

World Bank Financed
Liaoning Safe and Sustainable Urban
Water Supply Project

Resettlement Action Plan



**Liaoning Province Urban and Rural Construction and
Planning Design Institute**

May 2017

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Resettlement Action Plan

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**Liaoning Province Urban and Rural Construction and
Planning Design Institute**

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Key Principles of Resettlement and Definitions of main terms

In a project funded by the World Bank, the borrower should take all necessary measures to mitigate the project's negative social impacts, including those arising from land acquisition. The provisions on involuntary resettlement in the World Bank's Operational Policy OP4.12 provide guidance on necessary policy objectives and principles, and apply to project impacts related to land acquisition and resettlement.

All reasonable measures should be taken to avoid or minimize land acquisition and all negative impacts related to resettlement. The purpose of this RPF is to ensure that properties and other losses of those affected by the Project (as defined below) are compensated for at replacement cost (as defined below), and appropriate assistance and restoration measures are offered so that they have sufficient opportunities to improve or at least restore their income and standard of living.

"Affected persons" refer to a group of persons affected in any of the following ways:

(1) their standard of living is adversely affected; (2) their houses, land (including housing land, farmland and grassland), and other fixed and non-fixed assets are adversely affected, or their land is occupied temporarily or permanently; (3) they have the right to use, either temporarily or permanently, productive resources that are adversely affected; or (4) their business, occupations, and working or living areas are adversely affected.

"Replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, paragraph 6.

"Land acquisition" means the involuntary loss of the ownership to, use right to or access to land of anyone due to the implementation of a project. Land acquisition may lead to a series of relevant impacts, including loss of housing

and other fixed assets (enclosing walls, wells, tombs or other structures or facilities attached to such land).

“Resettlement” means the process of providing sufficient opportunities to affected persons to restore productivity, income and standard of living. Compensation for assets is usually insufficient to realize full restoration.

“Cut-off date” is a date of delimitation before which the affected population identified based on title or use right is entitled to compensation or any other form of resettlement assistance. The cut-off date is specified in the RAP, usually consistent with the date of census of the affected population or the date of announcement issued by local authorities (usually the resettlement office of local government of project localities in China). Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

The World Bank’s Operational Policy OP4.12 provides key guidelines for the RAP and its implementation, and the principles related to this RPF are as follows:

- (1) In any case, the project design and the RAP should be prepared with a view to improving development opportunities for the displaced persons, so that the displaced persons fully benefit from the implementation of project activities, services, and the construction of relevant facilities.
- (2) All displaced persons should be entitled to compensation for lost assets or equivalent assistance in lieu of compensation; anyone who has no legal title to lost assets should not be excluded from compensation.
- (3) The compensation Standards in the RAP should be based on compensation to all collectives or individuals suffering asset losses, and the amount of compensation should never be discounted or reduced on the ground of depreciation or otherwise.
- (4) In case of acquisition of arable land, the first option is to reallocate co-owned land. If income on arable land accounts for a small part of a displaced person’s income, cash compensation or job placement may be taken as an alternative at the discretion of such displaced person.
- (5) The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation payable for the corresponding asset lost.
- (6) The transition period should be minimized, and compensation for lost assets should be paid before residents are affected so that they can build new housing, relocate or replace fixed assets, and take measures to mitigate resettlement impacts before the beginning of resettlement. A certain level of transition assistance should be provided to residents who fail to obtain replacement housing until replacement housing is available.

(7) The RAP should be developed in consultation with the displaced persons, and incorporate their requests and suggestions. The RAP should be disclosed to the displaced persons in an understandable manner.

(8) In host communities, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons.

(9) The borrower should provide all costs for land acquisition and resettlement, and meet financial and material demand adequately during resettlement and restoration.

(10) The RAP should include appropriate institutional arrangements so as to design, plan and implement resettlement and restoration measures timely and effectively. It should be submitted to the World Bank team and PMO for review and no objection before it can be implemented.

(11) Effective internal and external monitoring mechanisms should be established to monitor the implementation of resettlement measures.

(12) A necessary appeal channel should be established and the appeal procedure disclosed to the displaced persons.

1 Overview of the Project

1.1 Objectives of the Project

With the new round of national strategy to revitalize the Northeast Old Industrial Base and the macro economic background of Liaoning Province to implement the construction of "Shenyang Economic Zone", Liaoning Province will usher in the new development opportunity. However, with the development of urban construction and the continuous improvement of people's living standards, urban water supply problem has become an important factor of social and economic development and people's living stability. At present, the urban pipe networks of each project city are too old, with poor quality water and high leakage rate, and the intelligence level of water plants and pumping stations is relatively low.

To further implement the spirit of the State Council document No. 28, and accelerate the overall revitalization of Northeast Old Industrial Base, in 2015, Liaoning Provincial Development and Reform Commission and Department of Finance, for the development of smart city and intelligent water fair, the improvement of water supply security, the promotion of energy conservation, and sustainable development of socio-economy, based on the investigation and research, the application report of "World Bank Financed Liaoning Safe and Sustainable Urban Water Supply Project" was prepared. Approved by the National Development and Reform Commission and the Ministry of Finance, Liaoning Province in fiscal year 2016 to 2018 proposed to utilize 250 million U.S. dollars from World Bank to support World Bank Financed Liaoning Safe and Sustainable Urban Water Supply Project.

Therefore, Shenyang, Anshan, Fushun, Fuxin and Gaizhou, based on their present water supply facilities, all put forward plans to apply the loan from World Bank to upgrade, reconstruct and construct urban water supply system, and their project proposals have been approved by their development and reform committees.

1.2 Components of the Project

World Bank Financed Liaoning Safe and Sustainable Urban Water Supply Project involves Shenyang City, Anshan City, Fushun City, Fuxin City and Gaizhou City, is consisted of 5 subprojects, distributed in Figure 1-1. The project is going to reconstruct 3 water purification plants and water source pump stations, newly construct 2 secondary pressurization pump stations, reconstruct 249 secondary pressurization pump stations; newly construct 283.647km of municipal water supply pipe networks. The construction contents and main land occupation are detailed in Table 1-1. Of the five projects, there are two projects involve land acquisition, as Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City and Surface Water Diversion Project (Phase I) in Gaizhou City, need to prepare resettlement plan. There is no land acquisition or demolition in the other 3 sub-projects, it is no need to prepare resettlement plan, and the situation of which was detailed in the land survey report.

