ning'er and Simao. 2. Rural roads for upgrading were selected 3. Potential affected communities were informed; feedback procedures were initiated through community leaders. 4. FS has been prepared 5. EIA reports have been prepared and approved
April –August 2013	Pu'er Prefecture City PMO and ADB PPTA Team	Beneficiaries, APs along project and relevant bureaus. Total 510 (42 village leaders, 20 business owners, 420 household including 40 in Menglian county, 28 key informants from various bureaus) with 201 female	Socio-economic survey for SPA, GAP, EMDP, border issues and rural transport service. Forms including focus group discussion, key informants interviews, consultation meetings, and HH surveys (420HH).	1. Project scope and alignment 2. Rural road scope were refined 3. Potential benefits and negative impacts, possible enhancement measures and mitigate measures 4. Impact assessment and RP, EMP, SDAP and EMDP preparation requirement
September-Dec.2013	Pu'er Prefecture City and Menglian county PMOs, Nayun and Mengma township RP Team contracted by EA, PPTA team, Field social survey team	Village leaders, affected APs, local transport bureau and Menglian County government, transport bureaus Total 160 people with 81 women	RP Consultation workshop village by village to generate opinions of the affected APs regarding degree of impact, coping strategies, issues concerned	1. Major impact of each village along the road, number and degree of affected HH 2. Compensation arrangement, rate, procedures 3. Options of livelihood restoration 4. Feasibility of restoration plan backed by socio-economic analysis 5. Draft GAP, RP and EMDP
September-Dec.2013	RP Team contracted by EA	276 affected HH with 1333 member	Affected household sample survey to collect socioeconomic information, impact on households and opinions on RP.	1. Attitude of affected households, livelihood patterns of AH 2. Opinions on RP 3. Challenges faced 4. Livelihood restoration plan

Time	Organized by	Participants and number	Key activities	Key outputs/issues raised
Nov-December 2013	Pu'er prefecture PMO, PPTA team	Bureaus of Transportation, Ethnic minority affairs, Poverty Alleviation office, 100 HH supplementary survey on Menglian-Meang'a road Total 220 people with 100 female	Village leader interview, focus groups discussion in 5 villages, state farm leader interview, EM bureau interview, Poverty Reduction and Development office, HH survey (100HH) etc	<ol style="list-style-type: none"> <li>Poverty of state farm APs</li> <li>Existing livelihood patterns of EMs along Menglian-Meng'a road area.</li> <li>Positive and negative impacts perceived by villagers within the project impact zone.</li> <li>Coping strategies of surveyed households</li> <li>Most helpful actions needed in enhancing the project benefits to and mitigation the project negative impact from the EM, Women and the poor</li> </ol>
Oct.-Nov, 2013	RP survey institute and ADB PPTA team	Managers and staff of Menglian Tea LLC, Menglian State Farm, Mengma Rubber Company, Luo Xiaohai Rubber Processing Plan. Total 13 with 6 female	Enterprise one by one to interview manager and affected households (agricultural enterprise with land cultivated by households) on impact and coping strategies. Discussion of alternatives the design has adapted and potentials of further measures to minimizing impact.	<ol style="list-style-type: none"> <li>Compensation standard</li> <li>Arrangement of the affected households in terms of work position</li> <li>Recovering of facilities</li> <li>Temporary impact compensation</li> <li>Measures to reduce disturbance during construction.</li> </ol>
Oct. 2013	Menglian IA and Menglian Statefarm. PPTA consultant, Social survey team	Representatives of Affected HH in the farm	<ol style="list-style-type: none"> <li>Discuss the alignment changes in preliminary design</li> <li>Estimate impact on potential HH</li> <li>Expectations and challenges faced the HH</li> </ol>	<ol style="list-style-type: none"> <li>Poverty situation of the state farm worker</li> <li>Property rights of the current house and confirmation of the compensation of the house goes to affected households.</li> <li>Work position arrangement to the affect households of land acquisition.</li> </ol>

Sources: PMOs, Socioeconomic survey and resettlement survey, 2013.

### 5.3 Public Participation and Consultation Plan

113. Notwithstanding the amount of public consultation already carried out, additional consultative meetings will be required after PPTA mission and during the implementation of the resettlement and land acquisition process. The principal activities to be undertaken are: publication and dissemination of a Resettlement Information Booklet (RIB), summarizing the policies, entitlements, compensation standards and rates, grievance procedures and resettlement/ land acquisition program; formal village meetings to ratify the options relating to land re-distribution and compensation disbursement; Detailed Measurement Survey in the field to measure and agree the final requirements for land, property and other acquisition, from each affected household/enterprise.

114. Table 5-4 contains a schedule and activity of the consultation plan.

**Table 5-4: Public Consultation Plan**

Main contents	Consultation approach	Timing	Implementation institute	Participants
Consultation for suggestions of optimized construction design	Field survey, meetings	Oct., 2014	Design institute	Sampled households of the people who will be affected
Consultation and determination of compensation criteria	Public meetings	Oct., 2014 onwards	Project owner, local government	Local government, AP
Disclosure Resettlement Information Booklets	distribution	August , 2014	Project office	All APs
Disclosure compensation standards	Publish	August , 2014	Project office	All APs
Detailed measurement surveys on the affected scope, material property and relocation of land acquisition and relocation	Field survey	Oct.-Dec, 2014	Design institute, town and township government, village committee	All APs
Identify the population who needs special help (vulnerable groups and seriously affected households)	Public meeting (DMS)	Oct – Dec , 2014	Project office	All APs
Enter into agreement with the affected village, collectives and individuals, notice of their rights, benefits, compensation amount and date again.	Public meeting	January , 2015	Project office, township government, village committees	All APs
Disclosure of survey results (DMS)	Public meeting	Dec., 2014	Project office	All APs
Confirm numbers of AH in choosing restoration options and support needed in section 7 immediately after DMS.	Household interview	Jan. 2015-Dec 2017 pending on progress of contract package	Project office	All APs
Monitoring of the land acquisition and house demolition impact.	Household interview	Throughout the entire process of external M&E	External institutions M&E	Sampled APs

Source: PMO.

#### A. Disclosure the Survey Results

115. Once DMS completed, the inventory of all types of impacts will be publicized to the APs and communities. Such disclosure will be carried out to all APs before the payment of compensation is made.

#### **B. Disclosure the Compensation Policy**

116. Affected people have been informed through various measures such as public consultations, surveys and focus groups discussions, village committee members and various local agencies about the impacts of land acquisition and house demolition as well as about the compensation standards and livelihood restoration plans. Once resettlement plan is approved, each affected household will be provided resettlement booklet. Land Administration Law (2004), also requires that prior to LA, the affected villages will be informed about the compensation scheme, which includes compensation standards for both land acquisition and house demolition. No standard lower than the standard in this RP will be adopted. If the compensation standard need to be increased when timing of the project start implementation, an adjustment report need to be submitted to relevant DRC to get approval.

#### **C. Resettlement Plan Booklet and Disclosure**

117. The Project Resettlement Office has drafted a detailed resettlement information booklet (refer to appendix 4) to ensure the local government and people in the affected areas know the details of the resettlement plan and compensation regulations. The resettlement information booklet covers main contents of resettlement plan, compensation standards and resettlement policy, the entitlements and grievance procedures. The brochure will be distributed to each of AH within the project area as soon as the booklet is approved. Before resettlement implementation, relevant land acquisition and relocation announcements will also be issued through local newspapers, radio and television broadcasting or posted bulletins to propagate resettlement policy, compensation standard and complaint channel in the towns and villages affected using easy language that resettlers readily comprehend. The Resettlement Plan document will also be available in county and township offices, and put in local libraries to facilitate the resettlers to read.

#### **D. Meetings**

118. Public meetings will be held to explain relevant policies, laws and rules and compensation criteria in detail so that the APs can know these early before the implementation of the land acquisition and resettlement.

## 6. Relocation and Reconstruction Plan

### 6.1 Options for Residential Buildings and Structures

119. As the demolition and removal of housing will not involve the relocation of entire villages, all the reconstruction will be located in the original village; therefore, new house plot will be supplied by the original villages free. Rural housing resettlement measures are as follows.

120. The farmer households are resettled by two methods. One method is concentrated settlement whereby APs will build their new houses with the help of their village committee and township officials. This way is required for the villages which have many farmers to be resettled in a centralized way. Concentrated building of houses can use land resource more effectively in accordance with the new social countryside policy. Local government will provide investment in necessary village infrastructure. The Project Company will assist with land levelling, drainage, electricity and water supply arrangements. For concentrated site, advance planning is required to select and prepare new housing sites so house construction can be completed before the need for house demolition. This pattern is usually used where the house demolition affected households are huge (for instance, more than 50% of the households affected by house demolition). In this project, Mengma village has relative more households will be affected by HD but not exceed 10%. At this phase, the APs still consider building their house individually in the location chosen by themselves. Currently, scattered relocation option is planned in this RP whereby APs will build their new houses by themselves in locations agreed upon by the village committee. As the compensation paid for houses includes both the cost of labor and materials, households choosing to build their own houses are free to (i) better their house by increasing its size and amenities; or (ii) build a similar house and use the additional compensation for other purposes. The locations of the new houses are chosen through consultations between the villagers and the village or group. The village assigns the new house plot to the AHs free of charge. During consultations the villagers stressed that they will select house plot location by themselves. There is sufficient land available for house plots of the affected households. The village committee will approve it and report to the township/county related agency to get it certified for house land use and construction.

121. The principle to be followed in housing demolition and removal is that the new houses are built before the old ones are demolished. If the old ones are demolished before the new ones are built, subsidy for house rental will be given during the transition period. Normally it will take 3-4 month to build a house in the local situation. According to the local rental of CNY200-500 per month, 3-6 month transition rental fee will be paid until the new house built. In addition, in all cases the affected people will receive moving fees.

122. In the implementation of housing relocation and resettlement, the following general principles will be followed:

- New sites necessary for housing construction will be allocated for free to the affected households, who do not have to spend money on purchasing land for their new house sites. Land area of the new house to be constructed will be equal to that of the original.
- Locations of house sites will be negotiated between the village groups and the affected households. Households affected tend to prefer putting up their new houses at locations with easy access to traffic, namely, along sides of highways or country roads. Village groups will try to satisfy their requests to the greatest extent possible and allow them to make choices among options the village can provide.
- Reconstruction of a rural residence takes 3 to 4 months. Households affected will typically build their houses themselves. They can have construction materials

taken from their old housing for free. No deduction will be made in compensation for materials taken from the old housing.

- Compensation for the old housing will be made to people affected prior to their removal. County Resettlement Office will disburse fees directly to households affected.
- In principle, new housing should be built prior to old housing being demolished. If the old house is demolished before the new one is built, transition subsidies will be paid to the affected household so that they can rent a residence for transition. People affected tend to turn to and borrow spare housing from their relatives and friends to live in during transition. Even if this is the case, they are still entitled to receive transition subsidies.
- In case the people affected are resettled in new residences built within the same village, they are still entitled to get moving fees, which will be separate from other fees in the compensation list or included under other compensation items.
- If households affected increase floor space or improve the quality of their new residences being built, they will pay for incremental costs themselves. Such an increase or improvement is at their own option, based on their own financial resources.
- Throughout housing reconstruction and removal, village councils, township governments and township resettlement offices will take care of households affected. If there are any difficulties, governments at all levels will work together to help in resolving difficulties.
- Villager committee, township governments, and CROs will pay particular attention and provide special assistance to households in poverty, the disabled, women headed households, and the Wubao relocated. If they are unable to restore their housing themselves, governments at all levels will get them removed and resettled by helping them to build new residences (refer to 7.4.7)
- Two measures will be taken to relocate infrastructure. First, the project construction unit will take the responsibility for removal and replacement of the roads, telecommunication cables and power lines. The second measure is for the affected units to take charge of the reconstruction after they receive compensation.

123. When a farmer needs to build a new house on the land owned by his village, he has to file an application. And this application has to be approved by the villagers through the villagers' meeting and will be reviewed and examined by the village committee and the township government before being submitted to the county government for the final approval. This kind of land allocation for building new houses is free of charge. The applicant only needs to pay about 200 of formality fee. For HD AH of this project, such fee will be covered by the compensation. The area of allocated homestead should not exceed the upper limit stipulated in the relevant regulation.

124. The upper limit for the area of land allocated as homestead to each household will be set as the Article 33 in Regulation on Land Administration for Yunnan Province as follows:

- In City Plan Area, the area of land allocated as homestead to each household should not exceed 100 square meters;
- Out of City Plan Area, the area of land allocated as homestead for each household should not exceed 150 square meters.

125. Such quotas are sufficient for rural households to build new houses of floor space of 150 square meters since they can build new type of buildings of two to four stories made of brick and concrete.

## 6.2 Implementation Methods for Resettlement

126. The institutional arrangement for resettlement refers to section 8. The new houses will be built by the households themselves after receiving compensation. It will ensure that the households can control costs and maximize benefits by receiving help from relatives and friends, reusing materials from the demolished house, and using local free materials. They can also choose the design of their new house.

## 6.3 Compensation and Transition Methods

127. All new houses are required to be built before the original house demolition. In case any household would not be able to build before demolition, transition fee will be provided for the AH to: 1) Stay at the houses of relatives and friends; (2) rent a house within village or nearby. Maximum CNY3000 rental for 6 months is budgeted given to the local rental of CNY200-500 a month.

128. Compensation will be paid to the households to be resettled before the dismantling of their original houses. All the attachments to the house, such as enclosures, toilets, pigsties, courtyard dams, water wells, electric wire, fruit trees, other trees and plants belonging to the household, will also be compensated<sup>3</sup>. All this is aimed at safeguarding the interests of the resettled farmers.

129. Special attention will be paid to the impoverished households and vulnerable families such as disabled households, households headed by women, and households of old people. Should they meet with difficulties in the process of transfer, relocation, and rebuilding, both the village committee and the township government will offer help. Help may be in the form of giving guidance, supplying materials, or in cash. These measures are geared to insure a smooth resettlement of the households and guarantee that the housing condition of the resettled households is better than before the resettlement.

## 6.4 Assistance for Transfer and Resettlement to New Site

130. Relocation allowances will be paid to cover the expense of moving. Relocation allowances are provided in all cases where buildings are demolished to enable the occupant of the building to move his/her belongings to the new building. As the all AH prefer to relocate in the same village, CNY 2000 per HH is budgeted.

## 6.5 The Restoration of Public Facilities and Infrastructures

131. Affected infrastructure refers to such facilities as water conservation facilities (including both drinking water and irrigation facilities), power lines, telecommunication lines, and roads. Most of those facilities are public infrastructure, some of which belong to the State, some to the local governments and some belong to villages (such as the irrigation channels and country roads).<sup>4</sup>

132. The three major types of measures for the recovery of the infrastructure affected by the proposed road are as follows:

- (i) Some will be recovered directly by the project construction unit in the process of construction, such as irrigation channels and township and village roads;

<sup>3</sup> These trees are not plantation trees but are scattered trees around the affected household. The rates for these trees are usually negotiated and agreed with the affected household. During the DMS all these items will be inventoried and agreed with the affected household and will be compensated at replacement cost.

<sup>4</sup> During the DMS, the loss of these facilities and infrastructures will be assessed and all these items will be inventoried and will be compensated at replacement cost.

- (ii) Some infrastructure, such as telecommunication lines and power lines, will be relocated by the specialized organizations;
- (iii) Some basic public facilities, such as water towers and power transmission lines, will be rebuilt by the owners such as Electricity Company and Communication Company, using the compensation fees paid by construction unit.

133. Negative impacts to irrigation and drainage facilities due to the passage of the project or its construction will arouse great concerns from the local farmers. In design stage the design unit has considered the original irrigation system. If the facilities are destroyed during construction there are two remedies to such problems: the construction unit will rebuild the irrigation and drainage facilities during the construction period or the affected local people will get these facilities rebuilt with funds provided by the related authority. Principles for the recovery of irrigation and drainage facilities are as follows:

- (i) Complete recovery of all the functions of the irrigation and drainage facilities;
- (ii) All the recovery cost will be borne by the related authority;
- (iii) Quick recovery, the irrigation and drainage facilities will be rebuilt as soon as possible so that the agricultural production in that area will not be negatively affected.
- (iv) During the period while these facilities are non-functional due to the damage, alternative arrangements will be made

134. The specific measures for the recovery of infrastructure will be determined through negotiation with the affected parties.



## **7. Income Restoration Plan**

### **7.1 Impacts of Permanent Land Acquisition**

#### **7.1.1 Impact analysis of cultivated land loss**

135. The project will affect 16% of total population of the 6 villages. AP per capita average cultivated land (Paddy land, cash tree/ economic forest land and dry farming land) loss is 0.04-0.7mu with the highest loss in Paliang where the major realignment section located and the lowest loss in Meng'a. Cultivated land loss rate by village ranges from 0.16-1.5% with the highest of Menghai and the lowest of Meng'a. Average land loss rate by APs is 0.6-13.9% with the highest in Mangzhang and the lowest in Meng'a village. Table 7-1 has the details.