Figure 1-1 Distribution Diagram of Each Project



Table 1-1 General Situation of Contents, Land Acquisition, Occupation and Affected People of Each Project

| No. | Project Name | Location | Construction Contents | Permanent Land Acquisition | | Temporary Land Occupation | | Affected People | | | RAP Preparation |
|-----|---|---------------|--|----------------------------|-----------------|---------------------------|-----------------|------------------------------|---------------------------------------|----------------|-----------------|
| | | | | State-owned (mu) | Collective (mu) | State-owned (mu) | Collective (mu) | Land Acquisition (HH/Person) | Temporary Land Occupation (HH/Person) | Total (Person) | |
| 1 | World Bank Financed Urban Water Supply Security Project in Shenyang City | Shenyang City | 1. Newly construct, update and reconstruct primary water supply pipe network 125.805km | 0 | 0 | 660.48 | 0 | 0 | 0 | 0 | NO RAP |
| | | | 2. Reconstruct secondary water supply pipe network 109.27km, and reconstruct 99 secondary pressurization pump stations | | | | | | | | |
| | | | 3. Construction of intelligent operation system of urban water supply in Shenyang City based on GIS plate form | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Raise Standard and Reconstruction of Urban Water Supply System Project in Anshan City | Anshan City | 1. Reconstruction of Tanghe water source pump station, and raise standard and reconstruction of Wangjiayu Water Purification Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NO RAP |
| | | | 2. Intelligent water fair construction project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 3. Reconstruction of valves and old pipe | 0 | 0 | 203.49 | 0 | 0 | 0 | 0 | |

| No. | Project Name | Location | Construction Contents | Permanent Land Acquisition | | Temporary Land Occupation | | Affected People | | | RAP Preparation |
|-----|---|-------------|--|----------------------------|-----------------|---------------------------|-----------------|------------------------------|---------------------------------------|----------------|-----------------|
| | | | | State-owned (mu) | Collective (mu) | State-owned (mu) | Collective (mu) | Land Acquisition (HH/Person) | Temporary Land Occupation (HH/Person) | Total (Person) | |
| | | | network as 38.76km | | | | | | | | |
| | | | 4. Reconstruction of 80 secondary water supply pump stations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 5. Reconstruction of pipes in abandoned buildings and yards | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3 | World Bank Financed Water Supply Reconstruction Project in Fushun City | Fushun City | 1. Reconstruction of water distribution pipe networks, totally 710.679km, of which, there are 57.732km of municipal networks and 652.947km of community networks | 0 | 0 | 303.09 | 0 | 0 | 0 | 0 | NO RAP |
| | | | 2. Reconstruction of 70 pump stations and water quality inspection | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 3. Intelligent water fair construction project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 4 | Urban Water Supply System Upgrading, Construction and Reconstruction Project in | Fuxin City | 1. Newly construct and reconstruct 49.35km of pipe networks, of which, there are 29.51km newly construct and 19.84km reconstruct; newly construct 2 secondary | 3.024 | 3.024 | 141.293 | 102.909 | 0 | 65 HH 223 Person | 223 | RAP |

| No. | Project Name | Location | Construction Contents | Permanent Land Acquisition | | Temporary Land Occupation | | Affected People | | | RAP Preparation |
|-----|---|--------------|--|----------------------------|-----------------|---------------------------|-----------------|------------------------------|---------------------------------------|----------------|-----------------|
| | | | | State-owned (mu) | Collective (mu) | State-owned (mu) | Collective (mu) | Land Acquisition (HH/Person) | Temporary Land Occupation (HH/Person) | Total (Person) | |
| | Fuxin City | | pressurization pump stations | | | | | | | | |
| | | | 2. Reconstruction of water supply facilities in old residence community Phase II (not implemented parts) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 3. Water quality inspection equipment and intelligent water fair infrastructures project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 4. Water plant reconstruction project (Naodehai Water Plant) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Surface Water Diversion Project (Phase I) in Gaizhou City | Gaizhou City | 1. Newly construct 12km of water distribution pipes with diameter of DN1000 | 0 | 0 | 0 | 252 | 0 | 210 HH 679 Persons | 679 | RAP |
| | | | 2. Reconstruct the existing water plant, 236km of secondary pipe networks in communities, and 74km of pipes in the buildings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | 3. Reconstruct secondary pressurization pump | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

| No. | Project Name | Location | Construction Contents | Permanent Land Acquisition | | Temporary Land Occupation | | Affected People | | | RAP Preparation |
|-------|--------------|----------|--|----------------------------|-----------------|---------------------------|-----------------|------------------------------|---------------------------------------|----------------|-----------------|
| | | | | State-owned (mu) | Collective (mu) | State-owned (mu) | Collective (mu) | Land Acquisition (HH/Person) | Temporary Land Occupation (HH/Person) | Total (Person) | |
| | | | stations in 14 communities | | | | | | | | |
| | | | 4. Reconstruct intelligent pipe network, and replace intelligent water meters for 32050HHs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | | | | 3.024 | 3.024 | 1308.353 | 354.909 | 0 HH 0 Person | 275 HH 902 Persons | 902 | |

*Note: if the newly constructed pipes are under the state-owned land, the temporary land occupation is calculated according to the excavation width, for the new pipes under the collective land, the temporary land occupation is calculated as 14m in Gaizhou City and 16m in Fuxin City (considering raw soil stacking and construction width). The new pipes under state-owned lands (municipal roads) in Shenyang, Anshan and Fushun, the excavation width of which will be calculated as 3.5m.

1.3 Alternative design explored to avoid or minimize resettlement

During project planning and design, the socio-economic impact on local areas has been considered, and where feasible, alternative project designs have been adopted. Where it is impossible to avoid land acquisition, wasteland, shoal and state-owned land has been occupied to minimize cultivated land acquisition. Where it is not feasible to avoid demolition, the scale of demolition has been minimized. Meanwhile, proper space should be left for other public facilities. For example, the original design scheme of Fuxin City, considered 3600m of water distribution pipes on Yingbin Avenue. According to the analysis, laying along Yingbin Avenue would have to demolish 50 households to avoid the demolition of residence, the pipeline will be laid along Yulong Road, with the length of 4400m. Consequently, the quantity of land acquisition and house demolition in the project is substantially reduced, and the number of affected persons is also minimized.

1.4 Linked Projects Identification

Related projects refer to those projects that have direct relationships with project construction function or benefits during project preparation and implementation.

During project design, project institute paid highly attention to the identification of related projects. PMO and the design institutions for each sub-project have analyzed all the sub-projects and found that there is a linked project only in Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City.

Table 1-2 Analysis List of Related Projects

| No. | Project Name | Location | Analysis of Related Projects | Conclusion |
|-----|--|---------------|--|---|
| 1 | World Bank Financed Urban Water Supply Security Project in Shenyang City | Shenyang City | The project itself constitutes an independent system | Without linked Project |
| 2 | Raise Standard and Reconstruction of Urban Water Supply System Project in Anshan City | Anshan City | The project itself constitutes an independent system | Without linked Project |
| 3 | World Bank Financed Water Supply Reconstruction Project in Fushun City | Fushun City | The project itself constitutes an independent system | Without linked Project |
| 4 | Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Fuxin City | Most of the new water distribution pipe networks will be constructed in LXB Water Supply Project not in this project (not implemented yet) | With linked Project LXB Water Supply Project will provide water source for this project |
| 5 | Surface Water Diversion Project (Phase I) in Gaizhou City | Gaizhou City | The water source will be the Yingkou Shimen Reservoir Water Purification Plant | With linked Project But the water conveyance pipeline was constructed in 2007, without land acquisition and resettlement |

The linked project of Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City is LXB Water Supply Supporting Project in Fuxin City, which will be constructed and financed by Fuxin Water Source Construction Co., Ltd. At present, the feasibility study report of LXB Project has been approved by Fuxin Development and Reform Commission, and under the preliminary and construction design stage, the new water plant will be conducted in April 2017 and completed in the end of 2017, and pipes will be conducted in April 2018 and completed in the end of 2018. Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City will be from 2018 to 2022, there will be problem for the connection between the two projects. The land acquisition and resettlement plan of LXB Water Supply Supporting Project in Fuxin City has been approved by the local government, and will be implemented. The compensation standard of land acquisition will be implemented according to “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province” (LNR [2015] No.339) and “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office

of the People's Government of Fuxin City" (FGO [2015] No.130). The compensation standard and measures for land acquisition and resettlement are in line with what this project will apply.

It is going to construct 2 water purification plants with the scale of 10^4 t/d for each, and 45km of water distribution pipe networks in LXB Water Supply Supporting Project in Fuxin City. The land acquisition of the project will affect Fumeng County, Xinqiu County, Xihe District, Qinghemmen District, Science & Technology Park of Fumeng County and High Tech Park in Fuxin City, the total land occupation area is 2789.86mu, of which, there are 226.62mu of permanent land acquisition and 2563.24 mu of temporary land occupation; there will be 1820 people from 521HHs affected. The detailed land acquisition and demolition, compensation standard, resettlement budget of LXB Water Supply Supporting Project in Fuxin City is detailed in Annex 7.

2 Project Impacts

During October 2016 to April 2017, according to the requests of World Bank and Liaoning Provincial Project Office, the PMO of each city, together with resettlement offices, land resource bureaus, design institutions and other relevant departments, had conducted a detailed investigation on the people and objects in the range affected by the project, and a 20-30% sampling investigation on the socio-economic profile of the people affected by the temporary land occupation. During the investigation on the objects affected by land acquisition and house demolition, the affected persons all joined in the investigation work and negotiated together. See the details of investigation organizations in Table 2-1.

Table 2-1 Organization of Object Index Investigation

| No. | Project Name | Location | Investigation Date | Investigation Measure | Investigation Organization |
|-----|--|--------------|---------------------------|---|--|
| 1 | Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Fuxin City | October 2016 - April 2017 | 100% of indoor survey, field survey and 20-30% sampling investigation on socio-economic situation | Fuxin City Tap Water Company organized land bureau, affected villages and relevant departments to conduct field survey |
| 2 | Surface Water Diversion Project (Phase I) in Gaizhou City | Gaizhou City | October 2016 - April 2017 | | Gaizhou City Tap Water Company organized land bureau, affected villages and relevant departments to conduct field survey |

World Bank Financed Liaoning Safe and Sustainable Urban Water Supply Project involves 2 cities as Fuxin City and Gaizhou City, 9 villages of 8 counties/towns/street offices. The main impact is: permanent collective lands acquisition, temporary occupation of collective lands, infrastructures, ground attachments and so on. There is no house demolition.

2.1 Impact of Permanent Land Acquisition

Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City will permanently acquire 6.048mu of lands, of which, there are 3.024mu of state-owned lands transfer with compensation, which is owned by the development zone government, and 3.024mu of collective lands in Xinqiu District. The collective lands of Xinqiu District belong to rural construction

land, there is no affected person. The permanent collective land acquisition is detailed in Table 2-2-1.

Table 2-2-1 Permanent Collective Land Acquisition of Fuxin Project

| No. | Project | Affected City/County | Affected Town/Street | Affected Village | Land Acquisition (mu) | | Affected Person | |
|-----|---------------------------------|----------------------|----------------------|------------------|-----------------------|---------------|-----------------|-----------------|
| | | | | | Construction Land | Land Category | Affected HH | Affected Person |
| 1 | Pump Station in Xinqiu District | Xinqiu District | Changyingzi Town | Ajindai Village | 3.024 | Category I | 0 | 0 |



On-site Photo of Land Acquisition for Pump Station in Fuxin

2.2 Impact of Temporary Land Occupation

Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City will temporarily occupy 244.202mu of lands, of which, there are 141.293mu of free state-owned lands, and 102.909mu of collective lands (101.661mu of dry lands and 1.248mu of construction lands), affect 65HHs with 223 persons from 6 villages of 6 towns/street offices, and detailed in Table 2-3-1

Surface Water Diversion Project (Phase I) in Gaizhou City will temporarily occupy 252mu of collective lands, of which, there are 127.38mu of dry lands, 86.22mu of orchards, and 38.42mu of construction lands, affect 210HHs with 679 persons from 3 villages of 2 towns/street offices, and detailed in Table 2-3-2.

Table 2-3-1 Temporary Land Occupation of Fuxin City

| No. | Water Supply Route | Starting and Ending Point | Diameter (mm) | Length (m) | Affected City, County and District | Affected Town/Street Office | Affected Village | State-owned Land (mu) | | Collective Land (mu) | | | Affected Person | |
|-----|-----------------------------|--|---------------|------------|------------------------------------|-----------------------------|------------------|-----------------------|------------|----------------------|-------------------|----------|-----------------|--------|
| | | | | | | | | Green Belt | Flood Land | Dry Land | Construction Land | Category | HH | Capita |
| 1 | Yulong Road | Minzu Street - Sihe Road | DN800 | 3950 | | | | 19.434 | | | | | | |
| 2 | Yulong Road | Sihe Road - Yingbin Avenue | DN800 | 900 | | | | 4.428 | | | | | | |
| 3 | Yulong Road | Yulong Road – Dongfeng Road | DN800 | 4400 | | | | 17.709 | | | | | | |
| 4 | Xindi Village North Section | Linghe Water Conveyance Pipeline - Baishi Water Purification Plant | DN900 | 1000 | Xihe District | Sihe Town | Xindi Village | | | 24 | | I | 18 | 60 |
| 5 | Zhengyan g Street | Crossing Yulong Road | DN1200 | 710 | Xihe District | Huadong Street Office | Bajiazi | | | 17.04 | | I | 11 | 40 |
| 6 | Xingyuan Road | Bajiazi – Jiuwei Gas Station | DN700 | 3500 | | | | 16.695 | | | | | | |
| 7 | Park Road of Fumeng County | Biniuge Breeding Farm – Chengnan | DN1000 | 1850 | | | | 10.179 | | | | | | |
| | | | DN700 | 4650 | | | | 22.181 | | | | | | |