**Table 7-1: Permanent Land Acquisition Impact of Menglian-Meng'a Road**

	No.	Town		Nayun	Mengma				Total	
		Village		Mang	Paliang	Mengma	He'an	Manghai		Meng'a
Before LA	1	Total HH		599	1307	937	428	348	1213	4832
	2	Total population		4200	5370	4179	1519	1427	4513	21208
	3	Cultivated Land farmland (mu, paddy +dry farmland+ economic trees land)	Sub-total	12360	31425	12808	8830	14153	30761	110337
	4		Paddy and dry farm land	4800	12576	10301	3331	6033	2149	39190
	5		Cash trees	7560	18849	2507	5499	8120	28612	71147
	6	Per capita cultivated land (mu)	Sub total	2.9	5.9	3.1	5.8	9.9	6.8	5.2
	7		Paddy and dry farm land	1.1	2.3	2.5	2.2	4.2	0.5	1.8
	8		Cash trees	1.80	3.51	0.60	3.62	5.69	6.34	3.35
	9	Per capita forest land(mu)		1	13	8	4	12	0	
After LA	10	AH		50	101	90	10	218	249	718
	11	APs		200	450	360	41	1221	1123	3395
	12	Cultivated land be acquired (mu)	Sub-total	80.3	312.9	64.8	14.9	212.3	48.6	733.8
	13		Paddy	16.4	30.7	113.9	0	82.4	125.1	129.5
	14		Dry farm land	51.7	282.2	62.6	14.9	38.2	6.1	455.7
	15		Cash trees	12.2	0	2.2	0	91.7	42.5	148.6
	16	Per AH cultivated land acquired (mu)		1.6	3.1	0.7	1.5	1	0.2	1
	17	AP Per capita cultivated land acquired (mu)	Sub total	0.40	0.70	0.18	0.36	0.17	0.04	0.22
	18		Paddy and dry farm land	0.34	0.70	0.49	0.36	0.10	0.12	0.17
	19		Cash trees	0.06	0.00	0.01	0.00	0.08	0.04	0.04
	20									
	21	Total forest land acquired (mu)		164.8	264.4	180.7	12.5	77.1	30.1	729.6
22	AP Per capita forest land acquired (mu)		0.04	0.05	0.04	0.01	0.05	0.01	0.03	
Land acquisition impact	23	As % of total HH		8.3	7.7	9.6	2.3	62.6	20.5	14.9
	24	As % of total population		4.8	8.4	8.6	2.7	85.6	24.9	16
	25	Village cultivated land loss rate (%)		0.65	1	0.51	0.17	1.5	0.16	0.67
	26	AP's average cultivated land loss rate (%)		13.84	11.79	5.81	6.27	1.76	0.64	4.16
	27	AP Per capita cultivated land remain (mu)	Subtotal	2.5	5.2	2.92	5.44	9.73	6.76	4.98
	28		Paddy and dry farm land	0.80	1.65	1.97	1.83	4.13	0.36	1.68
	29		Cash trees	1.74	3.51	0.59	3.62	5.62	6.30	3.31

	No.	Town	Nayun	Mengma				Total	
		Village	Mang	Paliang	Mengma	He'an	Manghai		Meng'a
	30	Per capita forest land remain	0.96	12.95	7.86	3.89	11.95	-0.01	
Income loss of Aps	31	% of net income from plantation of cultivated land*	72%	90%	88%	80%	74%	95%	
	32	Annual production value loss(=No. 12 x 1200 per mu) (CNY)	96360	375480	77760	17880	254760	58320	880560
	33	Average production value loss per households (=No.32/No.1) (CNY)	1927	3718	864	1788	1169	234	1226
	34	Per capita production value loss (=No.32/No.2) (CNY)	482	834	216	436	209	52	259
	35	AP per capita rural annual net income (CNY)	5520	3600	5913	2700	5376	12096	7397
	36	1*. Production value loss as % of net income (1200 per mu x No.17/No.35 )	8.7	23.2	3.7	16.2	3.9	0.4	3.5
	37	2**. Net income loss rate % (=No.26 X No.31)	9.97	10.61	5.11	5.01	1.30	0.60	
	38	AP per capita net income loss (=No.37xNo.35)(CNY)	550	382	302	135	70	73	
	39	Net income contributed per mu (=No.38/No.17)(CNY)	1370	549	1679	372	402	1690	
	40	Per capita maximum income loss rate (%)	14.4%	27.0%	8.8%	8.0%	3.7%	19.0%	
	41	Per capita maximum net income loss(CNY)(No. 40 x No. 35)	795	972	520	216	199	2298	

\*Refer to table 3-3 income structure of affected village.

\*\* Calculate income loss rate first by land loss rate and income proportion from planting, then calculate net income loss based on annual per capita net income. E.g, for Mangzhang village, AP's per capita net income loss rate = 13.84% (AP's per capita average land loss rate) x 72% (plantation contribution to net income)=9.97% X CNY5520 (AP Per capita annual net income)=550.

\*\*\*\*Based on table 7-2, some households' land loss will be higher than the AP's average loss, Maximum land loss rate were used to estimate the maximum net income loss rate and net income loss. E.g, in the case of Mangzhang, 40HH 160 AP (refer to table 7-2) are estimated land loss rate between 10-20%. Therefore, 20% is used to calculate maximum net income loss rate=20% (land loss rate) x 72% (plantation contribution to net income) = 14.4% X CNY5520 (AP Per capita annual net income) = 795.

Source: Preliminary design, field resettlement survey by survey institute, village statistic data, and PMO.

## 7.1.2 Analysis of Lost Income

136. As the demarcation and DMS have not been done at this stage, it is difficult to have exact land loss by individual household. Field surveys indicate that about 67% of the AH will loss 0- 5% of their cultivated land, about 20% will loss 5-10% , about 12% will loss 10-20% , and only around 1% of the AH will lose over 20%. The affected households will be surveyed during the DMS once the demarcation is made. None of APs will lose 50% of cultivated land over. Details see table 7-2.

**Table 7-2: Land Loss range of Aps Affected Villages**

Town	Village committee	Land loss degree										Total (HH)	Total (APs)
		0~5%		5~10%		10~20%		20~50%		>50%			
		HH	APs	HH	APs	HH	APs	HH	APs	HH	APs		
Nayun	Mangzhang	10	40	0	0	40	160	0	0	0	0	50	200
	<b>Subtotal</b>	<b>10</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>200</b>
Mengma	Paliang	0	0	51	250	40	160	10	40	0	0	101	450
	Mengma	0	0	90	360	0	0	0	0	0	0	90	360
	He'an	10	41	0	0	0	0	0	0	0	0	10	41
	Manghai	218	1221	0	0	0	0	0	0	0	0	218	1221
	Meng'a	244	1098	0	0	0	0	0	0	0	0	244	1098
	<b>Subtotal</b>	<b>472</b>	<b>2360</b>	<b>141</b>	<b>610</b>	<b>40</b>	<b>160</b>	<b>10</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>663</b>	<b>3170</b>
<b>Total</b>		<b>482</b>	<b>2400</b>	<b>141</b>	<b>610</b>	<b>80</b>	<b>320</b>	<b>10</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>713</b>	<b>3370</b>
<b>%</b>		<b>67.6</b>	<b>71.22</b>	<b>19.78</b>	<b>18.1</b>	<b>11.22</b>	<b>9.5</b>	<b>1.4</b>	<b>1.19</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>

## 7.2 Impact Analysis of APs

### 7.2.1 APs in Mangzhang village

137. As indicated in Table 7-1, AP per capita cultivated land acquisition in Mang zhang is 0.4mu, account for 13.84% of the total cultivated land per capita. Total 200 persons in 50 households will be affected. AP per capita annual net income loss rate is 9.97%, or CNY550. Mangzhang village is located in the starting point of the project close to the county seat. Unlike APs in other villages whose main income is from cash crop plantation, around 20% of households in Mangzhang are involved in off-farming business. Livelihood restoration needs measures both in agricultural and non-agricultural activities.

138. All APs are confident to make best use of cash compensation to recover their livelihoods. Cash compensation will allow most households to be able to invest in their low yield cash crop improvement or invest on vegetable plantation. Demand for technical training in agriculture production is not strong because most of the APs have such ability. Training in off-farming is required particularly for those who are trying to chase for non-farming opportunities stimulated by the project. Assistance to transport service permission might be needed for some APs who want to be involved in transport service. It is estimated that 10 households or 20 persons need agricultural technical training and 10 households or 20 people need non-farming technical training. One or two households need support in transport service.

### 7.2.2 AP in Paliang

139. AP per capita cultivated land acquisition in Paliang is 0.7 mu, the highest land taking among the six affected villages and the second highest land loss rate, which accounts for 11.9% of the total cultivated land per capita. Total 101 households or 450 population will be affected. Average AP per capita annual net income loss rate is 10.7%, or CNY384. Paliang village is the second village along the Menglian-meng'a road corridor with the longest re-alignment kilometers. The village is ranked as number four in terms of per capita cash crop size. Meanwhile the village has the highest per capita forest/bush land (refer to Table 3-2). Coffee plantation has expanded very fast in recent years. Plantation contributes to 90% of the net income. In terms of per unit plantation contribution to net income is quite low because of: (i) insufficient investment and low yield, (ii) higher percentage of yet to mature cash crop; and (iii) weak technology for some households. The road is expected to provide great opportunity for them to continue to expand their cash crop plantation or improve the low yield of cash crop by increase of investment and care.

140. Cash crop plantation is the major measure expected in recovering the income loss. Most APs expect to use their LA compensation to increase investment on either expanding cash crop plantation or improvement of the low yield of coffee by more fertilizer and more intensified daily care or both. Very few household want to shift efforts from cash crop to off-farming in this village. Technical training on cash crop is needed for around one third of the families, estimated 30 households or 60 persons. 10 persons are estimated to need off-farming training.

### 7.2.3 AP in Mengma

141. AP per capita cultivated land acquisition in Mengma is only 0.18mu, accounting for 5.8% of the per capita total cultivated land. Total 90 households or 450 population will be affected. AP per capita annual net income loss rate is 5.1%, or CNY302. Mengma village is located in the middle section of Menglian-Meng'a road corridor close to Mengma town. The village has the third highest per capita farming land and forest land. Vegetable plantation in this village is popular as it located close to Mengma town. Banana, rubber and coffee plantation are also popular. Plantation contributes to 88% of the net income. Per unite net income contribution of cash crop ranked as the second highest among affected villages. This village started rubber plantation quite early and some of the rubber tree are too old to be productive.

142. The road project provides great opportunity for village to continue to expand their cash crop plantation. Most APs intend to recover their loss by (i) the replacement of old rubber trees, (ii) intensifying vegetable plantation by inputs of more fertilizer and time, and (iii) expanding coffee plantation or banana plantation. A few AP want to be involved in transportation services while most APs intend to continue their efforts in plantation. Technical training on cash crop is needed for around half of the families, estimating 50 households or 100 persons. 20 persons are estimated to need off-farming training. Around 5 persons need support in transport service business. Some households on vegetable plantation plan to expand a bit of livestock raising because of abundant vegetable leaves. It is traditional livestock breeding and training is not needed but quarantine service is required. The road will certainly improve their transport to vegetable market or attract traders to collect their vegetable.

### 7.2.4 AP in He'an

143. AP per capita cultivated LA in He'an is 0.36mu, accounting for 6.2% of the per capita total cultivated land. Total 10 households or 40 population will be affected. AP per capita annual net income loss rate is 5.0%, or CNY134. He'an village is a poverty village with a small part along the Menglian-meng'a road corridor. It is also located in a section of project rural road. Among the six

affected villages, He'an has the third largest size of per capita farming land, third largest size of cash tree and the fourth largest size of forest/bush land according to official data (Table 3-2). However, the actual land area is larger than official data according to interview. To be more attractive to outside investors for land rental or joint venture is one of the main potential benefits of the Project was perceived by the villagers during socio-economic survey. Coffee, rubber and fruit plantation has rapidly expanded fast in recent years. However, per unit cash tree/crop contribution to income is the lowest in all six affect villages attributed to: (i) insufficient investment and low yield, (ii) higher percentage of immaturity of cash crop, and (iii) lack of technology of some households.

144. APs intend to expand cash crops and improve the productivity of the existing cash crops by investing part of their compensation money. Few household want to shift their efforts from agricultural to off-farming business. Technical training on cash crop plantation is strongly required. About 10 AH or 20 Aps need technical training in cash crop plantation.

### **7.2.5 Manghai**

145. AP per capita cultivated land acquisition in Manghai is only 0.17mu, accounting for 1.7% of the per capita total cultivated land. Manghai village have large area along the road alignment corridor. The traversed road alignment will affect total 217 households or 1221 population with slight impact degree of LA due to limited realignment involved. AP per capita annual net income loss rate is 1.3%, or CNY68. Among the six affected villages, Manghai has the largest size of per capita farming land, second largest size of cash tree and second largest size of forest/bush land according to official data (Table 3-2). Manghai has cash plantation that contributes to 70% of income. Abundant land is available for further cash crop development and land leasing. Banana, rubber and coffee plantation expand fast in recent years. However, per unit cash tree/crop contribution to household net income is the second lowest in all six affect villages due to: (i) insufficient investment and low yield, (ii) higher percentage of immaturity of cash crop and, and iii) lack of technology of some households.

146. APs intend to expand cash crops and improve the productivity of the existing cash crops by investing part of their compensation. Few households want to extend their efforts from agricultural to off-farming business. Technical training on cash crop plantation is strongly required. It is estimated that around 100 households 200 persons need cash crop plantation and management training. 10 AP for off-farming training estimated.

### **7.2.6 Meng'a village**

147. AP per capita cultivated land acquisition in Meng'a village is only 0.04mu, accounting for 0.6% of the per capita total cultivated land. Total 249 households or 1123 population will be affected. AP per capita annual net income loss rate is 0.6%, or CNY68. Among the six affected villages, Mang'a has the largest size of per capita cash tree land and the least size of farming land and forest land according to the data provided by the survey institute. Meng'a village per capita annual net income is the highest among six affected villages. About 95% of net income was from plantation including 80% from cash crops (Table 3-2). Banana, rubber and dragon fruit are the most profitable cash crops. A small proportion of households also plant vegetables. Meng'a village is also located in the port area. Around 1 or 2% of the villagers involved in cross border trade business or service. At least 37 certified rural bus owners are providing bus services in the bus center. The border economic zone development plan are expected to stimulate more opportunities related to cross border trade, transport service and urbanization development.

148. The economic loss caused by LA to most APs is very limited. Only about 5 households with 25 members may have economic loss over around 19%. Job arrangement will be offered to

at least one member per affected households in the MTC to ensure their income recovery. Transport service business opportunities will be provided to AHs of MTC LA. Technical trainings on cash crop plantation in this village are not strongly needed but off-farming training on transport or trade are needed with the limited number. It is estimated that around 10 households with 20 members need cash crop technical training while other 20 household with 40 members need off-farming training. The training is also needed in livestock sector, cash tree management, port tourist services, to establish tourism related service sector.

### **7.3 Resettlement and Income Restoration Plan**

149. Based on the field consultation, 100% of AP surveyed would choose cash compensation. In terms of use of compensation or plan for restoration of income loss, around 96% would consider to change from current crops to high value crops, 64% would choose investment more on the remaining land to increase yield, 45% plan to contract or rent land from other people while around 36% would improve low yield farmland by investing more, 19% would receive pensions or allowances; 9% migrant workers, 8% business (refer to section 5.B, Table 5-2).

150. Socioeconomic survey recognized that the APs' choices are highly related to the existing livelihood patterns although some households plan to venture new business, e.g new cash crops not only to his/her households but also quite new to the whole area, or from cash crop dominant income structure to a combination of farming plus off-farming or even off-farming business dominated in a few cases, e.g transportation or trade business, rubber processing, or homestay ecotourism.

151. In respect to the preference of the APs, the impact degree of households and the socioeconomic features of the affected villages (refer to section 3 and section 7.2), strategies employed to help land loss restoration include: (i) compensation in cash in all villages that will help the affected households to invest in improved farming practices, (ii) agricultural restoration are mainly in Paliang, Menghai and He'an villages while, (iii) a combination of agricultural and off-farming income generation are mainly in Mangzhang, Mengma and Meng'a village, (iv) special measures in respond needs of vulnerable APs such as the poor, disable, and women-led households, (v) serious affected households most likely in Paliang, Mangzhang and Meng'a, and (vi) other assistance measures like training, credit, job opportunities, special fund has been planned to help the APs to successfully implement their income recovering strategies or plans.

#### **7.3.1 Cash compensation**

152. The affected villages/village groups will be compensated in cash based on the standard discussed in section 4, where compensation rate for irrigated paddy is CNY50,000, Non-irrigated paddy CNY40,000, dry farming land (included economic tree land CNY25,000, collective construction land CNY20,000, forest land CNY7,500, fishpond CNY50,000 and other land CNY8,500(refer to table 4-3). All land compensation will be fully paid to the affected households. Standing crops compensation rate (Table 4-3a) of which 100% will be paid to the affected household will add to the overall compensation standard of the affected households. The project, therefore provides a very comprehensive land compensation package to the affected households that if utilized rationally will help them improve their land based incomes and will ensure that their incomes are restored and even improved the pre-project level. The land loss impacts are small and additional land is easily available, the comprehensive compensation package will allow the affected people to start or improve their cash cropping that will help them earn much better incomes offsetting impacts of land loss. To ensure that the affected households use the compensation in a rational manner, the PMO and other related agencies will provide guidance and required training. Following sections provide details of how the cash compensation could be utilized to improve agricultural and planting outputs.

### 7.3.2 Agricultural Measures

153. The feasible agricultural measures in affected villages to recover income include i) expanding banana, rubber, coffee, tea, and vegetable, ii) improving productivity of existing low production cash crops, iii) planting newly introduced cash crops, e.g dragon fruit, iv) increase in chicken or pig raising.

#### (i) Expanding cash crop plantation

154. Banana is viewed as the most profitable cash crop in the project area. It requires good soil quality of land, good irrigation, convenient transport and intensive labor in watering, fruit covering (putting blue plastic bag on the fruit on the tree), and fertilizing. This business started from outside investors from Hainan and Guangxi. The harvesting time in Yunnan tropical area (Xishuangbana, Hekou, Pu'er and Lincang, etc.) start from Nov to April of second year, earlier than harvesting time in Hainan and Guangxi starting from April. Intensive investment and managing fluctuated market price are the most critical factors towards success in making profit among other impact factors. Four sub-operation models exist in banana plantation in terms of contract: i) Pure land leasing, ii) land leasing plus waged labor (the land owner taking casual labor to earn wages in time of fruit covering or harvesting when intensive labor required, iii) Land leasing plus joint venture of banana tree management: households leasing land to investors and are contracted to take care of banana tree management shared with crop at a value of CNY0.2per kg, and iv) growing a small scale by farmers and selling either to large investors or traders. Most of villagers choose the first three models. Compared to traditional rice plantation, the banana plantation requires intensive investment on materials and labor. But real challenges to AH is the sales of product which is highly perishable. Disease control brings challenges to both outsider investors and AH. The investors often provide technical training by hiring technicians. Easy access to road is another important factor that investors consider. Banana plantation may benefit all APs by increasing land leasing, generating waged farming jobs. Average increase in income generation per mu is minimum CNY1,000 for pure land leasing and minimum CNY4,000 for the households with surplus labors in taking care of their other crops. Information about the product market price, land leasing price in other place and responsibility to deal with the residue is important for the AH in negotiating contract. Farmer-back-to farmer training, or field visit to the experienced households or villages as in site training could be very helpful to the newly involved households. In consultation with the affected households, who are interested in banana plantation, this will be adapted in Panliang, Mengma, He'an and Manghai, even Meng'a villages. In terms of combination of land leasing and joint management, only 0.4 mu per AH could recover the loss from the land acquisition.

155. Rubber plantation is the second profitable cash crop in the project area. It is also popular in Mengma, Menghai, Meng'a and He'an village. It requires hot weather, long time to get harvest. Rubber plantation along Meng'a road is very familiar to most villagers except in a few remote village groups. No technical training needed in most village groups. Compared to traditional corn plantation, average increase in income generation per mu is 2000-3000 starting from year 8. Intercropping with corn, bean, pineapple or other crops is widely practiced from year 1-4 to increase productivity also fertilizing the rubber plants. Expanding rubber plantation has potentials for AH to adapt in Mengma, Menghai, and He'an village, where with abundant land available and weather suitable. Around 0.1-0.2 mu per capita or 0.2-0.8 mu per households could cover all the loss causes by LA in average.

156. Coffee plantation is also on increase in the project area. A lot of young coffee plantations are observed along the road. It could start harvesting in year 3 with very intensive care of watering and fertilizing in quality land. Normally people are expected full harvest in 5 years. Poor care will result low yield and take 6 year or longer time to reach full harvest. Chicken raising



started practice in Pu'er many years ago, which is called "coffee chicken" by local people. Coffee expanding has potentials for AP in Paliang, Mengma, He'an, Menghai and some group of Mangzhang with dry farming land or bush land available. Technical training is needed to new involved households mainly in Paliang, He'an, Manghai. Per AH 0.4-0.8mu could recover the income losses resulting from the land acquisition impacts.

157. Tea plantation is viewed as a stable income generating crop with most wide suitability in the area. It requires cooler weather. To the households located in higher altitude area with cooler weather, tea plantation is still a good choice. Cost in tea growing is similar with coffee. Some area of affected village in Paliang, Mangzhang and He'an are suitable. Per AH 0.4-1.2 mu could recover the income loss.

158. Vegetable plantation is a very profitable option and is only suitable in areas where town center is nearby. AHs with good irrigation, good land quality and available labor will be a good option. To maximum loss affected AH, 0.4 -1.6mu per AH could recover its loss in Mangzhang, Mengma and Mang'a village.

159. Table 7-3 summarized the potentials of profit of the cash crops in the project area.

**Table 7-3: Input and output analysis of restoration options**

Name of cash crop	Input per mu	Features of productivity and marketing	Net profit (CNY)/ year mu	Incremental net income compared to traditional crop (CNY) /year.mu	Major challenges to APs and current practice	Suitability to AHs and support needed
Rice	Seeds: 100 Fertilizer and pesticide:400	Annually plantation and harvest Low risk of marketing, low transport demand	500		Fewer and fewer planation	
Banana	Land rent: CNY1500, Plantation costs: seedling, pesticide, labor and marketing, etc.,CNY 6000-8000	1. Start bearing in year one. It has to be replanted in every three years of harvesting. 2. Best land with irrigation and convenient transport	6000-8000 from year 1-3, average 5,000	1. CNY1,000 for land leasing compared to rice plantation 2. Plus waged income or shared income from intensive tree care contracted CNY3,000mu minimum	1. Marketing and convenient transport 2. Financial burden 3. Disease, e.g 'Ku Weibin" and Natural disaster, colder weather 4. land leasing to outside investors 5. Contracted to taking care of the banana tree management in addition to land leasing.	1. AHs with quality land available 2. Additional labor available to have joint venture Support needed <u>No. 1, 2, &amp; 3.</u>
Corn	Seeds: 100 Fertilizer, pesticide: 200	Annually plantation and harvest, low risk of marketing, low transport demand	500	0	More land replaced by coffee, rubber and tea	
Rubber	Plantation cost: 2500, Year 2-4: CNY500 a year, or Intercrop with corn or pineapple, cost 2	1. hotter weather, where beyond Mengma onwards to Meng'a is suitable 2. Start latex in year 8	2500-3500 from year 8	CNY2,000-3,000	1.Shortage of available funds 2. Longer term wait for maturity 3. Technical on tap latex 4. Some HH grown smaller size and reduced per unit investment on planting and post care after plantation due to insufficient funds, shortage of labor force previously, busy with other things before.	1.AHs still with land available 2.AHs with labor available Support needed: No. 2.3, 4 (for newly involved HH) and 5 for poor
Coffee	Terracing: 2000 Seedling, fertilizer, planting, 2000, After year 2, CNY1000-2000 a year	1. Start bearing in year 3 and full harvesting in year 5. if intensive care is given started from terracing onwards. Chicken raising in coffee land practiced, called "Coffee chicken"	2000-3000 from year 5	1,500-2,500	1.Intensive financial and labor investment 2.Relatively longer time for maturity 3.	1.AHs have dry farming land or bush land available 2. AH with labor available Support by No. 2, 3, 4 (for newly involved HH) and 5 (for poor).
Tea	Terracing: 2000 Seedling, fertilizer,	Start harvesting in year 3	1500	1000	1. Wide planted in project area 2. Less profitability than other	1.AH with land located in higher altitude area.

Name of cash crop	Input per mu	Features of productivity and marketing	Net profit (CNY)/ year mu	Incremental net income compared to traditional crop (CNY) /year.mu	Major challenges to APs and current practice	Suitability to AHs and support needed
	planting, 2000 in first year, then 500-1000 a year				crops,	Support needed: No. 5 for poor
Vegetable	Fertilizer, seedling pesticide, plastic: 3000	1.labor intensive required 2. close to market	6000	5500	1. Intensive labor input daily 2. Easy to access market 3. Some village groups in Maingzhang, Mengma and Menga involved	APs in villages close to town center, quality land, and labor available. Support needed: No. 4 for new involved HH.
Chicken raising	Chicks purchase: 20	Quarantine, disease control and other service costs: 20	20 per chick	20		AH with labor available. Support needed: no. 7 (Quarantine and disease control service)
Pig raising	Piglet purchase: 500 Feed material: 1000		500 per pig	500		AH with labor and cheap feed available. Support needed: no. 7 (Quarantine and disease control service)
Waged farming jobs	Terracing, planting, harvesting, weeding,		60-200	60-200		

Supporting measures: 1=enabling policies to attract investors. 2= information sharing on marketing such as product price, labor price, land leasing price, etc. 3= awareness raising training on environment and health related to agribusiness, 4=technical training on cash crop plantation, 5=credit, 6=permission, 7=technical extension service

Source: Consultant summarized from local observation, socioeconomic survey 2013, and key informants interview.

160. **The project land acquisition impacts.** Project APs have many choices in recovering income loss caused by land acquisition. As a result they are not worried about land acquisition of the project. The compensation rate is very comprehensive compared the current land lease price. According to the current land leasing price in project area, paddy land is CNY500-1500 depending on soil quality, irrigation availability and location for convenience of transport. The project compensation for irrigated paddy per mu is CNY50,000 that is worth more than 33 years land leasing price at the existing higher rate of CNY1500. In the case of non-irrigated farming land, the compensation rate of CNY25,000 is over 31 years leasing price of CNY800 of the best dry land. The project being linear, land acquisition impacts are limited. The road will bring benefit by increase value of the remaining land. Experience from neighbor prefecture Xishuangbana shows that land leasing price increase quickly. Paddy land lease price in Xishuangbanna keeps increasing from CNY 500 in early 2004, to CNY3000 last year (2013) Interview with investors found out that in similar weather condition and government supporting policy, convenience of transport is a major factor to be considered. Potential APs are very much aware of the increase value of remaining land that may offset their income loss. The land compensation fee is enough for AP to invest the most costly cash crop plantation options including land rental costs. For example, in the case of Meng'a, one mu dry farming land compensation fee CNY25,000 could cover investment for 3.5 mu rubber with cost of CNY7,200 per mu in eight years until maturity to harvest (land rental CNY1,200, first year cost 2500, year 2-year 8, CNY500 a year), In the case of Mengma, Manghai, and Meng'a village, CNY50,000 per mu for irrigated paddy could invest 5.3 mu Banana with costs of CNY9,500 per mu (land rental CNY1,500, seedling, fertilizer and other costs 8000 a year in average). Therefore, effective uses of land compensation to raise/improve cash crops will easily offsets the losses incurred due to the land acquisition.

#### **(ii) Engaging in New Cash Crop Plantation**

161. Some new crop introduced by investors or local government agencies could prove to be beneficial ventures for some AHs. The investors start the business from rental land from villagers while contracting the villagers to taking care of the crop by paying daily wage or cropping share. Technologies are normally provided by the investors or the hired institution or individual technician. If the new introduction is not initiated by a government, technical training is not necessary because the investors will provide technical support. The new crop plantation could be very profitable. It is estimated that minimum 2000 incremental profit will be obtained against to traditional crop. All the affected villages have the potential to be engaged in joint venture with one crop or another. Per AH 0.4-1.2 mu could recover the income loss. In consultation with the affected households, the PMO will coordinate with local agencies to develop such programs to help the AP recover their losses.

#### **(iii) Replacing Over-Matured Rubber Trees**

162. In the villages of Mengma, Manghai and Meng'a and Mengma state farm, there are rubber trees over 25 years and decreasing productivity. During the field survey, villagers and workers of state farm pointed out that they would want to use the compensation fee to replace the over-matured rubber trees. The costs per mu are similar with new plantation, less costs of terracing.

#### **(iv) Improving Productivity of Existing Low yield Cash Crops**

163. In all affected villages, there is the low-yield cash crop plantation to some extent. Particularly in Pliang, He'an and Manghai, there is low yield of coffee and tea caused by insufficient investment on terracing and fertilizer or lack of technology in the early time, or weak weed management due to lack of labor force, etc. An efficient way to use the land compensation

fee is to increase investment on the low-yield cash crop and intensify daily management by available labor. Technical inputs for existing cash crop plantation have been improved for most households. About 0.4-1.6 mu per AH could cover the income loss caused by LA.. AH in Paliang, He'an and Manghai can benefit from this scheme and the PMO in consultation with the affected peoples in these villages will help the affected people improve the productivity of low yield cash crops.

### 7.3.3 Livestock measures

#### (i) Chicken Ranged in Coffee Land

164. Chicken raising has been practiced for long time in Pu'er. Early coffee planters wisely raised chicken in coffee plantation, "coffee chicken" or free range chicken. The free range chicken in the coffee land eats worms or insects which help reduce the pesticide use. The free range chicken has good price in the market. The coffee chicken is an alternative for AHs to generate immediate income to cover the waiting time for cash tree plantation. Raising coffee chicken does not require technical training but quarantine service.

#### (ii) Pig raising

165. Pig raising is another option identified by AHs in recovering income lose. Pig raising used to be very popular in the project area and made up bigger proportion of income contribution. The income contribution reduced as a result of cash crop plantation and labor shortage. However, in the villages where vegetable plantation is common, the pig raising is a very profitable income source. The minimum profit is about 500 per pig with a sales of CNY2,000 minus a costs of CNY1,500 including CNY500 for piglet purchasing, CNY1000 for feed materials and quarantine. Training is not necessary but quarantine services.

#### (iii) Waged faming jobs

166. Waged farming is widely available in the project area. The jobs include caring and harvesting of rubber, coffee bean, tea leaves, sugarcane, banana, and terracing, etc. These waged farming jobs attract a large number of migrant labors to the project area. Daily rate for tea leaves harvesting is CNY60, coffee bean collection CNY80, latex CNY100-200, banana fruit covering CNY100-200.

### 7.3.4 Non-agricultural measures

167. Non-agriculture Measures include: (i) expanding or starting off-farming business such as transport service, trade and homestay ecotourism, (ii) non-farming migrant jobs in urban cities, and (iii) social security measures.

#### • Expanding existing business

168. Some AHs have already started in trade, rubber processing, transport services, repairing, house construction and decoration, small shops as supplementary of household income or even the main income of households in a few cases. They prefer to use the compensation to expand their existing business. No technical training is required for such AHs.

#### • Starting new non-farming business

169. A few AHs are planning to start homestay tourism business using their newly constructed houses. In consultation with the affected households, this could be integrated in the house resettlement program. If the affected households are agreeable PMO in coordination with other line agencies will prepare detailed plan on a household by household basis. Assistance to develop these houses as tourist home stay will be needed is house design and advisement from tourism bureau. The PMO will coordinate with tourism bureau to provide such services.

- **Migrant work**

170. For young APs who want to be non-farming migrant workers in the urban areas and seeking be exposure to the outside world, basic non-farming training on restaurant services, living in urban area, legal protection approaches, handling labor disputes, etc. is required. PMO in coordination with the relevant local government agencies will organize such training for these affected young people to enable them to improve their income generating abilities and skills.

- **Construction work provided by the project**

171. Compared to potentials of the indirect job creation stimulated, the project direct job opportunities is very limited. During the field social survey, both AHs and non-AHs do not expect much on it. However, some APs expressed interest in it. During construction period of the project, APs can also take part in the construction, or the provision of services to earn incomes to compensate for their loss. Poor AP and women will be given priority in project generated employment. Counties and township and town resettlement office will coordinate with construction companies to implement these measures. Job opportunities will be announced through villages committee and ACWF in villages. For the 5 households affected by the construction of Menga Port Material Transit Centre (MTC), one person from each affected household will be provided permanent employment at the port facility.

- **Social security measures**

172. The project is unlikely create LEFs and therefore, no endowment insurance will be provided if no eligible APs. To guarantee the vulnerable groups livelihood restoration, MLSS will be made available for officially identified poor.

173. Other insurance options are optional subject to APs voluntary decision.

## **7.4 Training**

174. Based on the above assessment, training programs will be designed to meet the specific needs of AH with their restoration options. The focus of such training will be on the significantly affected households and households belonging to the vulnerable category. At this stage, it is estimated that total 680 APs need training on cash crop plantation (420), skills to off-farming business, or skills to migrant job for young APs who expected to work outside (110), project related job opportunity training (150). In addition, as agribusiness growing fast in the project area, awareness raising training on environment and health related to agribusiness is very important from other experiences although the AP did not raise the issue yet during the field consultation.

175. Additionally, training in form of farmer-back-farmer training will be organized. The farmers with skills to cash crops could be invited to share experiences and skills to the new growers in the same or other villages. It will be useful to organize study tour to other villages for APs who are interested in planting new cash crops. It will either be organized by PMO directly or by entrusted government agencies such as agriculture bureau, forest bureau, or women's federation. In terms of off-farming training, it will be delegated to labor and social insurance bureau.

176. The actual training requirements will be further assessed during the DMS and RP implementation in consultation with affected households. Different households could have different approaches to improve their livelihood. Detailed training plan in consultation with the affected people and in accordance with their needs will be prepared prior to the implementation of the training. The RP has reserved a total CNY500,000 for the training.

### **7.4.1. Priorities in project construction works.**

177. It is estimated that the project will generate about 500-600 person year un-skilled workers (calculated in a base of 250 days a year). 50% of these jobs will be offered to the people who are significantly affected by the project including poor, women and ethnic minority people and are willing to work. Training on safety, labor rights and prevention of HIV/AIDS and STI will be provided at the construction sites.

#### 7.4.2 Vulnerable Households Supporting Measures

178. A support fund for vulnerable groups of CNY 2.21 million (2% of basic resettlement costs) will be established under the project to support vulnerable groups affected by the project. The budget is part of the overall resettlement budget.

179. The main affected vulnerable groups including the poorest under MLSS, Wubao households, Households affected by disability and women-headed households. In the affected population, 129 households with 522 persons fall into vulnerable groups initially estimated, more accurate number will be identified during DMS. During the whole resettlement process, the PMO, IA and local government will not only ensure vulnerable groups living and production resettlement as planned, but will also provide certain assistance to improve their living and production conditions. The key measures are as follows:

- (i) Including eligible households in the MLSS
- (ii) Un-skilled job of the project construction, priorities be given to the poor, women
- (iii) PMO will also coordinate with the local government agencies in Menglian County to provide unskilled work such as street cleaning and landscaping to these categories of affected people.
- (iv) Special funds: 2% of resettlement cost has been budgeted to support the vulnerable people
- (v) Other measures, such as providing labor during house construction, giving priority to training, etc., will be adopted. The specific details how such special funds and measures to be operated will be worked out and incorporated into the updated RP after those groups are identified during DMS. For details, please refer to Table 7.5.

**Table 7.5: Special Measures for Vulnerable Households**

Type of Vulnerable Affected Household	Eligibility Criteria	Entitlements for land loss (proposed measures)	Entitlements for house loss (proposed measures)	Funding sources
Wubao*	Orphans, senior citizens, and disabled people who are not able to support themselves	MLSS <sup>5</sup> plus Collective monthly allowances about CNY100 per month, and medical expenses are covered by civil affairs bureau and other support case by case	New housing provided by village	Government financial fund, and village allowance
Widow/widower*	Obvious	Special skill training	Labor for house construction	2% of resettlement cost
Single female headed household (with dependents)	Widowed, divorced or separated. 3 families with 9	Aim to make economically productive (e.g., provide child care	Labor for house construction	Government financial fund, and 2% of resettlement

<sup>5</sup> CNY265 per month in 2014.

Type of Vulnerable Affected Household	Eligibility Criteria	Entitlements for land loss (proposed measures)	Entitlements for house loss (proposed measures)	Funding sources
	household members	expenses and training)		cost
Disabled	Recognized by the governments. 35 in 20 families.	MLSS plus special support subject to application to civil affairs bureau	Labor for house construction and special subsidy of CNY 5,000 per household	Government financial fund, and 2% of resettlement cost <sup>5</sup>
Elderly persons	Men and women over 70 years	CNY600 a year, plus MLSS for poor elderly	Labor for house construction	Village allowance if available, and 2% of resettlement cost
Poverty households <sup>6</sup>	Poverty households	MLSS plus poverty reduction program subject to application	Labor for house construction; support for minimum house size and condition	Government financial fund, and 2% of resettlement cost
Households with simple houses	Other households with only a simple house (no other house)		Minimum standard housing size and conditions; special allowance to include minority features.	2% of resettlement cost
Households with serious land loss	Any household that loses more than 10% of cultivated land or 10% of economic trees Around 97HH 395 AP	Priority of training and employment (such as outside jobs or work for the Project construction) will be provided		CNY 500,000 for skill training.

### 7.4.3 Gender Supporting Measures

180. Women's rights and interests are protected through the "Protection Law for Women and Children of the People's Republic of China". No matter living in the rural area or in the urban area, women enjoy the same rights with men, i.e., there should not be any discrimination to women, and their rights and interests shall not be deprived. The All China Women's Federation (ACWF) has its branches over all the townships and 6 administrative villages under the project. Women play a very active role in the economy of the project area as well as being responsible for many household tasks. Women will be eligible, on an equal basis, for access to information, compensation payments, training programs and other assistance being proposed. Detailed supporting measures are as follows:

- (i) Encourage joint bank accounts for compensation payments.

<sup>6</sup> According to Yunnan Poverty Alleviation and Development Office, annual per capita income less than 2,300 CNY is defined as poor.



- (ii) New houses will be registered in names of both spouses.
- (iii) Local government will promote improved sanitation in new houses.
- (iv) Local government and village leaders will provide guidance to invest funds to improve household incomes, with specific options in local areas geared to women.
- (v) Skills training will be provided to 2 people (at least 1 female) in households with significant losses.
- (vi) Contractors will give preference to hire women.
- (vii) Monitor whether resettlement will cause any gender disparities; if necessary, recommend ways to improve benefits for women.
- (viii) Identify vulnerable women and provide guidance and support through Social Welfare Bureau and local office ACWF. These women will get preference for the special measures for the vulnerable groups.
- (ix) Conduct separate meetings with women and ensure ACWF representative is active disseminating information and in village decision-making.
- (x) ACWF will actively support women's issues and follow-up redress.
- (xi) Resettlement offices will have experienced staff, including women from Social Welfare Bureau or Poverty Reduction Office to consult with APs.
- (xii) Encourage APs and women in particular to participate in monitoring and evaluation, and give feedback on the reports prepared by the external monitor.

#### 7.4.4 Implementation Plan

181. Road project impact area is linear, AH/AP livelihood pattern varies by geographical location, by economic development level, by resource availability, and impact degree. During implementation stage, the following steps are outlined.

- Step 1: After the detailed land requisition measurements, affected village group' leader will go to each AH to collect information of about the restoration option chosen and corresponding support needed as in the tables below:

**Table 7-6: Income Recovery Consultation**

Name of Villagers' group	Head name of household	Willingness for income recovery measures	Support be needed
		<ul style="list-style-type: none"> <li>• Increase the cash crops;</li> <li>• Involving in new cash crop plantation</li> <li>• Replacing over matured rubber tree</li> <li>• Improving productivity of existing low yield cash crop</li> <li>• Increase livestock</li> <li>• Expanding existing business</li> <li>• Start non-farming business;</li> <li>• Migrant works</li> <li>• Participate in road construction;</li> <li>• Covered by MLSS and other social insurance</li> </ul>	

- Step 2: The village level consultation step finished, all the information will be submitted to town or township resettlement office, and then submitted to county resettlement office.
- Step 3: County resettlement office upon receipt of these materials, the corresponding support to restoration options will be summarized and

implementation activities will be planned and contracted in coordination with relevant government agencies or other institute to take action.