| No. | Water Supply Route | Starting and Ending Point | Diameter (mm) | Length (m) | Affected City, County and District | Affected Town/Street Office | Affected Village | State-owned Land (mu) | | Collective Land (mu) | | | Affected Person | |
|------|------------------------------------|-----------------------------------|---------------|------------|------------------------------------|-----------------------------|--------------------|-----------------------|------------|----------------------|-------------------|----------|-----------------|--------|
| | | | | | | | | Green Belt | Flood Land | Dry Land | Construction Land | Category | HH | Capita |
| | | Water Source Well | DN600 | 240 | Taiping District | Shuiquan Town | Hubuyingzi Village | | | 5.76 | | I | 5 | 18 |
| 8 | Yangguan Avenue of Xinqiu | | DN600 | 270 | Xinqiu District | Changyingzi Town | Ajindai Village | | | | 1.248 | I | | |
| 9 | Fazhan Avenue of Fumeng County | | DN600 | 2200 | Fumeng County | Urban Area Street Office | Dongguan Village | | | 53.421 | | I | 28 | 95 |
| 10 | Qinghe East Section | Express Way North – Xinchang Road | DN700 | 1800 | | | | | 43.2 | | | | | |
| 11 | Dongliang Town | To Dongliang Hot Spring Town | DN800 | 120 | Fumeng County | Dongliang Town | Tugulu Village | | | 1.44 | | II | 3 | 10 |
| 12 | Qingfan Street | North Ring Road – No.2 Road | DN300 | 340 | | | | 1.322 | | | | | | |
| 13 | Xinqu Road | B Street – Qingsheng Street | DN300 | 930 | | | | 3.617 | | | | | | |
| 14 | Qinghemen District Government East | North Ring Road – Xinqu Road | DN300 | 650 | | | | 2.528 | | | | | | |
| Tota | | | | | | | | 98.09 | 43.2 | 101.66 | 1.248 | | 65 | 223 |

| No. | Water Supply Route | Starting and Ending Point | Diameter (mm) | Length (m) | Affected City, County and District | Affected Town/Street Office | Affected Village | State-owned Land (mu) | | Collective Land (mu) | | | Affected Person | |
|-----|--------------------|---------------------------|---------------|------------|------------------------------------|-----------------------------|------------------|-----------------------|------------|----------------------|-------------------|----------|-----------------|--------|
| | | | | | | | | Green Belt | Flood Land | Dry Land | Construction Land | Category | HH | Capita |
| I | | | | | | | | 3 | | 1 | | | | |

*Note: if the newly constructed pipes are under the state-owned land, the temporary land occupation is calculated according to the excavation width, for the new pipes under the farmland, the temporary land occupation is calculated as 16m (considering raw soil stacking and construction width).

Table 2-3-2 Temporary Land Occupation of Gaizhou City

| No. | Water Supply Route | Starting and Ending Point | Diameter (mm) | Length (m) | Affected Town/Street Office | Affected Village | Collective Land (mu) | | | | | Affected Person | | |
|-------|-----------------------------|--|---------------|------------|-----------------------------|------------------|----------------------|----------|---------|-------------------|----------|-----------------|--------|-----|
| | | | | | | | Sub-total | Dry Land | Orchard | Construction Land | Category | HH | Capita | |
| 1 | Water Distribution Pipeline | Yingkou Shimen Water Purification Plant–Tashan Water Plant | DN1000 | 12000 | Dongcheng Street Office | Baling Village | 157.5 | 46.56 | 86.22 | 24.72 | III | 134 | 432 | |
| | | | | | | Tuandian Town | Jiatun | 73.5 | 65.36 | | 8.14 | III | 58 | 187 |
| | | | | | | | Gujiazi Village | 21 | 15.44 | | 5.56 | III | 18 | 60 |
| Total | | | | 12000 | | | 252 | 127.36 | 86.22 | 38.42 | | 210 | 679 | |

*Note: the new pipes under the collective land, the temporary land occupation is calculated as 14m (considering raw soil stacking and construction width).

2.3 Affected Ground Attachments and Infrastructures

The ground attachments and infrastructures affected by the project are mainly corns, fruit trees, power poles and so on, and detailed in Table 2-4.

Table 2-4 Affected Ground Attachments and Infrastructures

| No. | Impact Type | Unit | Quantity | |
|-----|----------------|------|--|---|
| | | | Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Surface Water Diversion Project (Phase I) in Gaizhou City |
| 1 | Corn | mu | 101.661 | 73.99 |
| 2 | Grape | mu | | 35.42 |
| 3 | Apple Tree | tree | | 1560 |
| 4 | Peach Tree | tree | | 800 |
| 5 | Pear Tree | tree | | 500 |
| 6 | Plum Tree | tree | | 50 |
| 7 | Cherry Tree | tree | | 130 |
| 8 | Poplar | tree | 128 | 706 |
| 9 | Power Pole | pole | 25 | 80 |
| 10 | Telephone Pole | pole | | 30 |
| 11 | Street Light | set | 20 | 17 |

2.4 Ethnic Minority

The newly constructed water distribution pipe networks of Urban Water Supply System Upgrading, The construction and Reconstruction Project in Fuxin City involves the downtown of Mongolian Autonomous County and Dongliang Town Fuxin City.

There are totally 0.74 million people in the whole Fumeng County, including 24 nationalities, such as Mongolian, Han, Hui, Manchu, Xibe, Korean and others. The population of Mongolian accounts for 20.6% of the total population of the county, distributed throughout the county, most of whom are living in Fosi, Daban, Wangfu, Shala, Daba, Hadahushao, Hongmaozi and other towns, and the rested are scattered.

The project will only affect Dongliang Town and downtown of Fumeng County, which are not ethnic minority concentrated areas. Previously, for the Surface Water Diversion Project (Phase I), in Gaizhou City, there was no ethnic minority issue.

There is no ethnic minority affected by the project. For this reason, the World Bank Indigenous People Policy (OP 4.10) is not triggered as the social assessment concludes.

2.5 Vulnerable Group

Fuxin City: At the end of Q3 2016, Fuxin City had an urban MLS population of 74,407 and a rural MLS population of 84,211, accounting for 11.53% and

10.84% of Liaoning's urban and rural MLS populations respectively. The urban and rural MLS standards were 481.43 yuan/month and 144 yuan/year per capita respectively, lower than the provincial averages.

At the end of 2015, Fuxin City had a rural five-guarantee supported population (dibao) of 5,721, accounting for 4.13% of that of Liaoning, in which 948 people were subject to centralized support and 4,773 to scattered support, with standards of 5,568 and 3,756 yuan/year per capita respectively, lower than the provincial average.

Giazhou City: At the end of Q3 2016, Gaizhou City had an urban MLS population of 12,946 and a rural MLS population of 44,779, accounting for 2.01% and 5.77% of Liaoning's urban and rural MLS populations respectively. The urban and rural MLS standards were 460.00 yuan/month and 3500 yuan/year per capita respectively, lower than the provincial averages.

At the end of 2015, Gaizhou City had a rural five-guarantee support population of 4,365, accounting for 3.15% of that of Liaoning, in which 983 people were subject to centralized support and 3,382 to scattered support, with standards of 6,360 and 4,340 yuan/year per capita respectively, almost equal to the provincial averages.

There is no vulnerable group in the sub-projects of Fuxin and Gaizhou who will be directly affected by permanent land acquisition because the amount of 3.024 mu land to be permanently acquired belongs to a village collectively, not belongs to any individual. However, this RAP defines measures in case of vulnerable people affected by the temporary land occupation or by problems related to water services access during the project implementation.

3 Socio-economic Survey and Analysis

3.1 Socio-economic Situation within Project Scope

Fuxin City is located in northwestern Liaoning Province, with a land area of 10,355 km², an urban planning area of 674.02 km² and a built-up area of 53 km². The city governs two districts (Fuxin Mongolian Autonomous County and Zhangwu County), 5 districts (Haizhou, Taiping, Xinqiu, Qinghemmen and Xihe), 36 towns, 32Xiangs and 26 sub-districts.

At the end of 2014, Fuxin City had a registered population of 1,910,101, including a female population of 959,279, accounting for 50.22%; with an urban registered population of 857,340, accounting for 44.88%; a population density of 184/km²; a population birth rate of 7.88‰, a population death rate of 6.56‰, and a natural population growth rate of 1.33‰.

In 2015, Fuxin City's GDP was 54.21 billion yuan, down 4.8%, in which the added value of primary industries was 11.83 billion yuan, down 3.5%; that of secondary industries 21.23 billion yuan, down 9.3%; and that of tertiary industries 21.15 billion yuan, up 0.4%. The ratio of primary, secondary and tertiary industries was adjusted from 19.7:44.7:35.6 in the previous year to 21.8:39.2:39.0. Per capita GDP was 30,420 yuan, down 4.4%.

Socio-economic situation of the project in Fuxin City is detailed in Table 3-1-1.

Table 3-1-1 Basic Socio-economic Situation of the Affected Villages in Fuxin City

| Village Committee | Total Population | Non Agricultural Population | Labor | Farmland (mu) | Average Farmland (mu/Capita) | Farmer Annual Average Income/Urban Average Disposable Income (CNY/Capita) |
|--------------------|------------------|-----------------------------|-------|---------------|------------------------------|---|
| Hubuyingzi Village | 2800 | 1400 | 600 | 1380 | 0.99 | 6500 |
| Xindi Village | 1403 | 1120 | 283 | 3651 | 12.9 | 20000 |
| Tugulu Village | 2200 | 70 | 250 | 7580 | 3.56 | 18000 |
| Ajindai Village | 5600 | 2240 | 2550 | 4200 | 1.25 | 9900 |
| Dongguan Village | 4000 | | 2100 | 2890 | 0.72 | 9000 |
| Bajiazi | 2200 | 1800 | 89 | 1700 | 4.25 | 20000 |
| Total | 18203 | 6630 | 5872 | 21401 | 1.18 | |

Gaizhou City is located in the northwestern Liaodong Peninsula, the east wing of the Liaohe River Delta, bordered by Youyan and Zhuanghe on the east, Wafangdian City on the south, Dashiqiao and Gaizhou City on the north, and the Liaodong Bay on the west, governing 8 sub-districts, 16 towns and 3Xiangs.

At the end of 2014, Gaizhou City had a registered population of 698,900, including a female population of 339,400, accounting for 48.56%; with an urban registered population of 229,600, accounting for 32.85%; a population birth rate of 9.16‰, a population death rate of 6.56‰, and a natural population growth rate of -0.37‰.

In 2015, Gaizhou City's GDP was 19.67 billion yuan, up 7%, in which the added value of primary industries was 3.77 billion yuan, up 11.1%; that of secondary industries 7.75 billion yuan, up 2.9%; and that of tertiary industries 8.15 billion yuan, up 10.1%. Per capita GDP was 28,000 yuan, up 8.1%. The ratio of primary, secondary and tertiary industries was 19.2:39.4:41.4.

Socio-economic situation of the project in Gaizhou City is detailed in Table 3-1-2.

Table 3-1-2 Basic Socio-economic Situation of the Affected Villages in Gaizhou City

| Village Committee | Total Population | Non Agricultural Population | Labor | Farmland (mu) | Average Farmland (mu/Capita) | Farmer Annual Average Income/Urban Average Disposable Income (CNY/Capita) |
|-------------------|------------------|-----------------------------|-------|---------------|------------------------------|---|
| Baling Village | 2300 | 270 | 1580 | 2424 | 1.19 | 15000 |
| Jiatun | 1707 | | 1180 | 2731 | 1.6 | 11000 |
| Gujiazi Village | 1514 | 37 | 1036 | 2216 | 1.5 | 12000 |
| Total | 5521 | 307 | 3796 | 7371 | 1.41 | |

3.2 Basic Situation Survey Results of Affected Rural Families

Fuxin City: There were 20 people participated the socio-economic survey (30% sampling) of Fuxin sub-project, of which, there were 12 female accounted for 60%. The basic situation is detailed in Table 3-2-1, and the annual income and expenditure of the affected HHs is detailed in Table 3-3-1.

Gaizhou City: There were 42 people participated the socio-economic survey (20% sampling) of Gaizhou sub-project, of which, there were 22 female accounted for 52.4%. The basic situation is detailed in Table 3-2-2, and the annual income and expenditure of the affected HHs is detailed in Table 3-3-2.