- Step 4: The county resettlement office will be responsible for monitoring and evaluation.

182. In sum, diversified options for income lose recovering and assistance measures are available to APs of LA. Table 7-7 number of APs who need assistance to implement her/his income restoration options chosen. These numbers will be updated after DMS.

**Table 7-7: Number of APs who will be provided assistance to implement income restoration options**

<b>Village</b>	<b>Mang zhang</b>	<b>Pa liang</b>	<b>Meng ma</b>	<b>He'an</b>	<b>Menghai</b>	<b>Meng'a</b>	<b>Total</b>
<b>AHs</b>	50	101	90	10	218	249	718
<b>APs</b>	200	450	360	41	1221	1123	3395
1=information sharing on marketing such as product price, labor price, land leasing price, etc.*	All	All	All	All	All	All	All
2=awareness raising training on environment and health related to agribusiness*	All	All	All	All	All	All	All
3=technical training on cash crop plantation*	20	60	100	20	200	20	420
4=credit**	20	20	2	1	1	5	47
5=Assistant to get permission** to be involved in transport services	5	2	5	2	2	5	21
6=technical extension service	v	v	v	v	v	V	v
7=off-farming skill training	20	10	20	10	10	40	110
8=Project related job training	20	50	20	20	20	20	150

\* Available to all APs needed.

\*\*Available to seriously affect HH with land lose over 20% who need financial support. Number to be updated after DMS.

## **7.5 Compensation to Enterprises**

### **7.5.1 Menglian County Mengma Tea LLC**

183. Mengma Tea Company will have 10 affected households of tea farmers, about 650 square meters of brick and wood homes to be demolished, and 199.6mu of tea plantations to be acquired.

184. Mengma Tea Company is a private enterprise with 88 employees. The tea garden is managed and operated by tea farmers. At present, this company engages with 1200 tea farmer households to grow tea leaves for the company. After consultations with the heads of company, compensation packages for this company is: compensation for land compensation and resettlement fees will be paid to the company, and the company will readjust the tea garden to ensure that the 10 tea farmers' life is not affected. Company will invest the compensation amount to improve the productivity of the tea gardens and will ensure that the land readjustment does not result in the lower incomes for the households within the company. Compensation for housing will be allocated to the farmers directly; they will build their homes by themselves. Plots to construct houses will be provided to the affected people by the company without any charge.

185. The land belongs to the state, and contract to the private to operate.

### **7.5.2 Yunnan Menglian State Farm**

186. According to the revised feasibility study, the road alignment will impact Menglian State Farm by acquiring 103.7 mu of rubber plantation. Also, 5 households of Unit 4 will be affected by demolition of houses.

187. In this state farm, the workers' income is dependent on the cultivated area and contracted yield. Currently, each worker contracted to take care of about 30 mu rubber plantation. The worker's average income is about CNY30,000 per year. Instead of hiring new workers, 4 retired workers' contract area will be reallocated to the affected households. In case no worker reach the retirement age in the same unit or neighbor area, an optimal option will be offered to those who have an age of around 50 years old close to official retirement and is willing to retire ahead of official age and return the contracted land back. The company will pay the average retirement salary of workers of Pu'er city until hers or his eligible pension effected at his/her official retirement time. This option is very much in favor with the workers. Therefore, it is certain that the AH will satisfied by relocated rubber land or retire early by their wish.

188. The house demolition will affect 5 households. These houses are joint invested building, both the workers and the farm have inputs. Based on the consultation with the farm management, the compensation for housing will be paid to these 5 households, and they will build their homes by themselves. The farm will provide house plots free of cost.

### **7.5.3 Luo Xiaohai Rubber Processing Plant**

189. Based on the revised feasibility study of alignments, part of the ground attachments and office buildings will be demolished by the road construction. In the new alignment of preliminary design, the processing plant relocation is avoided and only a small proportion of backyard land will be acquired which will not affect the plant's operation at all. The compensation for the acquired land will be paid to the village committee from whom the land rented. The village committee can use this compensation to improve the infrastructure of the village or develop collective economy.

#### **7.5.4 Mengma Rubber Company**

190. The road will affect the company's water pool (small pool for pumping water from the river) as well as the corresponding pumping equipment during construction. Temporary facility will be provided to avoid impact on the company's production. Facilities will be recovered after the completion of the project.

## 8. Institution Arrangement of Resettlement

### 8.1 Resettlement Implementation and Management Agencies

#### 8.1.1 Organizational Setup

191. The land acquisition and house demolition, and resettlement tasks are crucial and complex and need wide participation of different agencies and organizations. The following agencies and organizations are responsible for resettlement implementation and management:

- Pu'er City Project Leading Group,
- Pu'er City PMO,
- Menglian County Project Leading Group,
- Menglian County PMO,
- Menglian Resettlement Office,
- Nayung and Mengma Township Governments,
- Village Committees,
- Design Institute,
- External RP M & E, and
- Other agencies, e.g., Land and Resources Bureau, State Farm Management Bureau, Poverty Alleviation and Development Office, Women's federation, Labor and Social Security Bureau and Ethnic Minority Commission.

#### 8.1.2 Organizational Responsibility

192. **Pu'er City Project Leading Group.** The Pu'er City Project Leading Group is headed by the deputy mayor in charge of transportation, and is the leading agency responsible for the overall implementation of the Project and solving major issues. The group is composed of the directors-general of the city transportation bureau, planning bureau, land and resources bureau, and water resources bureau, the deputy mayor of Pu'er City in charge of transportation, and the deputy head of Mengliang County in charge of transportation. The group meets regularly as necessary or upon request.

193. Main responsibilities in resettlement: responsible for the overall implementation of the resettlement plan, providing oversight to various local agencies to ensure they are following the resettlement implementation processes and standards and solving major issues.

194. **Pu'er Transport Bureau PMO.** PYB PMO is the working body of the Pu'er Project Leading Group and the implementing agency of the Project.

195. Main responsibilities in resettlement: planning the resettlement work of the project PMOs under the leadership of the Pu'er Project Leading Group, and gathering their resettlement plans and progress for regular reporting to ADB. The detailed responsibilities are as following:

- (i) To coordinate and prepare the resettlement plan for the project.
- (ii) To coordinate schedule of construction and RP.
- (iii) To report resettlement fund plan to Pu'er Finance Bureau and supervise the fund payment.
- (iv) To coordinate work of related organizations.
- (v) To be responsible for raising capital/funds for resettlement.
- (vi) To be responsible for payment of resettlement fund.
- (vii) To be responsible for concrete resettlement implementation.
- (viii) To supervise resettlement fund appropriation.
- (ix) To deal with APs' grievance and complaint during resettlement.
- (x) To coordinate the work of external monitoring agency.

- (xi) To collect and sort out various information and undertake internal monitoring to ensure that the project related resettlement is in accordance with the resettlement plan
- (xii) To manage resettlement files of the project and report progress.
- (xiii) To ensure sufficient human and other required resources are available to implement the RP effectively and where necessary organize training and capacity building for the relevant staff.
- (xiv) To apply for certificate of land use planning and certificate of land use construction to related departments.

196. **Menglian County Project Leading Group and PMO.** The Menglian Project Leading Groups will coordinate with PTB PMO and is responsible for the project management, coordination, supervision, direction, quality assurance and annual planning, and the follow-up monitoring of the implementation thereof, reporting to Pu'er PMO regularly, coordinating the implementation of county-level responsibilities and obligations of resettlement implementation.

197. 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.

198. **Menglian Resettlement Office.** 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 the Mengliang PMO regularly; and assisting in external monitoring activities.

199. **Nayung and Mengma Town Governments.** The townships resettlement office is headed by the leader responsible of Nayung and Mengma Townships respectively, and composed of key officials of the land and resources office, police office, civil affairs office and villages. The main responsibilities are:

- Participating in the survey of the Project, and assisting in the preparation of the RP;
- Organizing public participation, and communicating the resettlement policies;
- Implementing, inspecting, monitoring and recording all resettlement activities within the town;
- Settling the house demolition and reconstruction formalities;
- Responsible for the disbursement and management of land compensation fees;
- Supervision LA, HD and house restoration;
- Reporting LA, HD and resettlement information to the Menglian PMO; and
- Coordinating and handling conflicts and issues arising from its work.

200. **Village Committees.** The resettlement working team of a village committee or village group is composed of its key officials. Its main responsibilities are:

- Participating in the socioeconomic survey and DMS;
- Organizing public consultation, and communicating the policies on LA and HD;
- Organizing the implementation of agricultural and nonagricultural resettlement activities;

- Reporting the APs' opinions and suggestions to the competent authorities;
- Providing assistance to displaced households with difficulties; and
- Ensure that the grievances of the APs are recorded, settled and/or forwarded to the next relevant agency where required.

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

202. 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.

203. **External RP M&E Agency.** The owner will employ a qualified M&E agency as the external M&E agency. Its main responsibilities are:

- Assessing all aspects of resettlement planning and implementation as an independent M&E agency, monitoring and evaluating the effectiveness of resettlement and the social adaptability of the APs, particularly ethnic minorities, women and vulnerable APs, and submitting M&E reports to the IA and ADB;
- Providing technical advice to the Resettlement Office in data collection and processing.

### 8.1.3 Organizational Chart

**Figure 8-1 Resettlement Organizational Chart**

## 8.2 Staffing and Equipment

### 8.2.1 Staffing

204. In order to ensure the successful implementation of the REMDP work, all resettlement agencies of the Project have been provided with full-time staff, and a smooth channel of communication has been established. See Table 8-1.

**Table 8-1: Staffing of Resettlement Agencies**

Agency	Number of Staff		Composition
	Male	Female	
Pu'er City Project Leading Group	3	2	Civil servants
Pu'er City PMO	2	2	Civil servants, technicians
Mengliang PMO	2	1	Civil servants, technicians
Mengliang Resettlement Office	2	2	Civil servants
Naying and Mengma Governments	2	2	Civil servants
Village (community) committees	6	6	Village officials and representatives of APs
Design agency	2	1	Engineers
External M&E agency	Some		Resettlement and social experts



## 8.2.2 Equipment

205. 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.

## 8.2.3 Organizational Training Program

206. In order to ensure the successful implementation of the resettlement work, the resettlement staff will be provided training under the leadership of PMO and the Pu'er City Project Leading Group.

207. A staff training and human resources development system for the municipal, county, and 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 8-2.

208. The scope of training includes:

- PRC and ADB's resettlement policy and principles,
- Differences between ADB and PRC policies,
- Experiences and lessons learnt from other project, resettlement implementation planning and management, and
- Points requiring attention during resettlement implementation.

209. A budget of CNY200,000 for training of resettlement agencies has been included in the resettlement budget.<sup>7</sup> See Table 8-2:

**Table 8-2: Operational Training Program for Resettlement Agencies**

No	Agency Responsible	Scope	Trainees	Time	Costs (CNY'0000)
	A	B	C	D	
1	Menglian Project Leading Group	Learning resettlement experience from ADB-financed projects in other provinces	Resettlement office staff		2.7
2	External M&E agency	ADB's resettlement policy	Resettlement office staff		2.8
3	External M&E agency	Updates of state policies on LA HD	Resettlement office staff		2.4
4	Menglian Project Leading Group	Experience and lessons in resettlement from other places	Resettlement office staff		2.2
5	Menglian Project Leading Group	Computer operation and data processing	Resettlement office staff		2.1
6	PMO	Resettlement procedures and policies for ADB-financed projects	Town resettlement office, village resettlement teams		2.5
7	PMO	Resettlement policies and practice	Town resettlement office, village resettlement team		2.7
8	Menglian PMO	Learning international experience in resettlement	Resettlement staff PMOs		2.6

210. Institutional Capacity: Apart from the staff at the various local agencies participating in the resettlement implementation process, the PMO has four staffs responsible for the resettlement

<sup>7</sup> The training will be covered under the budget for RP Implementation.

implementation work. As the resettlement implementation progresses the PMO will assess the staff requirement and will ensure that adequate staff is arranged as per the LAR implementation needs. The PMG and its LAR implementing agencies which will be mainly responsible for the implementation have experience in implementing projects involving land acquisition and relocation, though this will be the first time it will be involved in dealing with an ADB financed project. The PMO has good coordination with other local government agencies involved in the LAR and the project EA, Pu'er Municipal Government will provide the necessary oversight. In the PRC there are established mechanisms for LAR and the local agencies responsible are well versed in these. To ensure that the IA and other staff are trained in the ADB's social safeguards requirements, during PPTA, ADB's social safeguards specialist has provided training to the relevant staff. Additionally, a safeguards capacity building expert will be procured under the ADB's consultancy services to build the IA and other relevant agencies' capacity to effectively implement the resettlement plan.

211. Following measures will be taken to strengthen institutional capacity:

- Define the responsibilities and scope of duty all resettlement agencies, and strengthen supervision and management;
- Provide adequate financial and technical support, and improve technical equipment, such as PC, communication equipment and means of transportation, etc.;
- Select staff strictly, and strengthen operational training for administrative staff and technicians to improve professional proficiency;
- Select female officials appropriately ;
- Strengthen information feedback to ensure a smooth information flow, and leave major issues to the Project Leading Group;
- Strengthen the reporting system and internal monitoring, and solve issues timely; and
- Establish an external M&E mechanism and an early warning system.

## **9. Grievances and Redress**

212. To ensure rehabilitation and improvement of the affected persons' production and livelihood, the PMO closely consulted with the affected persons to reduce complaints. A mechanism is set up to provide AP with opportunities to complain and to solve problems.

### **9.1 Grievances**

213. Contents of grievances include any aspect of resettlement, for example, house compensation, quantity of assets, land compensation, selection of rebuilding sites, and income loss, relocation fees and compensations during house rebuilding, etc.

### **9.2 Grievance Procedures**

214. The public participation is always encouraged in the process of compiling and implementing of the RP. There may be some unforeseeable problems occurring in the process. In order to solve such potential problems effectively and ensure the project construction and land acquisition to be carried out successfully, a transparent and effective appeal channel has been set up.

215. The grievance procedures will be operative throughout the entire construction period so that they can be used by villagers to deal with problems relating to infrastructure rehabilitation, such as the reconstruction of irrigation networks, the positioning and design of drainage culverts, local road access, the use of temporary land, etc. In this way villagers will have an effective procedure to bring these matters to the attention of Pu'er transportation bureau and the contractors, as well as a forum, for their timely resolution. As an additional measure, village leaders will be provided with a name and contact point (e.g. Telephone number), to whom they can raise matters relating to the road construction as and when they arise.

216. The basic procedure of the grievance solution is: APs-Village committees- township or town government- county resettlement office-Pu'er city level resettlement office.

217. The basic grievance redress system is as follows:

- Stage 1: If APs have any dissatisfaction with RP or implementation, they may report to the villagers' committee. The villagers' committee or the APs may directly appeals to the resettlement offices for negotiated resolution or put forward oral or written grievance. The resettlement offices record the complaints and resolve the problems within two weeks after the receipt of the complaints if the grievance is oral.
- Stage 2: If the APs who lodge the complaints are not satisfied with the results of the Stage 1, they may lodge grievance to Menglian county PMO, after receiving the decision. The latter will make resolution with two weeks.
- Stage 3: If the persons who lodge the complaints are still not satisfied, they may after receiving the decision, lodge complaints to the Pu'er city PMO for arbitration. The latter will make arbitration decision within three weeks.
- Stage 4: If the persons are still dissatisfied with the decision of the Stage 3, they may, after receiving the arbitration decision, appeal to administrative setups step by step such as project office, resettlement management office, resettlement monitoring institution, authorities of letters and calls, administrative supervision, disciplinary inspection and procuratorial department) according to Administrative Procedure law.

218. The complaints and appeal procedures will be conveyed to APs through public meetings and other information dissemination procedures, to ensure they fully understand their rights and

the mechanisms for complaint and appeal. Any complaints raised by APs and resolutions must be registered in written form by resettlement office that receives these grievances.

219. At any point, if the appellant is dissatisfied with the arbitration award, he/she may bring a suit in a civil court in accordance with the Civil Procedure Law of the PRC.

220. The APs may also express grievance to the external monitoring agency, who would then report it to Mengliang County resettlement office, Mengliang Land and Resource Bureau, and Pu'er City PMO. Alternatively, the APs may submit a complaint to the ADB's Project Team to try to resolve the problem. If good faith efforts are still unsuccessful, and if there are grievances that stemmed from a violation of ADB's safeguard policy, the APs may appeal directly to ADB in accordance with ADB's Accountability Mechanism (2012).<sup>8</sup>

221. All the grievances received, oral or written, will be recorded and their redress will be recorded as well and these will be made available to the external monitoring agency or ADB review missions on request. All agencies will accept grievances and appeals from the APs for free, and costs so reasonably incurred will be disbursed from the contingencies. During the whole construction period of the Project, these appeal procedures shall remain effective to ensure that the APs can use them to address relevant issues. The above grievance redress system will be communicated to the APs at a meeting or through the RIB, so that the APs know their right of appeal. In addition, the appeal process will be published to affected population on mass media.

### **9.3 Grievance Redress Principle**

222. The resettlement offices at each level must perform on site investigations on the complaints from the people and closely consult with them on their opinions before providing practical and justified redress opinions in accordance with the principles and standards specified in national laws and ADB's involuntary resettlement safeguards principles enshrined in the RP. The complaints that could not be solved must be timely submitted to the higher resettlement department, and the RO at each level are required to provide assistance on investigations.

### **9.4 Contents and Form of Reply to Complaints**

#### **a.) Contents**

- Description of the complainants' grievance;
- Results of investigations;
- National policies, and the ADB's principles and standards specified in RP;
- Resolution and its basis;
- The complainant has the rights to appeal to the higher resettlement department or to the courts, with legal costs to be paid by the project-executing agency.

#### **b.) Form of Reply**

- For complaint concerning individual case, the reply can be directly delivered to the complainant in written form.
- For complaints frequently addressed, notify the local village or sub-village by convening village meeting or issuing documents.

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<sup>8</sup> For further information, see <http://www.adb.org/Accountability-Mechanism/default.asp>.

### **9.5 Report of Grievance**

223. During implementation of RP, the resettlement department shall make proper records and management of the complaints and solutions, and report them to the provincial LRR office in written form monthly.

## **10. Resettlement Budget**

### **10.1 Resettlement budget**

224. The proposed road directly affects Menglian county and the cost of land acquisition and resettlement was estimated based on the preliminary design and field survey.

225. Based on prices of March 2014, the resettlement costs of the Project are CNY148.4091million, including LA costs of CNY60.827million, compensation fees of house demolition CNY49.9548million including compensation fees for infrastructure and ground attachments, special supporting funds for vulnerable groups CNY 2.216 million, technical training 500,000, RP M&E CNY500,000, taxes and management costs of 20.92million, and contingencies of CNY13.492million. Details see table 10-18.