Table 3-2-1 Basic Situation of Rural Family of Fuxin City (30% Sampling)

| Location | Population | | Labor | | | Gender | | |
|------------|------------|------------------|-------|---------|-------------|--------|--------|-------|
| | Total | Rural Population | Total | Farming | Go out Work | Male | Female | Ratio |
| Fuxin City | 66 | 66 | 58 | 22 | 36 | 30 | 36 | 1:1.2 |
| Percent | | | 100% | 38% | 62% | 45% | 55% | |

| Education Degree of People Six-year Old or Above | | | | | | Age | | | | Ethnic Minority | |
|--|----------------|--|--------------------|----------------|------------------------------|-----|------|-------|----------|-----------------|-----------|
| University or above | Junior College | High School and Technical Secondary School | Junior High School | Primary school | Illiterate and Semi Literate | 0-6 | 7-15 | 16-60 | 60 above | Gregarious | Scattered |
| 1 | 4 | 8 | 19 | 32 | 2 | | 4 | 58 | 4 | | |
| 2% | 6% | 12% | 29% | 48% | 3% | | 6% | 88% | 6% | | |

Table 3-2-2 Basic Situation of Rural Family of Gaizhou City (20% Sampling)

| Location | Population | | Labor | | | Gender | | |
|--------------|------------|------------------|-------|---------|-------------|--------|--------|-------|
| | Total | Rural Population | Total | Farming | Go out Work | Male | Female | Ratio |
| Gaizhou City | 136 | 136 | 120 | 48 | 72 | 65 | 71 | 1:1.1 |
| Percent | | | 100% | 40% | 60% | 48% | 52% | |

| Education Degree of People Six-year Old or Above | | | | | | Age | | | | Ethnic Minority | |
|--|----------------|--|--------------------|----------------|------------------------------|-----|------|-------|----------|-----------------|-----------|
| University or above | Junior College | High School and Technical Secondary School | Junior High School | Primary school | Illiterate and Semi Literate | 0-6 | 7-15 | 16-60 | 60 above | Gregarious | Scattered |
| 2 | 10 | 22 | 53 | 45 | 4 | 5 | 18 | 88 | 25 | | |
| 1% | 7% | 16% | 39% | 33% | 3% | 4% | 13% | 65% | 18% | | |

Table 3-3-1 Rural Family Income and Expenditure Composition of Fuxin City (30% Sampling)

| Income and Expenditure Composition | | Total (CNY) | Average (CNY/Capita) | Ratio (%) |
|--|---|-------------|----------------------|-----------|
| Family Annual Income | Agricultural Income | 198000 | 3000 | 24 |
| | Go out Work Income | 594000 | 9000 | 72 |
| | Other Income | 33000 | 500 | 4 |
| | Annual Total Income | 825000 | 12500 | 100 |
| Family Annual Expenditure | Productive Expenditure | 52800 | 800 | 13.8 |
| | Food | 66000 | 1000 | 17.2 |
| | Clothing | 52800 | 800 | 13.8 |
| | Medical Care | 33000 | 500 | 8.6 |
| | Transportation and Communication | 52800 | 800 | 13.8 |
| | Products and Services of Cultural and Entertainment | 39600 | 600 | 10.4 |
| | Other Products and Services | 19800 | 300 | 5.2 |
| | Gift | 66000 | 1000 | 17.2 |
| | Annual Total Expenditure | 382800 | 5800 | 100 |
| Average Net Income (Income - Productive Expenditure) | | 772200 | 11700 | |

Table 3-3-2 Rural Family Income and Expenditure Composition of Gaizhou City (20% Sampling)

| Income and Expenditure Composition | | Total (CNY) | Average (CNY/Capita) | Ratio (%) |
|------------------------------------|---|-------------|----------------------|-----------|
| Family Annual Income | Agricultural Income | 340000 | 2500 | 19 |
| | Go out Work Income | 1360000 | 10000 | 77 |
| | Other Income | 68000 | 500 | 4 |
| | Annual Total Income | 1768000 | 13000 | 100 |
| Family Annual Expenditure | Productive Expenditure | 95200 | 700 | 11 |
| | Food | 163200 | 1200 | 18 |
| | Clothing | 136000 | 1000 | 15 |
| | Medical Care | 81600 | 600 | 9 |
| | Transportation and Communication | 108800 | 800 | 12 |
| | Products and Services of Cultural and Entertainment | 68000 | 500 | 8 |

| | | | | |
|--|-----------------------------|---------|-------|-----|
| | Other Products and Services | 40800 | 300 | 5 |
| | Gift | 204000 | 1500 | 23 |
| | Annual Total Expenditure | 897600 | 6600 | 100 |
| Average Net Income (Income - Productive Expenditure) | | 1672800 | 12300 | |

4 Policy Objectives and Legal Framework

In order to accomplish the task of land acquisition and demolition caused by World Bank Financed Liaoning Safe and Sustainable Urban Water Supply Project, guarantee the legal rights of affected persons and institutes, and support the project implementation, project policy is prepared according to the following land acquisition and demolition regulations:

| | Policy File | Effective Time |
|-------------------|--|----------------------------|
| Nation | "Land Administration Law of the People's Republic of China" | Revised in August 28, 2004 |
| | "Regulations for the Implementation of the Land Administration Law of the People's Republic of China" | Revised in July 29, 2014 |
| | "Property Laws of the People's Republic of China" (P.R.C Chairman Order No.62) | October 1, 2007 |
| | "Ordinance of Acquisition and Compensation for the Houses on State-owned Land" (State Council Decree No.590) | January 21, 2011 |
| | Notice on Publishing "Acquisition and Evaluation Method for the Houses on State-owned Land" (CB [2011] No.77) | June 3, 2011 |
| Liaoning Province | "Liaoning Provincial Implementation Regulations of 'Land Administration Law of the People's Republic of China' in Liaoning Province" | January 9, 2014 |
| | "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province" (LNR [2015] No.339) | January 1, 2016 |
| | "Implementation Measures of Farmland Occupation Tax in Liaoning Province" (LPPG Order No.249 January 15, 2011) | February 20, 2011 |
| | "Notice on the Collection of Farmland Reclamation Fee, Land Reclamation Fee and Farmland Idle Fee Issued by the People's Government of Liaoning Province" (LPG [2000] No.48) | December 11, 2000 |
| Fuxin City | "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office of the People's Government of Fuxin City" (FGO [2015] No.130). | January 1, 2016 |
| Yingkou City | "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Yingkou City Issued by the People's Government of Yingkou City" (YG [2015] No.217) | January 1, 2016 |
| World Bank | Operational Policies OP4.12 "Involuntary Resettlement" and its revised annex | April 1, 2013 |
| | Operational Procedures BP4.12 "Involuntary Resettlement" and its revised annex | April 1, 2013 |

5 Compensation Standards

All kinds of compensation standards will be decided according to the legal frameworks above and the actual conditions in each project city. The time of APs eligibility definition is the announcement date of land acquisition and demolition. After this date, APs cannot build new houses, expand and rebuild houses, cannot change the use purpose of land and house and cannot rent land or rent and sale or buy houses. The people influx after this certain date cannot be regarded as eligible APs.

5.1 Compensation Standard of Permanent Land Acquisition

1. State-owned Land Transfer with Compensation

There are 3.024mu of state-owned lands transfer with compensation, which is owned by the development zone government. After consultation with the development zone government, the transfer price of the 3.024mu of the state-owned land is CNY 0.7 million.

2. Compensation Standard of Permanent Rural Collective Land Acquisition

According to “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province”, “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office of the People’s Government of Fuxin City” and “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Yingkou City Issued by the People’s Government of Yingkou City”, the compensation standard of the project will be implemented based on the comprehensive land price for the regions under land acquisition in each project city. The comprehensive land price for the regions under land acquisition is the amount of compensation for normal farmland acquisition and resettlement subsidy, and the price for other types of land will be adjusted based on the comprehensive land price according to the parameters below: construction land 1.0 and 0.8 for unused land.

The compensation standards for the permanent collective land acquisition in each project city are detailed in Table 5-1, and the land acquisition tax and fee are detailed in Table 5-2.

Table 5-1 Compensation Standards for the Permanent Collective Land Acquisition

| Project Name | City/District | Town/Office | Village | Land Type | Category | Land Price (CNY/mu) | Compensation Standard (CNY/mu) |
|--|-----------------|------------------|-----------------|-------------------|----------|---------------------|--------------------------------|
| Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Xinqiu District | Changyinzhi Town | Ajindai Village | Construction Land | I | 52000 | 52000 |

Table 5-2 List of Land Acquisition Tax and Fee

| Location | Land Type | Fee Paid for Use of New Construction Land (CNY/mu) | Accepting Object | Charging Basis |
|-------------------------------|-------------------|--|------------------|--|
| Xinqiu District Fuxin City | Construction Land | 16000 | Finance Bureau | "Notice on Adjusting the Policy of the Fee Paid for Using New Construction Land" (FC [2006] No.48) |

5.2 Compensation Standard of Temporary Land Occupation

According to the relevant regulations of “Notice on the Implementation of the Comprehensive Land Price for the Zones under Land Acquisition in Liaoning Province”, the construction and geological prospecting for the project which will use collective land or state-owned farmland and unused land, should pay compensation as 15% of the comprehensive land price of the regions under land acquisition every year. If the project will temporarily occupy the collective land for one year, the compensation standard for this land will be determined in accordance with the regulated comprehensive land price of each city of the subproject. These are detailed in Table 5-3.

The reclamation fee of temporarily occupied land is 6667CNY/mu.

Table 5-3 Compensation Standards for the Temporary Collective Land Occupation

| Project Name | City/Cou nty | Town/Str eet Office | Village | Land Type | Categ ory | Land Price (CNY/ mu) | Compensa tion Standard (CNY/mu) |
|--|------------------|-----------------------|---------------------|--------------------|-----------|----------------------|---------------------------------|
| Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Xinqiu District | Changyi ngzi Town | Ajindai Village | Construct ion Land | I | 52000 | 7800 |
| | Fumeng County | Urban Area Office | Donggu an Village | Farmland | I | 50000 | 7500 |
| | | | Donglian g Town | Tugulu Village | Farmland | II | 35000 |
| | | | | | | | |
| | Taiping District | Shuiqua n Town | Hubuyin gzi Village | Farmland | I | 58000 | 8700 |
| | | | | Construct ion Land | I | 58000 | 8700 |
| | Xihe District | Sihe Town | Xindi Village | Farmland | I | 58000 | 8700 |
| | | Huadong Street Office | Bajiazi | Farmland | I | 58000 | 8700 |
| Surface Water Diversion Project (Phase I) in Gaizhou City | Gaizhou City | Dongche ng Office | Baling Village | Farmland | III | 30000 | 4500 |
| | | | | Construct ion Land | III | 30000 | 4500 |
| | | Tuantian Town | Guotun | Farmland | III | 30000 | 4500 |
| | | | | Construct ion Land | III | 30000 | 4500 |
| | | | Jijiatun | Farmland | III | 30000 | 4500 |
| | | | | Construct ion Land | III | 30000 | 4500 |
| | | Gujiazi Village | Farmland | III | 30000 | 4500 | |
| | | | Construct ion Land | III | 30000 | 4500 | |

5.3 Compensation Standard of Affected Ground Attachments and Infrastructures

The compensation for the affected ground attachments and infrastructures will be implemented according to the replacement principle, and the detailed compensation is shown in Table 5-4.

Table 5-4 Compensation Standards for the Affected Ground Attachments and Infrastructures

| No. | Impact Type | Unit | Compensation Standard (CNY/Unit) | |
|-----|----------------|------|--|---|
| | | | Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Surface Water Diversion Project (Phase I) in Gaizhou City |
| 1 | Corn | mu | 2000 | 1200 |
| 2 | Grape | mu | | 52500 |
| 3 | Apple Tree | tree | | 2000 |
| 4 | Peach Tree | tree | | 600 |
| 5 | Pear Tree | tree | | 1000 |
| 6 | Plum Tree | tree | | 400 |
| 7 | Cherry Tree | tree | | 450 |
| 8 | Poplar | tree | 150 | 150 |
| 9 | Power Pole | pole | 10000 | 10000 |
| 10 | Telephone Pole | pole | | 2000 |
| 11 | Street Light | set | 3000 | 3000 |

Note: The compensation standard referred to the price of 2015, and the detailed should be based on the actual evaluation.

5.4 Entitlement Matrix

The entitlement matrix is based on the relevant policies in this chapter, and detailed in Table 5-5.

Table 5-5 Entitlement Matrix

| Project Name | Type of loss | Impact Degree | Who to compensate | Compensation Policy | Compensation Standards and livelihood restoration as needed |
|--|---|---------------|-------------------|---|--|
| Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | State-owned Land Transfer with Compensation | Permanent | Development Zone | 100% of the transfer compensation | Land transfer compensation: CNY 0.7 million. |
| | Permanent Collective Land Acquisition | Permanent | Village Committee | 100% of the land compensation | Land compensation: 52000 CNY/mu for Ajindai Village |
| | Temporary Collective Land Occupation | Temporary | Village Committee | 100% of the collective construction land compensation | Land acquisition compensation: 7800CNY/mu for Ajindai Village and 8700CNY/mu for Hubuyingzi Village |
| | | | Land Contractor | 100% of the farmland compensation | Land acquisition compensation: 8700CNY/mu for Hubuyingzi Village, 7500CNY/mu for Dongguan Village, 5250CNY/mu for Tugulu Village, 5250CNY/mu for Housanjiazi Village, 4500CNY/mu for Tazigou Village, 8700CNY/mu for Xindi Village, 8700CNY/mu for Bajiazi Village |
| | Ground Attachments and Infrastructures | Permanent | Land Contractor | 100% of the ground attachments compensation | Corn: 2000CNY/mu |