Table 10-1: Resettlement Budget

	Budget Item	Unit	Compensation rate	Qty (unit)	Amount (10,000 Yuan)
<b>1</b>	<b>Basic resettlement costs</b>	<b>0,000 yuan</b>	\	\	<b>11,078.17</b>
<b>1.1</b>	<b>Land compensation</b>				<b>6,082.69</b>
1.1.1	Irrigated rice paddy	mu	50000	368.50	1842.50
1.1.2	Dry farmland	mu	25000	455.70	1139.25
1.1.3	Economic tree/garden plot	mu	25000	451.90	1129.75
1.1.4	Forest land	mu	7500	729.60	547.20
1.1.5	Other land	mu	8500	53.60	45.56
1.1.6	Land resettlement subsidy	0,000 yuan			0
1.1.6.1	Farmland	mu	4800	824.20	395.61
1.1.6.2	Economic tree/garden plot	mu	7200	409.40	294.76
1.1.7	Young crop of farming land compensation	mu	5000	1276.10	638.05
<b>1.18</b>	Temporary land occupation		5000	100	50
<b>1.3</b>	<b>Compensation fees for HD</b>				<b>4995.48</b>
1.3.1	Brick-concrete structure	m2	1400	7057	987.98
1.3.2	Brick and wood structure	m2	1000	24075	2,407.50
1.3.3	ancillary facilities				1,000
1.3.4	Relocation subsidies				100
<b>1.35</b>	Special facilities reconstruction				500
<b>2</b>	<b>Supporting fund for vulnerable groups (2% of basic costs)</b>				<b>221.56</b>
<b>3</b>	<b>Technical training</b>				<b>50</b>
<b>4</b>	<b>RP Implementation management</b>				<b>200</b>
<b>5</b>	<b>Monitoring and evaluation</b>				<b>50</b>
<b>6</b>	<b>Taxes*</b>				<b>1,892</b>
6.1	cultivated land occupation cost		5336	1276.10	680.90
6.2	Forest recovery fee		4002	729.60	2920
6.3	The cultivated land reclamation fee		7200	1276.10	918.80

	Budget Item	Unit	Compensation rate	Qty (unit)	Amount (10,000 Yuan)
1-6	sub-total				13,491.74
7	Contingencies (10% of total costs)				1,349.17
	<b>Total</b>				<b>14,840.91</b>

\*Tax on the occupancy of cultivated land. According to the "arable land occupation tax Ordinance" come into force on January 1, 2008, this item was calculated at the standards of 8 yuan per square meter, arable land occupation tax will be  $1276.1 \times 667 \times 8 = 6.809$  million Yuan. Forest recovery fee. According to the Ministry of finance, the State Forestry Bureau regulation No.73, 2002, this item will be calculated according to 6 Yuan per square meter, amounts to pay forest recovery will be  $729.6 \times 667 \times 6 = 2.92$  million Yuan.

\*The cultivated land reclamation fee. According to "land management law" 31st article, "land acquisition by non-agricultural construction by approved, according to ' accounted for how many, reclaim how many ' principles, land acquisition institution or organization is responsible for reclamation and, the quantity of reclaimed land should be same as occupied; if the institution or organization have no conditions to reclaim, should pay land reclamation fee, funds earmarked for reclamation new arable land. Additionally, according to No. 7 regulation of Yunnan Bureau of land and resources 2001, and No. 47 regulation of Pu'er Bureau of land and resources, 2001, based on the number of farmland be acquired, the farmland reclamation fee will be calculated at 6 times of the average annual output value, reclamation fee estimated as  $1276.1 \times 1200 \text{ yuan/mu} \times 6 = 9.188$  million Yuan.



## 10.2 Resettlement Investment Schedule and Funding Sources

226. All resettlement funds of the Project are from Menglian County Government. 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 table10-2.

**Table 10-2: Resettlement Investment Plan**

<b>Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Total</b>
Amount of investment (0,000 yuan)	1484.091	11872.72	1484.09	14840.91
Percent (%)	10	80	10	100

## 11. Implementation Schedule

### 11.1 Implementation Plan for Resettlement Activities

227. The schedule for land acquisition and resettlement will be integrated with the schedule of Project construction. The following principles will be observed during resettlement implementation:

- (i) After DMS, the RP will be updated and submitted to ADB for review and approval.
- (ii) Housing removal will be carried out in stages in accordance with the Project construction schedule. Prior to the construction of the Project, the removal of houses shall be completed.
- (iii) Housing removal date will be informed to the resettlers at least 3 months in advance; once a new housing plot has been allocated, 3 months will be allowed for resettlers to build new houses before the deadline for old house removal.
- (iv) The relevant resettlement organizations shall fully consult with the APs about the house construction schedule; if it is necessary such construction time could be extended.
- (v) The final land acquisition and compensation rates shall be approved by Pu'er city government and will no way be lower than those in the approved draft RP.
- (vi) The land acquisition and compensation payments shall be completed before the construction commencement of the sub-projects.
- (vii) Construction of the special facilities shall be completed as soon as possible, ideally before the construction of the project or before the completion of old house removal. The duration of disruption of irrigation canals, drainage, communication lines and local roads will be minimized and scheduled to avoid production losses. Alternative arrangements will be made otherwise, affected people will be entitled to compensation for temporary losses.

228. The schedule for resettlement is shown in Table 11-1.

**Table 11-1: Resettlement Planning Schedule**

No.	Activities	Agency	Timing
1.	Revise draft RP based on ADB comments and distribute to affected district/counties for their concurrence; resubmit RPs to ADB	Pu'er Transport Bureau	June-July, 2014
2.	Disclosure of resettlement information (compensation policy) to all affected villages in newspaper and township offices	Pu'er TB and County Government	August, 2014
3.	ADB approval of draft RP and uploading to website	ADB	August, 2014
4.	Completion of preliminary design (PD)	DI	April, 2014
5.	Establish Resettlement Leading Group and Project ROs	Local Gov't	May, 2014
6.	Pre-examination and approval of land utilization	YL&RD ML&R	October, 2014
◆	Feasibility study approval	NDRC	September, 2014
7.	1 <sup>st</sup> formal notification of LAR to APs and further village consultation	ROs	October, 2014
8.	Fully staff ROs, assign people in the affected villages and establish grievance redress system	ROs	
9.	Meetings and public hearings with representative of PH		November, 2014

No.	Activities	Agency	Timing
	affected groups		
10.	Detailed planning and updating of RP based on PD and detailed design; formulate income rehabilitation plans for seriously affected villages and relocation plans for affected urban households and enterprises	PH	October, 2014 to December, 2014
11.	Conduct detailed measurement survey for compensation based on detailed design, identify all affected households (census inventory)	PMO/DI	Oct to Dec, 2014
12.	Identify households that are eligible for special assistance (vulnerable groups and seriously affected households at risk)		December, 2014
13.	Signing agreements with affected villages, groups and APs	ROs	Januar, 2015
14.	Prepare and submit land acquisition application report	PH & YL&RD	Feb, 2015
15.	Approval of land acquisition application	ML&R	March, 2015
16.	Approval of compensation packages and 2 <sup>nd</sup> notification of LAR to APs indicating actual impacts and compensation		April, 2015
17.	Disclose Updated RP to APs and submit to ADB; ADB approval and website uploading	PH ADB	May, 2015
18.	Engage external monitor for resettlement; conduct baseline survey	Monitoring agency	May, 2015
19.	Engage safeguards capacity development expert I	PTB and ADB	Oct, 2015
◆	Land Acquisition Commencement		June, 2015
20.	Payment of compensation of state-owned forest to Forestry Dept.	PH	July, 2015
21.	Payment of compensation funds to ROs	PH	July, 2015
22.	Payment of housing, assets and land compensation to APs (start date)	ROs	August, 2015
23.	Transfer of land ownership to Pu'er Transportation Bureau (start date)	ROs	August, 2015
24.	Commencement of Civil Works	PH	September, 2015
25.	Demolition of houses (start date)	PH	December, 2015

Notes: PH: Project headquarter; RO: Resettlement Office

## **12. Monitoring, Evaluation and Reporting System**

### **12.1 Internal Monitoring**

#### **12.1.1 Target and Task**

229. The target of internal monitoring is to maintain supervision responsibility of the resettlement organs as specified in the RP during implementation, and ensure that the project can be constructed smoothly and the resettlers' legal rights will not be impaired. The auditing department of the provincial government will independently exercise the auditing monitoring function over concerning units under its jurisdiction in accordance with the laws and regulations. The superior units assume the responsibilities for monitoring their subordinates so that the RP principle and schedule can be followed.

#### **12.1.2 Institution and Staff**

230. The internal monitoring for land acquisition and resettlement will be held by the project resettlement office, and be performed by City Resettlement Office and country resettlement offices, townships and villages. To make the internal monitoring effective, full-time professionals will be assigned within all the resettlement offices at all levels. All of them have participated in the compilation and implementation of the RP, and they will carry out the internal monitoring control in the processes of the work.

#### **12.1.3 Monitoring Contents**

231. The main contents to be monitored for internal monitoring are shown as below:

- (i) Allocation and utilization of the resettlement compensation
- (ii) Selection and allocation of new house plots (road project will not cause any concentrated house demolition and relocation)
- (iii) Rebuilding of private houses
- (iv) Support to vulnerable groups
- (v) Employment of the APs
- (vi) Quality and quantity of new developed land
- (vii) Adjustment and distribution of the land
- (viii) The payment situation of the land acquisition and house demolition compensation
- (ix) Relocation of private shops (If any affected)
- (x) Restoration of special facilities
- (xi) Scheduling of the work above mentioned
- (xii) Implementation of the policies in RP
- (xiii) Public participation and consultation during implementation
- (xiv) Grievances and appeals, the process and the results
- (xv) Staffing, training, work schedule and working effectiveness of resettlement offices at all levels.

#### **12.1.4 Monitoring Procedures**

232. The PRO has developed an internal monitoring framework to supervise the resettlement activities, and has established a database for the land requisition, housing relocation and resettlement, and will monitor the whole process of the resettlement.

233. During the implementation stage, the resettlement offices at all levels will establish relevant sections of the database and update them along with the resettlement progress for planning the resettlement work in their own regions. They will also timely transfer the on-going

activity records and report the resettlement implementation progress to the resettlement office at above level so that a continuous monitoring can be realized.

234. In the above internal monitoring system, a set of formats of information lists has been drawn up so as to realize the continuous message flows from the village to the project resettlement office. The county resettlement offices and town(ship) resettlement groups are important chains in the internal monitoring system.

235. The resettlement work will be periodically (monthly) checked and inspected by the PRO and the Prefecture Resettlement Office. PRO will prepare a quarterly summary progress report which will be submitted to ADB with the Project quarterly progress report.

236. Each year, the Yunnan Provincial Audit Bureau will conduct a financial audit of the resettlement fund allocation and use. A summary of the audit report will be provided to ADB.

### **12.1.5 Report**

237. After starting of the resettlement implementation, resettlement progress reports will be submitted every quarter from the lower resettlement offices to the higher resettlement offices; According to the reports submitted from resettlement offices at all levels, and prior to every March 31, June 30, September 30, and December 31, the PRO will submit a report to ADB indicating the resettlement progress. Upon the completion of land acquisition and resettlement, a resettlement completion report will be prepared and submitted to ADB.

## **12.2 External Monitoring and Evaluation**

### **12.2.1 Target and Tasks**

238. The external monitoring and evaluation (M&E) undertaken by an institution independent to the resettlement execution institutions is to monitor and evaluate whether the target of the land requisition, resettlement and relocation activities are realized. Through the process, evaluation opinions and proposals will be put forward on the resettlement, housing relocation and restoration of the resettler's living standards, and to provide prediction and alarm system to the project management, and reflecting channel to the resettlers. One important criterion for selection of the external M&E team is that experience on gender sensitive projects is preferable; the obvious reason is that all activities related to M&E should be conducted with a gender sensitive perspective. A Terms of Reference for External M&E has been prepared (see Annex X).

239. The external monitoring institution will report independently to the Project Leading Group for Resettlement and the Project Resettlement Office. It will conduct follow-up investigation, monitoring and evaluation of the resettlement activities according to the RP and provide advice for decision-making and mitigation measures.

### **12.2.2 Institution and Staff**

240. According to the PMO's initial arrangement, an experienced and qualified domestic institution acceptable to ADB will be entrusted to carry out the external M&E works. The institute will provide technical assistance to the PRO and conduct survey of resettlement and living standards of the APs as well as all basic monitoring work. The institute will prepare annual and semi-annual report for submission to PRO and ADB.

### **12.2.3 Main Indicators to be Monitored and Evaluated**

241. Main Indicators for Monitoring:

- (i) Progress: including preparation, implementation of land requisition, housing relocation and resettlement.
- (ii) Quality: including civil construction quality and degree of resettlers' satisfaction.
- (iii) Investment: including allocation and use of the funds.
- (iv) Monitoring compensation payments, identifying adequacy of planning and implementation, restoration of livelihoods, timeliness of corrective actions.

242. Main indicators for evaluation:

- (i) Economic conditions: household economic development before and after resettlement, including assets, production materials, subsistence materials, income, etc.
- (ii) Environmental conditions: living environment before and after resettlement, including traffic, culture and education, sanitation, commercial service facilities, etc.
- (iii) Employment: change in employment, including employment rate, assistance to the different APs, especially women, the vulnerable and minority families.
- (iv) Development in community: local economy in resettlement host sites, environmental development, neighborhood relation, and public opinions after resettlement.
- (v) Conditions of Vulnerable Groups and Minorities: including before and after situations of ethnic minorities, poor households, disabled, elderly, children, women, etc.

#### **12.2.4 Monitoring and Evaluation Methods**

243. Monitoring and evaluation will be performed on the basis of the survey data provided by the survey design institution and resettlement implementation institutions. With an overall understanding of the situation, the evaluation will be performed by sample survey, key informant interviews and rapid rural appraisal techniques. Typical samples, including resettled households, affected villages and Townships will be selected to establish evaluation index system for different types of APs. In addition to typical samples, there will also be focused investigation of vulnerable groups.

244. Generally, the external monitoring and evaluation institution will carry out the following work.

##### **12.2.4.1 Survey of resettlers' living standards**

245. A baseline survey will be conducted for this project, including the collection of selected samples of the baseline living standards of the resettlers. The households will be selected by stratified random sampling; all sampled households must be significantly affected. The living standard will be investigated once a year to monitor the variation in the resettlers' living standards. The necessary data can be obtained by periodical survey, random interview and site visit, based on which statistical analysis and evaluation are performed. There will also be targeted survey of vulnerable groups.

246. The survey comprises various indicators of living standards. Some of the indicators will be used for weighing the dynamic variation of living standards before and after the land requisition and resettlement. The selected indicators will be checked to see whether they are reasonable in reflecting the actual production and living levels in the base-line survey and are

subject to modification according to the actual conditions, so as to guarantee the message obtained reflects the quality and quantity of the real situation.

247. Sampling scale: resettlers: 10-20% (of which 10% is targeted at vulnerable and seriously affected households), sample villages affected by land requisition: 100%.

#### **12.2.4.2 Holding public consultations**

248. The independent monitoring and evaluation institution will participate in the public consultation conferences held by the villages and townships. By this method, the institution can evaluate the effectiveness the public participation and the cooperative attitude of the resettlers towards the RP implementation.

#### **12.2.4.3 Gathering resettlers' opinions**

249. The independent monitoring and evaluation institution will often interview the township resettlement offices and villagers to know the opinions (gender specific) collected from the resettlers and interview the resettlers who have grievances. The institution will report the opinions and suggestions from affected individuals and collectives to the Project Resettlement Office, and provide advice for improvement, so that the resettlement implementation can be more smooth and effective.

#### **12.2.4.4 Other responsibilities**

250. The independent monitoring and evaluation institution has provided advice to the project resettlement office in preparation of the RP, and will monitor the following activities in the process of implementation.

- (i) Selection of resettlement sites,
- (ii) Construction of houses,
- (iii) Production arrangement and rehabilitation (and use of funds),
- (iv) Support to the vulnerable groups and households facing income restoration hardships,
- (v) Relocation of private-owned shops, (if there are any)
- (vi) Re-construction of special facilities,
- (vii) Payment and amount of the compensation,
- (viii) Resettlers' transfer,
- (ix) Employment of laborers (by gender and ethnicity),
- (x) Training (by gender and ethnicity),
- (xi) Schedule of the items above mentioned,
- (xii) Organizational efficiency for the resettlement,
- (xiii) Use of compensation of the collective-owned land
- (xiv) Resettlers' income restoration (by gender and ethnicity),
- (xv) Employment of the surplus laborers and income increase of them (by gender and ethnicity).

#### **12.2.5 Working Process**

251. Main working steps:

- (i) Preparation of monitoring and evaluating outline,
- (ii) Identify computer software for monitoring and evaluating of the resettlement,
- (iii) Drafting the investigation outline, survey forms, and record cards for sample villages and sample households,
- (iv) Design of the village and household social-economic and opinion surveys,
- (v) Carry out base-line surveys,

- (vi) Establishing the information system for monitoring and evaluation
- (vii) Investigation for monitoring:
  - community socio-economic survey
  - resettlement implementation institutions
  - village survey
  - household survey
  - survey of other affected objects
- (viii) Sorting of monitoring information and establishment of database
- (ix) Comparison analysis
- (x) Preparing a monitoring and evaluation report each half a year during implementation, and annual report during two years after the completion of resettlement,

## 12.2.6 Report

### A. Internal Monitoring Progress Report

252. **Periodicity.** After starting of the resettlement implementation, resettlement progress reports will be submitted every quarter from the lower resettlement offices to the higher resettlement offices; According to the reports submitted from resettlement offices at all levels, and prior to every March 31, June 30, September 30, and December 31, the PRO will submit a report to ADB indicating the resettlement progress. Upon the completion of land acquisition and resettlement, a resettlement completion report will be prepared and submitted to ADB.

253. **Format and contents.** The format of the resettlement progress report by the PRO will be prepared to meet the requirements of the ADB. The format of the report usually comprises of two parts: a) the context describing in detail the resettlement progress and payment and use of compensation, the progress, problems and difficulties met in the implementation, and the corresponding resolutions; and b) forms and lists mainly showing statistical data of previous six months, which reflect the progress by comparison of the actual and planned land requisition, house removal, reconstruction and use of compensation.

254. **Resettlement Completion Report.** The Pu'er Transportation Bureau will be responsible to prepare a resettlement completion report after the resettlement activities are essentially completed. This report will provide comprehensive details on the implementation of resettlement, including land acquisition, house demolition and relocation, village rehabilitation, livelihood and income restoration measures, resettlement costs, schedules, and grievances. The report will be submitted to ADB prior to the last independent evaluation of resettlement.

255. **Independent M&E Report.** Monitoring and Evaluation institution will report on the work that they undertake within one month after completion of the work. When submitting the resettlement progress report to ADB, PMO will attach the resettlement M&E report received from Monitoring and Evaluation institution annually.

256. **Periodicity.** In accordance with the ADB's requirement, after commencement of the resettlement, the monitoring and evaluation investigations will be carried out twice a year, and when resettlement activities are completed, annual evaluations work will be carried out twice, or until affected people have fully restored their livelihoods, income levels and living conditions. Most of work for land requisition, housing demolition and resettlement of this project will be completed by December 2014, so the work for independent monitoring and evaluation will be conducted 4 times (including baseline survey). From December 2014 to February 2015, the M&E baseline household survey will be carried out. The first M&E report will be submitted in February 2015. Subsequently, M&E reports will be submitted in August 2015, February 2016, February 2017.



257. **Contents.** The contents of independent monitoring organization:

- (i) Resettlement base-line survey,
- (ii) Land requisition, housing relocation and resettlement schedule,
- (iii) Production restoration and rehabilitation,
- (iv) Housing demolition, relocation and reconstruction,
- (v) Resettlers' living standards,
- (vi) Availability and utilization of the resettlement funds,
- (vii) Evaluation of operation and efficiency of the resettlement implementation institutions,
- (viii) Support to vulnerable group and households facing income restoration hardships
- (ix) Problems and recommendations, and
- (x) Follow-up on previous problems and mitigation actions.

### **Appendix 1: Relevant Laws and Policies of the PRC**

1. 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 1: Abstract of the Land Administration Law and Relevant Policies**

Item	Key points	Index
Land ownership	<p>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.</p> <p>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.</p>	Article 2 of the Land Administration Law of the PRC
Application for construction land	<p>Any unit or individual that need land for construction purposes should apply for the use of land owned by the State according to law;</p> <p>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.</p>	Articles 43 and 44 of the Land Administration Law of the PRC
	<p>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.</p> <p>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.</p>	Article 17 of the Land Administration Regulations of Yunnan Province
Land acquisition authority	<p>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.</p> <p>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.</p>	Article 45 of the Land Administration Law of the PRC
	<p>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.</p>	Article 20 of the Land Administration Regulations of Yunnan Province

Item	Key points	Index
Land acquisition announcement system	<p>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.</p> <p>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.</p> <p>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.</p>	Articles 46, 48 and 49 of the Land Administration Law of the PRC
Compensation rates for land acquisition	<p>In acquiring land, compensation should be made according to the original purposes of the land acquired.</p> <p>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.</p> <p>(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.</p>	<p>Article 47 of the Land Administration Law of the PRC</p> <p>Article 23 of the Land Administration Regulations of Yunnan Province</p>
Temporary land use	<p>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.</p>	Article 57 of the Land Administration Law of the PRC

	<p>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</p>	<p>Article 31 of the Land Administration Regulations of Yunnan Province</p>
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**Table 2: 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
<p>Article 12 Improvement of measures for compensation for land acquisition</p>	<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</p>	<p>Fixation of uniform AAOV rates Determination of uniform AAOV multiples Fixation of integrated land prices for land acquisition areas Distribution of land compensation</p>
<p>Article 13 Proper resettlement of LEFs</p>	<p>County-level and above local governments shall take specific measures to guarantee long-term livelihoods of LEFs. 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</p>	<p>Resettlement for agricultural production Resettlement by reemployment Resettlement by dividend distribution Non-local resettlement</p>
<p>Article 14 Improvement of land acquisition procedures</p>	<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 Confirmation of land acquisition survey results Organization of land acquisition hearing</p>

SC [2004] No.28—Improvement of Compensation and Resettlement Systems for Land Acquisition		MLR [2004] No.238
Article 15 Strengthening Supervision over the implementation of land acquisition	If the compensation and resettlement for land acquisition has not been implemented, the acquired land shall not be used forcibly. Governments of provinces, autonomous regions and municipalities directly under the central government shall formulate the procedures for the distribution of the land compensation within rural collective economic organizations on the principle that the land compensation is used for rural households affected by land acquisition mainly. Rural collective economic organizations affected by land acquisition shall disclose the receipt, disbursement and allocation of land compensation fees to their members and accept supervision. The agricultural and civil affairs authorities shall strengthen the supervision over the allocation and use of land compensation fees within rural collective economic organizations.	Disclosure of approval items of land acquisition Payment of compensation and resettlement expenses for land acquisition Post-approval supervision and inspection of land acquisition

**Table 3: Key Provisions of the Regulation of Land Administration in Yunnan (Enacted on 24 September 1999)**

Item	Key Points	Index
Responsibility for compensation and restoration plan	When project construction needs to requisition for the rural collective land, the land administrative department above county level and the construction unit shall prepare a compensation and rehabilitation plan. The collective organization and villager's opinions shall be gathered.	Article 19
	The compensative standard of the land requisitioned follows the followings: (i) The compensation of vegetable land and paddy land shall be equal to 8 – 10 times of the annual average productive value for last 3 years, irrigated land, garden and lotus pond amounted to 7-9 times, dry land to 6-8 times, land in fallow rotation to 6 times and the grass land and fishing pond to 3-5 times; (ii) The newly reclaimed farmland can have 2 times compensation with reference to the last year productive value and also a compensation for opening up the land investment; (iii) If the lands of houses, threshing ground and sunning ground for drying grains are requisitioned, the compensation can follow the original kind of land standard; and (iv) The compensative standard of State-owned farmland, forestry center, grazing land and fishpond is based on the regulations of (I), (II) and (III) mentioned above. The compensative standard of requisitioned forestland can be carried out according to the relevant regulations of PRC (see next forestland policies next).	Article 23
Resettlement subsidy	Resettlement subsidy to the land requisitioned shall observe the followings: (i) The total resettlement subsidy shall be 4 times of annual average output value for the last 3 years before the land is requisitioned if the area per capita farmland is over 666.7m <sup>2</sup> (1 mu). The total resettlement subsidy shall increase by 1 times the annual average productive value if the farmland per capita below 666.7m <sup>2</sup> . And each time the above land decreased 50m <sup>2</sup> , the above resettlement subsidy increased by 1 times the productive value. However, the total resettlement subsidy shall not be exceeded the 15 times of annual average productive value for last 3 years before the land is requisitioned; (ii) The resettlement subsidy of requisitioned vegetable garden and lotus pond is amounted to 6 times the annual productive value; (iii) The resettlement subsidy of fishpond is amounted to 4 times the annual output value; (iv) The resettlement subsidy of land of State-owned farm, forestry center,	Article 24

Item	Key Points	Index
	grazing land and fishpond is amounted to 5 times the annual productive value; and (v) If the land, such as collective house land, constructive land, threshing ground, sunning ground for drying grains and newly reclaimed land (<3years), is requisitioned, the resettlement subsidy can be 4 times of the annual average productive value.	
Additional compensation	If the resettlement compensation specified above cannot maintain the local people's original living standard, especially for those people whose farmland below 116.7 m <sup>2</sup> (0.2) per capita, the compensation can be properly raised that should be approved by the Government of Yunnan Province. However, the total compensation of land and resettlement cannot exceed the 30 times of the annual average productive value for the last 3 years.	Article 25

**Table 4: Key Provisions of the Management Methods for Forestland in Yunnan Province (YPG [1997] No.43)**

Item	Key points	Index
Approval of forestland acquisition	The Management Measures for Forestland in Yunnan Province, the following documents shall be submitted and subject to approval by the forest administrative department at county level or above: (i) The project design task permit or other permits approved by the people's government at the county level or above; (ii) The certificate of the forestland where the land will be occupied or requisitioned; (iii) The inventory survey and logging plan documents about the forestland occupied and requisitioned; and (iv) The agreements of the forestland compensation, the trees compensation, the resettlement compensation and reforestation plan.	Article 10
Licensing	The project that needs to occupy/requisition forestland have to obtain a license of using forestland and be conformed to the area and location approved. If the trees are necessary to be cut down, a license of cutting trees should be achieved from the relevant forest administration in county level or above.  The trees that will be cut down in the forestland have to be replanted and the forest management department or the tree owners have rights to manage the trees mentioned above.  The project that has been permitted to occupy or requisition the forestland must pay the compensative expenses and resettlement expenses to the relevant unit and people whose forestland occupied/requisitioned. Also, the expenses of replanting trees should be paid to the relevant forest administration in county level or above.	Article 12 and 13
Damages responsibility	The forestland vegetation damaged by the temporary use should be replanted and recovered by the relative unit or person. The relative unit or person should plant new trees in another place specified by the local forest administration if the damaged vegetation is difficult to be recovered. The unit or person who is unable to recover the vegetation has to pay the expenses of recovering the vegetation to the local forest administration. The above expenses of recovering vegetation should be distributed to the province, prefecture and county respectively according to the proportion of 2:2:6 for the special purpose of planting in another land or recovering the forest vegetation.	Article 14
Compensation	The Management Measures specifies compensative standard of occupied/requisitioned forestland as the following:	Article 15



Item	Key points	Index
standards	<ul style="list-style-type: none"> <li>(i) The compensative rate of mature tree forestland are equal to 3 - 5 times the value of the stock on the forestland;</li> <li>(ii) The compensative rate of forestland with young stand, bush and fuelwood are accordingly equal to 30% - 60% of the value of the mature tree forestland;</li> <li>(iii) The compensative rate of the artificial forestland with young stand shall be amounted to 4 times of the cost of planting, cultivation and management;</li> <li>(iv) The compensative rate of the forestland with economic trees (including fruit plantation/bamboo forest) is amounted to 6 times of the value of the annual output in the rich harvest;</li> <li>(v) The compensative rate of forestland with the special purposes shall be 4 times value of the mature tree forestland;</li> <li>(vi) The compensation rate of forestland with shelter purposes shall be 3 times value of the mature trees forestland;</li> <li>(vii) The compensation rate of nursery with young plants shall be 6 times value of the average output in the last 3 years;</li> <li>(viii) The compensation rate of forestland suitable planting trees or with young stand shall be 30% of the value of the mature forestland and</li> <li>(ix) The compensative rate can be increased, but the maximum standard cannot exceed 1.5 times of normal standards if the forestland is located in the seats of the provincial or prefecture government or in the planning area of Kaiyuan Municipality.</li> </ul>	
Compensation for trees cut down	<p>The compensation rate of cutting trees down is provided in:</p> <ul style="list-style-type: none"> <li>(i) Timber production forestland: for artificial young stand the rate shall be 8 times of the planting costs of each tree, for natural young stand 30% of the artificial young stand, for middle or nearly mature stand, 80% of the value of the stock, for mature and over-mature forestland 30% of the value of the timber; The compensation of shelter forest and special forest will be paid according to the value of 5 times compensative expenses of the forest that can be used in products.</li> <li>(ii) Protective or special purpose forestland: the rate shall be 5 times of the timber production forestland;</li> <li>(iii) Economic Forestland: The compensation rate shall be calculated with an reference of 200% annual average productive value of the last 3 years;</li> <li>(iv) Precious trees: The rate shall be calculated at 10 times of timber production forestland value of the wood; and</li> <li>(v) Nursery: The compensation rate shall be calculated as local farm gate price with the same kind of forestry nursery stock.</li> </ul> <p>The standard of the replanting forestland and vegetation should be calculated as the cost of planting, cultivating the mature tree forest in the local place.</p>	Article 16 and 18
Resettlement compensation	<p>The standard of the resettlement compensation of land occupied or requisitioned (Article 17) shall be 3 times of average output value of the last 3 years for the state-owned forestland and 2 times for collective forestland. It can be also replaced by offering job to those whose land is taken.</p>	

**Table 5: Trial Measures for Basic Old-Age Security of Farmers Involved in Land Requisition in Yunnan Province (YPG [2008] No.226)**

Item	Key points	Index
Eligibility	<p>Those Measures are applicable to the registered personnel aged 16 or above, with the right of contracting collectively-owned land in rural areas within the administrative region of our province, whose lands are requisitioned wholly or partly by the governments under the law after those Measures are enforced and whose cultivated land area per capita after</p>	Article 2

	land requisition is less than 0.3mu. The peasants, whose lands are requisitioned partly and whose cultivated land area per capita after land requisition is higher than 0.3mu but insufficient to maintain basic production and living, can be covered by the basic old-age security according to local actual conditions.	
Principle	The basic old-age security level shall adapt to the local economic and social development level and the bearing capability of all parties, and shall not be less than the lowest living security standard of local urban residents.	Article 4
Financing	<p>The basic old-age security funds are paid off in proportion by peasants, rural collective and local government. The total funds raised are based on the lowest living security standard of urban residents in the same year, and the rate of increase is taken into account and determined depending on the payment period for 15 years. The individual payment and collective subsidy shall be less than 60% of the total funds raised, while the government subsidy more than 40%. No taxes or expenses shall be levied on the basic old-age security funds.</p> <p>The government subsidy is transferred by the department of finance from the special funds for land requisition. The fund of more than RMB 20,000 Yuan per mu is collected by the governments based on the land level determined by the state, and specially used for the basic old-age security. The basic old-age benefits are made up of two parts, namely retirement pension in individual account and basic retirement pension, which are paid out of the individual account and the social pooling account respectively. If individual account is inadequate, the pension can be disbursed from the social pooling account.</p>	Article 6, 7 and 15
Payment	<p>On the premise that the basic old-age security system is established, the individual payment and collective subsidy are disbursed from less than 50% relocation subsidy and from more than 70% land compensation expenses for peasants involved in land requisition. During land requisition, the people's government in all levels shall calculate under the law the basic old-age security funds as one part of the farmland acquisition costs, and then the institute of land requisition shall deliver the calculation data about the calculated land compensation expenses, resettlement subsidies and basic old-age security funds to the departments of finance, labor security as well as land and resources, of which the basic old-age security funds are turned over by the department of finance. If those two funds are inadequate to pay off, the insufficient section is made up from the compensated revenue for use of state-owned lands by the department of finance.</p> <p>The basic old-age security funds are managed by both social pooling account and individual account. All government subsidies are transferred into the social pooling account, while all individual payments and collective subsidies into the individual account.</p> <p>The peasants involved in land requisition, who have joined the basic old-age security and paid in full all expenses, can receive the monthly basic old-age benefits in the month following the month in which the peasants are aged 60.</p>	Article 8, 10 and 14
Additional requirements	<p>Monthly basic old-age benefits = monthly retirement pension in individual account (total amounts accumulated in individual account÷180) + monthly basic retirement pension (less than 40% of the lowest monthly living security standard of urban residents at the first drawing of the pension).</p> <p>At the first drawing, if the monthly basic old-age benefits fail to conform to the lowest living security standard of urban residents, the inadequate part shall be made up with funds in the social pooling account.</p>	Article 15

Appendix 2: Sample Maps of Primary Design of Menglian to Meng'a Class II Road

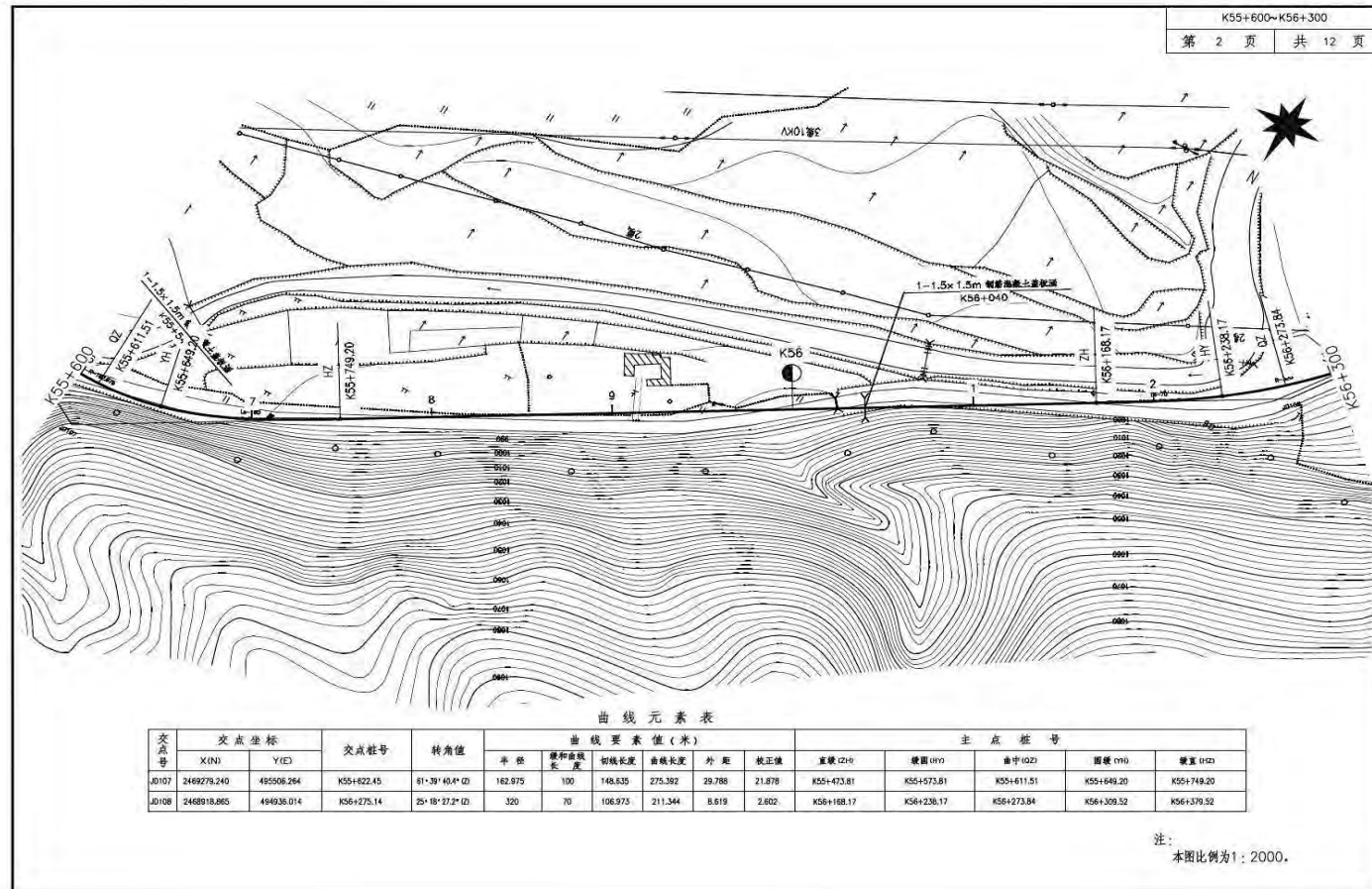


Figure 1: Road Alignment Using of Original Road

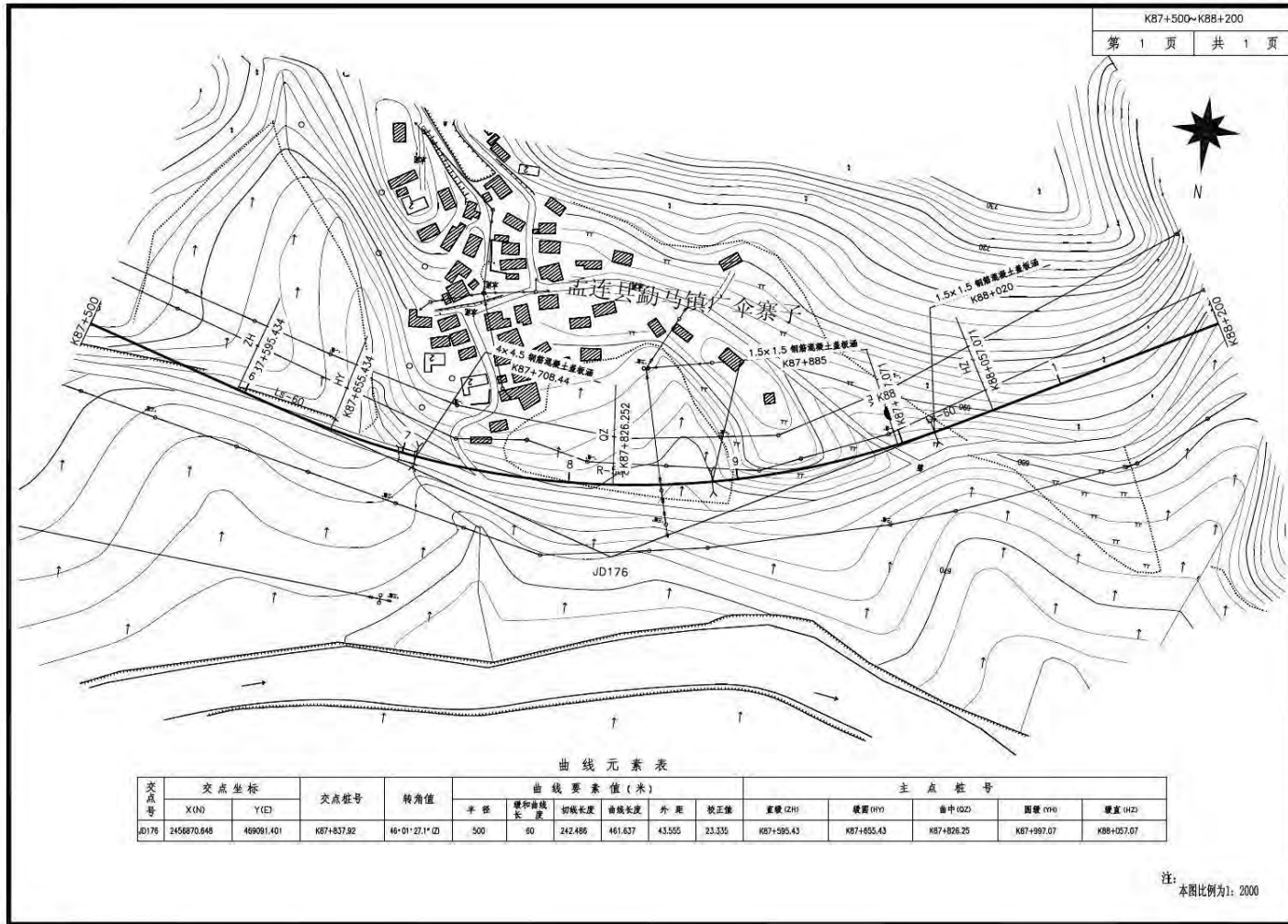


Figure 2: Road Alignment Pass through Villages

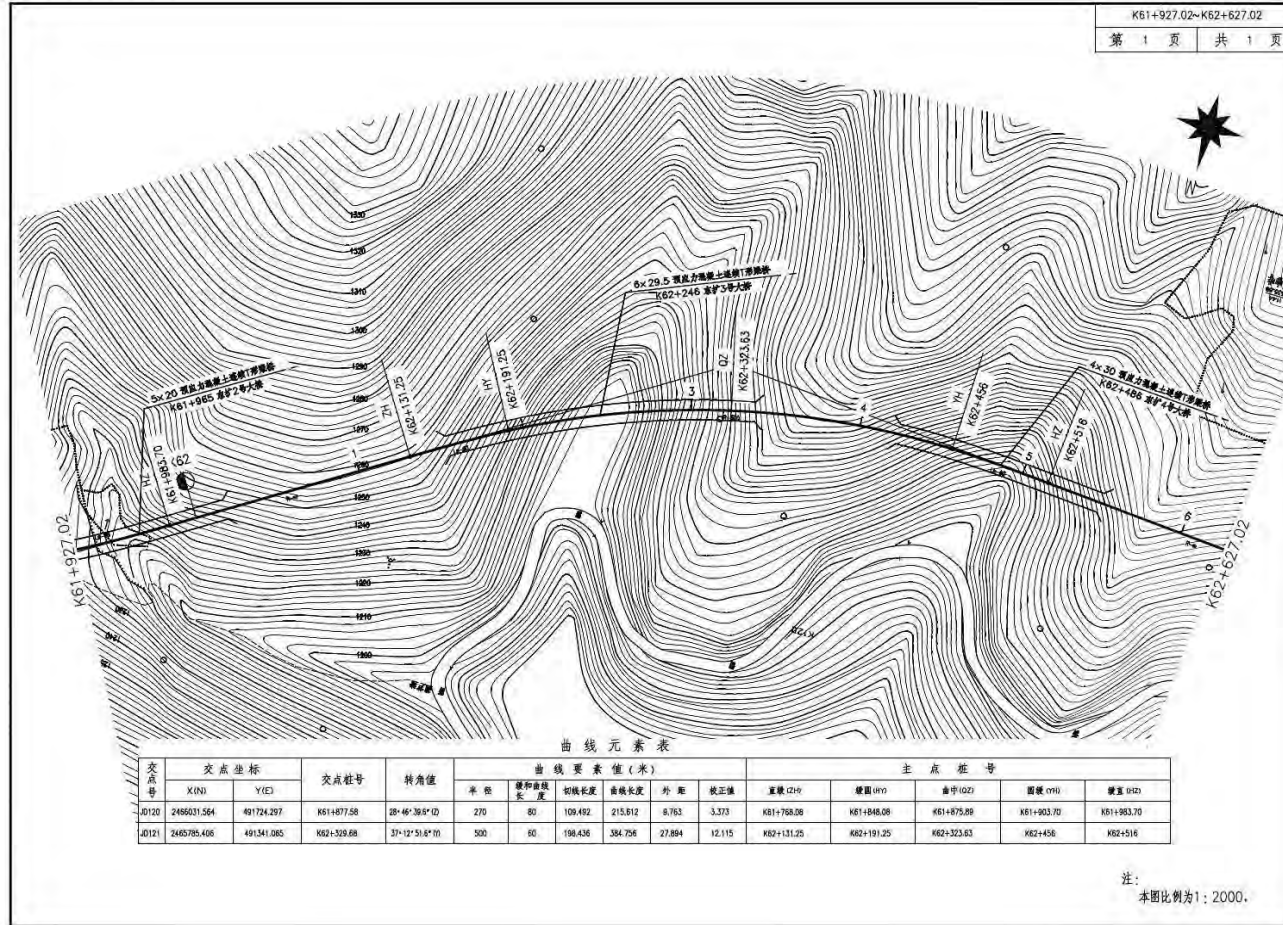


Figure 3: New Road Alignment

**Appendix 3: Picture of Consultation**



**Meng'a Village Consultation Meeting**



**Consultation Meeting of Menglian Tea Company**



**Consultation meeting of Luo Xiaohai Rubber Processing Plant**

### Appendix 4: Resettlement Information Booklet

1. In order to drive the economic and social development of Pu'er City, Pu'er municipal government plan to upgrading the Menglian to Menglian-Meng'a road to Class II road, which made this project. The full length of this road is about 48.75 km. Land acquisition and house demolition is needed. This resettlement plan is prepared to deal with land acquisition and relocation (LAR) impacts of Menglian-Meng'a highway

#### 1. Project Resettlement Impacts

2. The proposed road will affect 6 villages of two town, and 4 enterprises of Menglian county. Table 1.

**Table 1: Impact Scope of Menglian-Meng'a road Component**

City	County	Town	Affected village committee
Pu'er	Menglian	Nayun	Mangzhang
		Mengma	Paliang
			Mengma
			He'an
			Manghai
			Meng'a
		Enterprises	Mengma Tea Company
			Menglian State Farm
			Luo Xiaohai Rubber Processing Plant
			Mengma Rubber Company

#### 1.1 Permanent Land Acquisition

3. According to the field survey and interviews, with the feasibility study and preliminary design data, Meng'a Class II Road component will permanently occupy 2059.3 mu land. Among of them, include paddy 368.5 mu, non-irrigated farmland 455.7 mu, economic forest (garden) 451.9 mu, forest 729.6 mu, 53.6 mu other land (including non-used land).

**Table 2: Estimated Permanent Land Acquisition Areas of Meng'a Road**

City	County	Town	Village committee	Land be acquired permanently (mu)	Among of the total (mu)				
					Paddy	Non-irrigated farmland	economic forest (garden) – Tea/bannana/ coffee, etc	Forestry Under the village collective	others
Pu'er	Menglian	Nayun	Mangzhang	250.5	16.4	51.7	12.2	164.8	5.4
		<b>subtotal</b>		<b>250.5</b>	<b>16.4</b>	<b>51.7</b>	<b>12.2</b>	<b>164.8</b>	<b>5.4</b>
		Mengma	Paliang	587.8	30.7	282.2	0	264.4	10.5
			Mengma	378.8	113.9	62.6	2.2	180.7	19.4
			He'an	27.4	0	14.9	0	12.5	0
			Manghai	289.4	82.4	38.2	91.7	77.1	0
			Meng'a	222.1	125.1	6.1	42.5	30.1	18.3
		<b>Subtotal</b>		<b>1485.5</b>	<b>332.1</b>	<b>404</b>	<b>136.4</b>	<b>564.8</b>	<b>48.2</b>
		Enterprises	Mengma Tea	<b>199.6</b>	<b>0</b>	<b>0</b>	199.6	<b>0</b>	<b>0</b>



City	County	Town	Village committee	Land be acquired permanently (mu)	Among of the total (mu)				
					Paddy	Non-irrigated farmland	economic forest (garden) – Tea/bannana/ coffee, etc	Forestry Under the village collective	others
			company						
			Menglian State farm	103.7	0	0	103.7	0	0
		<b>Total</b>		<b>2059.3</b>	<b>368.5</b>	<b>455.7</b>	<b>451.9</b>	<b>729.6</b>	<b>53.6</b>

Note: In the other land of Mengma village, 6.1 mu are fish pond.

## 1.2 Temporary Land Use During Construction Period

4. Project's temporary land acquisition during the construction period, will include earth deposit sites, living quarters land, pioneer road, and so on. Preliminary, Meng'a Road construction will temporarily occupy approximately 100 mu land.

## 1.3 House Demolition

5. According to the resettlement survey and affected household questionnaire interview, within the affected 6 village committees, 146 households with 600 persons will be affected by the house demolition, and will have 6807 square meters brick concrete structure building, and 21081 square meters of brick-wood buildings will be affected. Based on the revised road alignment, among the 4 enterprises, only Mengma Tea Company and Menglian State Farm will have 15 households with 75 persons will be affected. There are 250 m2 brick concrete structure and 950 m2 brick-wood structure will be demolished. Table 3 lists the house demolition data by type and villages.

**Table 3: Estimated House Demolition Data of Menglian-Meng'a Road**

County	Town	Village committee	House will be demolished						Affected population	
			Brick and concrete	Brick and wood	Earth wood	Wood and tile	Simple house	total	HH	Persons
Menglian	Nayun	Mangzhang	0	2044			20	2064	13	54
		<b>Subtotal</b>	<b>0</b>	<b>2044</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>2064</b>	<b>13</b>	<b>54</b>
	Mengma	Paliang	495	2482			46	3023	16	65
		Mengma	3528	8848				12376	82	330
		He'an	0	0				0	0	0
		Manghai	891	2809				3700	12	48
		Meng'a	1893	4898				6791	23	103
		<b>Subtotal</b>	<b>6807</b>	<b>19037</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>25890</b>	<b>133</b>	<b>546</b>
	Subtotal of villages		<b>6807</b>	<b>21081</b>	<b>0</b>	<b>0</b>	<b>66</b>	<b>27954</b>	<b>146</b>	<b>600</b>
	Enterprises	Mengma Tea Company		650				650	10	50
		Menglian State Farm	250	300				550	5	25
	Subtotal of enterprise		<b>250</b>	<b>950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1200</b>	<b>15</b>	<b>75</b>
	<b>Total</b>		<b>7057</b>	<b>22031</b>	<b>0</b>	<b>0</b>	<b>66</b>	<b>29154</b>	<b>161</b>	<b>675</b>

## 1.4 Affected Population

6. The project will affect total 763 households with 3620 people including 718HH, 3395 people in six administrative villages and 45 HH, 225 people in two agricultural enterprises.

7. Out of the total affected population in villages, 572 HH with 2795 people will be affected by land acquisition while 146 HH with 600 people will be affected by both land acquisition.

8. Out of total affected population in the two affected enterprise, 30 HH with 150 people will be affected by land acquisition while 15 HH with 75 members will be affected by both land acquisition and household demolition.(Table 4 has the details).

**Table 4: Population be affected by Menglian-Meng'a Road**

County	town	Affected Administrative village	Total HH	Total popul	Total affected HH	Total	HH be affected by land only	APs	HH affected by both house demolition and land	Aps
						Aps				
Menglian	Nayun	Mangzhang	599	4200	50	200	37	146	13	54
	Mengma	Paliang	1307	5370	101	450	85	385	16	65
		Mengma	937	4179	90	360	8	30	82	330
		He'an	428	1519	10	41	10	41	0	0
		Manghai	348	1427	218	1221	206	1173	12	48
		Meng'a	1213	4513	249	1123	226	1020	23	103
		<b>Subtotal</b>	<b>4832</b>	<b>21208</b>	<b>718</b>	<b>3395</b>	<b>572</b>	<b>2795</b>	<b>146</b>	<b>600</b>
	Enterprises	Mengma Tea Company	n.a		25	125	15	75	10	50
		Menglian State farm	n.a		20	100	15	75	5	25
		<b>Subtotal</b>	<b>N.a</b>		<b>45</b>	<b>225</b>	<b>30</b>	<b>150</b>	<b>15</b>	<b>75</b>
	<b>Total</b>		<b>4832</b>	<b>21208</b>	<b>763</b>	<b>3620</b>	<b>602</b>	<b>2945</b>	<b>161</b>	<b>675</b>

## 2. Legal Framework and Resettlement Policy

9. The preparation and implementation of resettlement for this Project shall follow the Laws and Regulations promulgated by PRC and Yunnan Province, and also meet the requirements of ADB's relevant policies. The adopted compensation standards and rehabilitation measures in the RP will be followed during resettlement implementation. If there is any policy change during project implementation, the project owner will seek approval of ADB beforehand.

### 2.1 Policy Basis

10. The laws and regulations adopted in this resettlement include:

- (i) ADB policies
  - Safeguard Policy Statement, June 2009; and
  - "Gender Checklist: Resettlement", Asian Development Bank, February 2003.

- (ii) 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);
  - State Council Decision to Deepen Reform and Strictly Enforce Land Administration in October (SC [2004] No. 28);
  - Implementation Regulation for Land Administration Law of PRC;
  - Protection Regulation of Basic Farmland; and
  - Forestry Law of PRC, revised in 1998.
- (iii) Regulations and policies of Yunnan Province
- Opinions of the Yunnan Provincial Government on Strengthening Farmland Protection and Promoting Scientific Urbanization (YPG [2011] No.185);
  - Notice of the Land and Resources Department of Yunnan Province on the Announcement and Implementation of the Uniform AAOV Rates and Location-based Composite Land Prices for Land Acquisition of Yunnan Province (Interim) (May 18, 2008);
  - The Regulation of Yunnan Province on Land Administration (1999), the latest document in Yunnan;
  - The Unified Standard for Annual Output Value and Regional Integrated Land Price Compensation in Land Acquisition in Yunnan Province (tentative) (Implemented on 1st Jul. 2009);
  - Regulation on the Expropriation of Buildings on State-owned Land and Compensation (Order of the State Council, No. 590, Implemented on 21 January 2011); and
  - The Implementation Methods for Farmland Occupation Tax of Yunnan Province. (Yunnan Provincial Government Document 149, Implemented in 2008).
- (iv) Regulations and policies of Pu'er
- The Notice of Further Explicit Land Acquisition Related Issues of Pu'er City Government (Pu'er City Government 【2006】 No.50)
  - The House Demolish Compensation and Relocation Management Methods for Pu'er urban area collective land houses (Pu'er City Government 【2009】 No.53)
  - The Implementation Methods of Basic Endowment Insurance for Farmers with Land Acquired. (Pu'er City Government 【2010】 No. 11)

## 2.2 Compensation Standards for Land Acquisition and House Demolition

11. Based on the national law and local regulations, Menglian to Meng'a Class II road will adopt the following standards for land acquisition and house demolition.

**Table 5: Land Acquisition Compensation Standards of Menglian County**

Code	Land type	Compensation standard (Yuan/mu)			Scope
		County set areas	Flatland areas	Other areas	
1	Irrigated paddy (include vegetable garden)	60000	50000	35000	County set areas: East to: Zhongle reservoir, Mangzhong areas; South to: Shuitan villagers' group; West to: 61 ecological garden; North to: Mangjie areas.
2	Non-irrigated paddy	45000	40000	30000	
3	Non-irrigated farmland (Include economic tree plantations)	35000	25000	20000	Garden include tea, coffee, rubber and fruits plantation
4	collective construction land	30000	20000	15000-	Include collective enterprises land, residential land, public facility land, and infrastructure land
5	Fishpond	60000	50000	35000	
6	Forestry land	7500			
7	Unused land	8500			Unused land is the other land except the farmland, forestry land, pond, grassland. "Unused" is the present status, not useless land.

12. Within the above table, the compensation standards of Menglian to Meng'a road will adopt the location category of flatland standards.

**Table 6: The Compensation Standards of Standing Crops**

Crop types		Number of trees per mu	Compensation standard (Yuan/mu)	Compensation for single tree	note
Tea garden	young	1200	1800	1.5	
	productively harvest		3600	3	Planted for 4-6 years
			6000	5	Planted for above 7 years
Coffee garden	Young	333	1665	5	
	Productively harvest		3330	10	Planted 3-5 years
			5994	18	Planted above 6 years
Banana		110	2750	25	Banana tree should higher than 1 m
Sugarcane			First season 4000 Second season 3000 Third season 2000 Fourth season 1000 Fiveth season 500		
Corn			1300		
Rice			1500		
Rubber	young	33		8	Planted 1 to 3 years, 150 yuan each; 4 to 6 years, 270 yuan each; 7 to 8 years, 360 yuan each.
	Not productively		8910	270	
	productively		13200	400	

**Table 7: House Demolition Compensation Standards of Meng'a Road Project**

Building structure	Compensation standards (Yuan/m <sup>2</sup> )
Brick concrete	1400
Brick wood	1000
Earth wood	600

### 3. Relocation of Affected Households of House Demolition

13. As the demolition and removal of housing will not involve the relocation of entire villages, all the reconstruction will be located in the original village, therefore, new home plots will be supplied by the original villages free of charge.

14. The farmer households are resettled by two methods. One method is concentrated settlement whereby APs will build their new houses with the help of their village committee and township officials. This way is required for the villages which have many farmers to be resettled in a centralized way. Concentrated building of houses can use land resource more effectively in accordance with the new social countryside policy. Local government will provide investment in necessary village infrastructure. The Project Company will assist with land levelling, drainage, electricity and water supply arrangements. For concentrated site, advance planning is required to select and prepare new housing sites so house construction can be completed before the need for house demolition. This pattern is usually used where the house demolition affected households are huge (for instance, more than 50% of the households affected by house demolition). In this project, Mengma village has relative more households will be affected by HD but not exceed 10%. At this phase, the APs still consider building their house individually in the location chosen by themselves. After DMS, if the APs change mind or concentrated site offered by the village committee appears more attractive, detailed plan will be added in the update of this RP.

15. Currently, scattered relocation option is planned in this RP whereby APs will build their new houses by themselves in locations agreed upon by the village committee. As the compensation paid for houses includes both the cost of labor and materials, households choosing to build their own houses are free to (i) better their house by increasing its size and amenities; or (ii) build a similar house and use the additional compensation for other purposes. The locations of the new houses are chosen through consultations between the villagers and the village or group. The village assigns the new house plot to the AHs and does not charge them for the land. For these houses, infrastructure costs are covered by the compensation entitlements. During consultations the villagers stressed that they will select house plot location by themselves. The village committee will approve it and report to the township/county related agency to get it certified for house land use and construction.

16. The principle to be followed in housing demolition and removal is that the new houses are built before the old ones are demolished. If the old ones are demolished before the new ones are built, subsidy for house rental will be given during the transition period. Normally it will take 3-4 moth to build a house in the local situation. According to the local rental of CNY200-500 per month, 3-6 month transition rental fee will be paid until the new house built. In addition, in all cases the affected people receive moving fees. Nearby road practice (e.g ongoing Menglian-Lancang) road ensured the AHs have little concern about it.

17. In the implementation of housing relocation and resettlement, the following general principles will be followed:

- New sites necessary for housing construction will be allocated for free to the affected households, who do not have to spend money on purchasing land for their new house sites. Land area of the new house to be constructed will be equal to that of the original.
- Locations of house sites will be negotiated between the village groups and the affected households. Households affected tend to prefer putting up their new houses at locations with easy access to traffic, namely, along sides of highways or country roads. Village groups will try to satisfy their requests to the greatest extent possible and allow them to make choices among options the village can provide.

- Reconstruction of a rural residence takes 3 to 4 months. Households affected will typically build their houses themselves. They can have construction materials taken from their old housing for free. No deduction will be made in compensation for materials taken from the old housing.
- Compensation for the old housing will be made to people affected prior to their removal. County Resettlement Office will disburse fees directly to households affected.
- In principle, new housing should be built prior to old housing being demolished. If the old house is demolished before the new one is built, transition subsidies will be paid to the affected household so that they can rent a residence for transition. People affected tend to turn to and borrow spare housing from their relatives and friends to live in during transition. Even if this is the case, they are still entitled to receive transition subsidies.
- In case the people affected are resettled in new residences built within the same village, they are still entitled to get moving fees, which will be separated from other fees in the compensation list or included under other compensation items.
- If households affected increase floor space or improve the quality of their new residences being built, they will pay for incremental costs themselves. Such an increase or improvement is at their own option, based on their own financial resources.
- Throughout housing reconstruction and removal, village councils, township governments and township resettlement offices will take care of households affected. If there are any difficulties, governments at all levels will work together to help in resolving difficulties.
- Households headed by women will receive preferential treatment as for the vulnerable households, opportunities, and entitlements in housing reconstruction as those headed by men. It is illegal to have any discrimination against households headed by women, to reduce their housing floor space, or to deprive them of their entitlements.(refer to 7.4.8)
- Villager committee, township governments, and CROs will pay particular attention and provide special assistance to households in poverty, the disabled, women headed households, and the Wubao relocated. If they are unable to restore their housing themselves, governments at all levels will get them removed and resettled by helping them to build new residences (refer to 7.4.7)
- Two measures will be taken to relocate infrastructure. First, the project construction unit will take the responsibility for removal and replacement of the roads, telecommunication cables and power lines. The second measure is for the affected units to take charge of the reconstruction after they receive compensation.

18. When a farmer needs to build a new house on the land owned by his village, he has to file an application. And this application has to be approved by the villagers through the villagers' meeting and will be reviewed and examined by the village committee and the township government before being submitted to the county government for the final approval. This kind of land allocation for building new houses is free of charge. The applicant only needs to pay about 200 of formality fee. For HD AH of this project, such fee will be covered by the compensation. The area of allocated homestead should not exceed the upper limit stipulated in the relevant regulation.

19. The upper limit for the area of land allocated as homestead to each household will be set as the Article 33 in Regulation on Land Administration for Yunnan Province as follows:

- In City Plan Area, the area of land allocated as homestead to each household should not exceed 100 square meters;
- Out of City Plan Area, the area of land allocated as homestead for each household should not exceed 150 square meters.

20. Such quotas are sufficient for rural households to build new houses of floor space of over 100 square meters since they can build new type buildings of two to four stories made of brick and concrete.

#### **4. Resettlement and Income Restoration Program**

21. The overall objective of income restoration is to ensure that all APs losing their means of livelihood (in this case their land) due to the project are able to at least maintain their pre-project levels of income and living standards.

22. The main measures for income restoration include the following:

##### **12.3 Resettlement**

23. The LA affected villages/village groups will be compensated in cash based on the standard discussed in section 4, where compensation rate for irrigated paddy is CNY50,000, Non-irrigated paddy CNY40,000, dry farming land (included economic tree land CNY25,000, collective construction land CNY20,000, forest land CNY7,500, fishpond CNY50,000 and other land CNY8,500(refer to table 5). Standing crops compensation rate presents in table 6.

24. From village to individual households, i) 70% to 100% of land compensation fees<sup>9</sup> for LA are distributed to the AH directly at a time; and the balance (0-30% of the compensation for LA, varying from group to group) are retained by the collective or village committee for infrastructure construction, public welfare and poverty relief subject to the agreement of the villagers' meeting and approval of Menglian County Government. The percentage (between 0-30%) of village/village group retained will be decided upon the village meeting discussion after the DMS; ii) 100% of the Resettlement subsidy are directly paid to AH, and iii) compensation fees for ground attachments and young crops are 100% paid to AHs directly.

25. After receiving cash compensation, the AHs may implement the following agricultural and non-agricultural restoration measures with the assistance of EA and the local government.

##### **12.4 Restoration Measures**

###### **12.4.1 Agricultural Measures**

26. The feasible agricultural measures in affected villages to recover income include i) expanding banana, rubber, coffee, tea, and vegetable, ii) Engaging in new cash crop plantation, iii) replacing over-matured rubber trees, and iv) improving productivity of existing low production cash crops.

###### **12.4.2 Livestock Measures**

27. Livestock measures including chicken ranged in coffee land and increasing of pig raising.

###### **12.4.3 Non-agricultural Measures**

28. Non-agriculture Measures include: i) expanding of existing non-farming business in trade, rubber processing, transport services, repairing, house construction and decoration, small shops and etc. ii) starting new non-farming business such as transport service, trade and homestay ecotourism, iii)

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<sup>9</sup> Village/village groups retaining proportion is only allowed from the land compensation fee not the resettlement subsidy. If a village/village group chose to distribute 100% of the land compensation fee to affected households, there is no need to differentiate land compensation fee and resettlement compensation, otherwise, it needed.

Non-farming migrant jobs in urban cities, iv) construction work provided by the project, and iv) social security measures.

### **12.5 Assistance measures to implementation of the income restoration options**

29. As set of assistance measures to facilitate the implementation of the income restoration options is put in place.

#### **(i) Enabling policies**

30. The road will enhance the infrastructure environment. In addition, enabling policies in attracting investors is also important to enhance the competitiveness of the project area, i.e land rental policies, and openness of transport service.

#### **(ii) Information sharing**

31. Information about market price of cash crops, land leasing, labor, and transport will significantly affect villagers' decision. An information sharing system through village communication facilities, e.g broadcasting, TV program, and text message etc. will be used.

#### **(iii) Training**

32. Training design need to be specified in responding specific needs of AH with their restoration options. At this stage, it is estimated that total 680 APs need training on cash crop plantation (420), skills to off-farming business, or skills to migrant job for young APs who expected to work outside (110), project related job opportunity training (150). In addition, as agribusiness growing fast in the project area, awareness raising training on environment and health related to agribusiness is very important from other experiences although the AP did not raise the issue yet during the field consultation.

33. It will be useful to organize some training in form of farmer-back-farmer training. The farmers with skills to cash crops could be invited to share experiences and skills to the new growers in same village or other villages. It will be useful to organize study tour to other villages for APs who are interested in planting new cash crops. It could be organized by PMO directly or by entrusted government agencies such as agriculture bureau, forest bureau, or women's federation. In terms of off-farming training, it could be delegated to labor and social insurance bureau.

34. The RP has reserved a total CNY500,000 for the training.

### **12.6 Short-term Income Restoration Measures**

35. During construction period of the project, affected farmers can also take part in the construction, or the provision of services, to earning incomes to compensate for the loss. Affected poor people should be given priority in employment. Counties and township and town resettlement office will cooperate with construction companies to implement these measures.

36. It is estimated that there are about 500 to 600 unskilled workers needed during the construction of the proposed road. 50% of such total jobs can be offered to the affected people who are significantly affected by the project. At least one willing person will be offered jobs from among those affected households where land to be acquired is above 10% of their total farmland.



## 12.7 Implementation Steps and Schedule

37. The first step: After the detailed land requisition measurements, each of the affected village team leaders go to each affected household, for income recovery consultation, and statistics. Statistical tables as below:

**Table 8: Results of Income Recovery Consultation**

Name of Villagers' group	Head name of household	Choice of income recovery method	Support be needed
		<ul style="list-style-type: none"> <li>• Increase the cash crops;</li> <li>• Development of Livestock sector;</li> <li>• Outside works;</li> <li>• Small business;</li> <li>• Participate road construction;</li> <li>• Enhance the management of cash crops;</li> <li>• Increase the inputs of agriculture; and</li> <li>• Participate the endowment insurance</li> </ul>	

38. Restoration willingness and method and support needed etc. will be chosen by the villagers themselves.

39. The second step: After the village level consultation step is complete, all the information will be submitted to town or township resettlement office, and then submitted to county resettlement office.

40. The third step: County resettlement office upon receipt of these materials, according to the villager's direction and support needed, coordinate county and township town relevant government agencies and institutions to help the affected villagers to implement the income restoration measures that has been decided by the affected households.

41. The fourth step: The County resettlement office will coordinate with these government agencies and institutions to bring the relevant measures into the village, and to the households, and monitoring and evaluation is also the responsibility of County resettlement office.

### 5. Assistance for the Vulnerable Groups

42. The vulnerable groups on economy aspect include poor family, disabled people, elderly person of no family, rural household in which woman wear the pants. During the course of resettlement implementation, the project IA will give prior support and help in training, job, and social security to rehabilitate and improve their economic living conditions.

### 6. Grievance Procedure

43. Any APs can put forward grievance regarding problems of land compensation and resettlement. The grievance procedures are listed as follows:

- Stage 1: If APs have any dissatisfaction with RP or implementation, they may report to the villagers' committee. The villagers' committee or the APs may directly appeals to the resettlement offices for negotiated resolution or put forward oral or written grievance. The resettlement offices record the complaints and resolve the problems within two weeks after the receipt of the complaints if the grievance is oral.
- Stage 2: If the APs who lodge the complaints are not satisfied with the results of the Stage 1, they may lodge grievance to Menglian county PMO, after receiving the decision. The latter will make resolution with two weeks.

- Stage 3: If the persons who lodge the complaints are still not satisfied with the decision of the Stage 2, they may after receiving the decision, lodge complaints to the Pu'er city PMO for arbitration. The latter will make arbitration decision within three weeks.
- Stage 4: If the persons are still dissatisfied with the decision of the Stage 3, they may, after receiving the arbitration decision, appeal to administrative setups step by step such as project office, resettlement management office, resettlement monitoring institution, authorities of letters and calls, administrative supervision, disciplinary inspection and procuratorial department) according to Administrative Procedure law.

44. The complaints and appeal procedures will be conveyed to APs through public meetings and other information dissemination procedures, to ensure they fully understand their rights and the mechanisms for complaint and appeal. Any complaints raised by APs and resolutions must be registered in written form by resettlement office that receives these grievances.

## **7. Implementation Organizations of Land Acquisition and Resettlement**

### Nayun town government

Address:

Telephone:

Mengma town government

Address:

Telephone:

### Menglian to Meng'a road construction headquarter

Address:

Telephone:

Pu'er city PMO

Address:

Telephone:

## **8. Right of Interpretation of the Booklet**

45. The right of interpretation of the booklet belongs to Pu'er Project Management Office.

## **Appendix 5: TOR for External Monitoring and Evaluation**

### **Terms of Reference: External Monitoring – Resettlement Plan**

#### **A. Purpose resettlement monitoring and evaluation**

1. According to ADB's SPS 2009 on involuntary resettlement, the resettlement work of this project will be subject to external M&E. The monitoring will ensure that the resettlement processes are being implemented in accordance with the requirements set out in the RP. The external M&E will also undertake an evaluation of changes in peoples' standard of living as a result of the project and project-related LAR activities. A TOR is drafted and a firm/institute with 8–10 years of relevant social and resettlement experience will be engaged by CQS method. The external monitor will work in close coordination with the Social Safeguards and Social Development Specialist and Gender Specialist to be contracted for the capacity building.

2. M&E reports will be submitted to ADB and FIDC regularly twice a year during the implementation period and once a year following project completion. Through external M&E, ADB and the EAs can fully understand if the LAR work is implemented on schedule and according to the quality standard, point out existing issues, and propose suggestions for improvement.

#### **B. Scope and Methods of External Monitoring**

##### **(i) *Baseline Survey***

3. The external monitoring agency will undertake a baseline survey of the villages affected by land acquisition in the project, and collect baseline data on the production level and standard of living of the monitored displaced households (standard of living, production, and income levels). The survey of production level and standard of living will be conducted semiannually to track variations. The survey methods include follow-up survey of sample households (minimum sample size: 10% of households affected by land acquisition, 20% of households affected by house demolition, 40% households significantly affected, 50% of affected villages; the households will be sampled randomly). A statistical analysis will be made on this basis for evaluation.

##### **(ii) *Regular Monitoring and Evaluation***

4. During the RP implementation, the external monitoring agency will perform regular follow-up resettlement monitoring of the following activities twice a year through field observation, follow-up survey of the sample households, and random interview with the displaced persons. The external monitoring agency will monitor:

- (a) the progress of disbursement of compensation for LAR and house demolition;
- (b) the progress of selection and preparation of resettlement sites including provisions for civic amenities, construction of new houses, and adequacy of construction;
- (c) institutional capacity of the resettlement office—adequate trained staffing, office space and equipment, and provisions for ongoing training;
- (d) financial capacity of the PMO, particularly the budgetary arrangements and cash flow for resettlement activities;
- (e) the process of public participation and consultation, ensuring that the public participation and consultation schedule is being followed and outcomes are being incorporated in resettlement implementation process;
- (f) the functioning of the GRM;
- (g) the progress of livelihood rehabilitation plans and training, restoration of productive assets, and livelihood systems;
- (h) rehabilitation of affected shops;

- (i) that the vulnerable groups are being provided support in accordance to the criteria set out in the RP;
- (j) the progress of restoration and reconstruction of infrastructure and special facilities;
- (k) implementation schedule for the RP activities; and
- (l) the overall RP implementation process and if any significant involuntary resettlement are identified, the agency will prepare a corrective action plan to address such issues.

5. In addition, the external monitor will be responsible for verifying the internal monitoring reports of IA on implementation and progress of the RP. These internal monitoring reports are prepared by the IA as part of the quarterly progress report (under PPMS).

6. On the basis of the baseline survey, the external monitoring agency will evaluate the project impacts and will provide a “without” and “with” project comparative analysis.

### **(iii) Monitoring Indicators**

7. The following indicators shall be monitored and evaluated in accordance with principles, entitlements, and rehabilitation strategies/plans set out in the RP:

- (a) Progress: including preparation, implementation of land acquisition, house demolition, resettlement site construction, housing relocation and rehabilitation of livelihoods and living conditions;
- (b) Quality: including resettlement implementation, civil construction quality, timeliness, minimal disturbance/inconvenience and transition time, and degree of APs' satisfaction;
- (c) Entitlements: timely allocation of full compensation entitlements and proper and timely use of funds, and adequate and timely availability of funds for resettlement site construction;
- (d) Economic/income conditions: household economic development before and after resettlement, including assets, production materials, subsistence materials, income, savings and debts, income generation potential, etc.;
- (e) Living conditions: living environment before and after resettlement, including traffic, education, sanitation, social services, commercial service facilities, etc. in the new resettlement sites;
- (f) Livelihood/employment: change in livelihood (income sources) and employment, including employment rate, assistance to the different APs, especially for women, and vulnerable APs, and seriously-affected households, such as those at risk of impoverishment due to land loss or housing loss; training and skill enhancement;
- (g) Community development: local economy in resettlement sites, environmental development, neighborhood relations and safety, and public opinions (by gender and age groups) after resettlement; and
- (h) Conditions of the vulnerable groups and seriously-affected households: including before and after situations of those people.

### **(iv) Monitoring and Evaluation Method**

8. The external monitoring agency will use both quantitative and qualitative methods to undertake the M&E such as:

- (a) Surveys – questionnaire surveys based on random sampling with a minimum sample size of 10% of households affected by land acquisition, 20% of households affected by house demolition and 50% of the affected villages. These surveys will be done on annual basis to assess the impact on yearly basis. Out of the above indicated survey population, the external monitor will select a suitable sample size and will undertake

follow-up surveys by using tracer survey method. It will require following the same respondents on a yearly basis to assess the project impacts.

- (b) Qualitative interviews and focus group discussions – with project affected persons, village and community representatives, officials in PMO and other government departments that are involved in the resettlement process; and
- (c) Along with written materials, photos, audio and video records, real objects shall also be used.
- (d) Reporting (A external monitoring report framework is provided as appendix that should be followed for reporting).

9. The RP monitoring report will include:

- (a) Summary of findings and conclusion of investigations and evaluation;
- (b) Major problems identified (existing and potential);
- (c) Recommended mitigation or prevention measures which need to be taken; and
- (d) Assessment of previous follow-up actions.

10. Reports will be submitted to ADB every 6 months during the resettlement implementation. After the preparation of resettlement completion reports, annual evaluations will be conducted for 2 years, or until all issues have been successfully resolved. The final evaluation report should summarize monitoring results and should clearly establish whether resettlement has been successfully completed. SDAP/GAP Implementation verification: Progress of SDAP and GAP implementation will be reported by the IA through its internal monitoring reports prepared on a quarterly basis as part of the PPMS. The external monitor will review and verify these quarterly reports and will prepare a consolidated annual report as an appendix of one of the monitoring report and will submit it to the ADB.

11. All reports will be provided in English and Chinese. It should be ensured that information on the progress and status on all aspects of LAR activities will be provided to the external monitor for verification, including records of grievances.

**(v) Consultant Specifications and Inputs**

12. The specialist shall have a degree in a relevant subject (sociology, anthropology, or related subject) with 10 years' experience in M&E of projects funded by ADB or similar 40 international development funding agencies. The consultant's inputs will be spread intermittently over the life of the project for a total of 12 months.

**(vi) Monitoring Budget**

13. A total budget for RP is about CNY500,000.