| Project Name | Type of loss | Impact Degree | Who to compensate | Compensation Policy | Compensation Standards and livelihood restoration as needed |
|---|--|---------------|-------------------|---|--|
| | | | Property Owner | Property owner will be compensated according to the replacement price, and reconstruct by its own | Road maintenance section: poplar 150CNY/tree; Electric Power Bureau: power pole 10000CNY/pole; Communications Company: telephone pole 2000CNY/pole; Municipal Department: street light 3000CNY/set |
| Surface Water Diversion Project (Phase I) in Gaizhou City | Temporary Collective Land Occupation | Temporary | Village Committee | 100% of the collective construction land compensation | Land acquisition compensation: 4500CNY/mu for Baling Villag, 4500CNY/mu for Guotun, 4500CNY/mu for Jijiatuntun, and 4500CNY/mu for Gujiazi Village |
| | | | Land Contractor | 100% of the farmland compensation | Land acquisition compensation: 4500CNY/mu for Baling Villag, 4500CNY/mu for Guotun, 4500CNY/mu for Jijiatuntun, and 4500CNY/mu for Gujiazi Village |
| | Ground Attachments and Infrastructures | Permanent | Property Owner | 100% of the ground attachments compensation | Corn: 1200CNY/mu; Grape: 52500CNY/mu; Apple Tree: 2000CNY/tree; Peach Tree: 600CNY/tree; Pear Tree: 1000CNY/tree; Plum Tree: 400CNY/tree; Cherry Tree: 450CNY/tree |
| | | | Property Owner | Property owner will be compensated according to the replacement price, and reconstruct by its own | Road maintenance section: poplar 150CNY/tree; Electric Power Bureau: power pole 10000CNY/pole; Communications Company: telephone pole 2000CNY/pole; Municipal Department: street light 3000CNY/set |

| Measures for compensating vulnerable groups | | | | | |
|---|--|---------------------------|------|-------------------------------------|---|
| All subprojects | All vulnerable groups | Temporary land occupation | AI I | Training and employment | <ol style="list-style-type: none"> 1) Provide jobs during the construction of the project. 2) They will have priority in receiving job training. 3) They will have priority in job selection and receiving employment information. 4) Enjoy minimum living standard allowance |
| | Women | Temporary land occupation | AI I | Public participation and employment | <ol style="list-style-type: none"> 1) unskilled jobs, such as material pipe ditch digging, shipment, pipeline construction will be offered; 2) The owners will organize workshops for women, distribute instructions, and conduct free door-to-door maintenance regularly; 3) Women have the right to receive relevant information during resettlement, and have equal speaking and decision-making rights. Not less than 30% of participants should be women. 4) Women have the same right to sign LA compensation agreements and compensation vouchers as men. |
| | Ethnic Minority by Chinese government definition | temporary land occupation | AI I | Public participation and employment | <ol style="list-style-type: none"> 1) Establish organizations to ensure ethnic-minority groups' participation and consultation during project implementation; 2) Comments of ethnic minorities are understood and taken into consideration in land acquisition and demolition; 3) Ethnic minorities shall enjoy equal rights as the majority people do in compensation for land acquisition and demolition; 4) Ethnic minorities who have job willingness, especially ethnic-minority women, shall be given priority to choose job opportunities during project construction. |

6 Measures for Livelihoods restoration of APs

The objective of the resettlement plan of the Project is to make sure that the settlers can get the compensation for all their losses, reasonable resettlement and good restoration and enable them to share in project benefits. The settlers should be given allowance to their temporary difficulties and assisted in their efforts to improve their livelihoods and standards of living and enterprise production and or at least to restore them, in real term, to pre-displacement levels or to levels prevailing beginning of project implementation, whichever is higher.

6.1 Compensation and Resettlement of Permanent Land Acquisition

Permanent land acquisition of the project is 6.048mu, including collective land 3.024mu and state-owned land 3.024mu.

6.1.1 State-owned Land Transfer with Compensation

After consultation with the government of the development zone, the permanent acquisition of 3.024 mu state-owned land will adopt mode of transfer with compensation, the compensation will be CNY 0.7 million, and there is no labor displacement.

6.1.2 Permanent Acquisition of Collective Land

The permanent acquisition of collective land in Fuxin City is 3.024mu, which belongs to the collective construction land of Ajindai Village Xinqiu District, without affected persons. The village will allocate the compensation since paid by the project institute.

6.2 Restoration Plan of Temporary Land Occupation

Temporary land occupation of the project is 496.202mu, including state-owned land 141.293mu and collective land 354.909mu.

For the occupation of state-owned land, is to occupy sidewalks and buffet zone during the pipeline excavation, will adopt an approach of integrating construction and repair, the mobility is relatively fast. After the expiration of occupation, the project institute shall be responsible for the recovery and cleaning up of the site.

For the occupation of collective land, the project institute will compensate according to the 15% of the comprehensive land price of the occupied area, the construction will adopt integrated approach of construction and repair, the mobility is relatively fast. After the expiration of occupation, the project institute shall be responsible for the recovery and cleaning up of the site.

6.3 Affected Ground Attachments and Infrastructures

For the affected ground attachments, the project institute will compensate the APs according to the evaluated price, and be reconstructed by the property owners; for the affected infrastructures, the project institute will compensate the property owners according to the replacement price, and be reconstructed by the property owners.

The restoration measures for the demolished facilities should be planned and arranged in advance. In actual operation, measures should suit different conditions to ensure safety and effectiveness, avoid delay and errors, and minimize the adverse effect to nearby people.

For the affected municipal public infrastructures, the demolition is based on the project construction map. No effect to the project construction is the prerequisite to minimize displacement, where feasible. As for the demolition of affected pipelines, demolishers must guarantee not to affect residents (including unnecessary displaced persons) along the pipelines, and the demolition of structures could only take place after affected people are compensated and resettled properly.

7 Organization and Implementation Schedule

7.1 Organization

Liaoning Province Urban Construction and Reconstruction Project Office is in charge of guiding preparing RAP of World Bank Financed Liaoning Safe and Sustainable Urban Water Supply Project and carrying out land acquisition and house demolition, contacting with World Bank and so on. Meanwhile, every subproject has a project management office (PMO) in charge of preparing RAP, managing land acquisition and house demolition, internal supervision and monitoring and so on. The staff who is in charge of land acquisition and demolition of each sub-project office has been arranged since the beginning of project preparation. The organization institution and its duty of each subproject could be seen in Figure 7-1 and Table 7-1.

Figure 7-1 Resettlement Organization

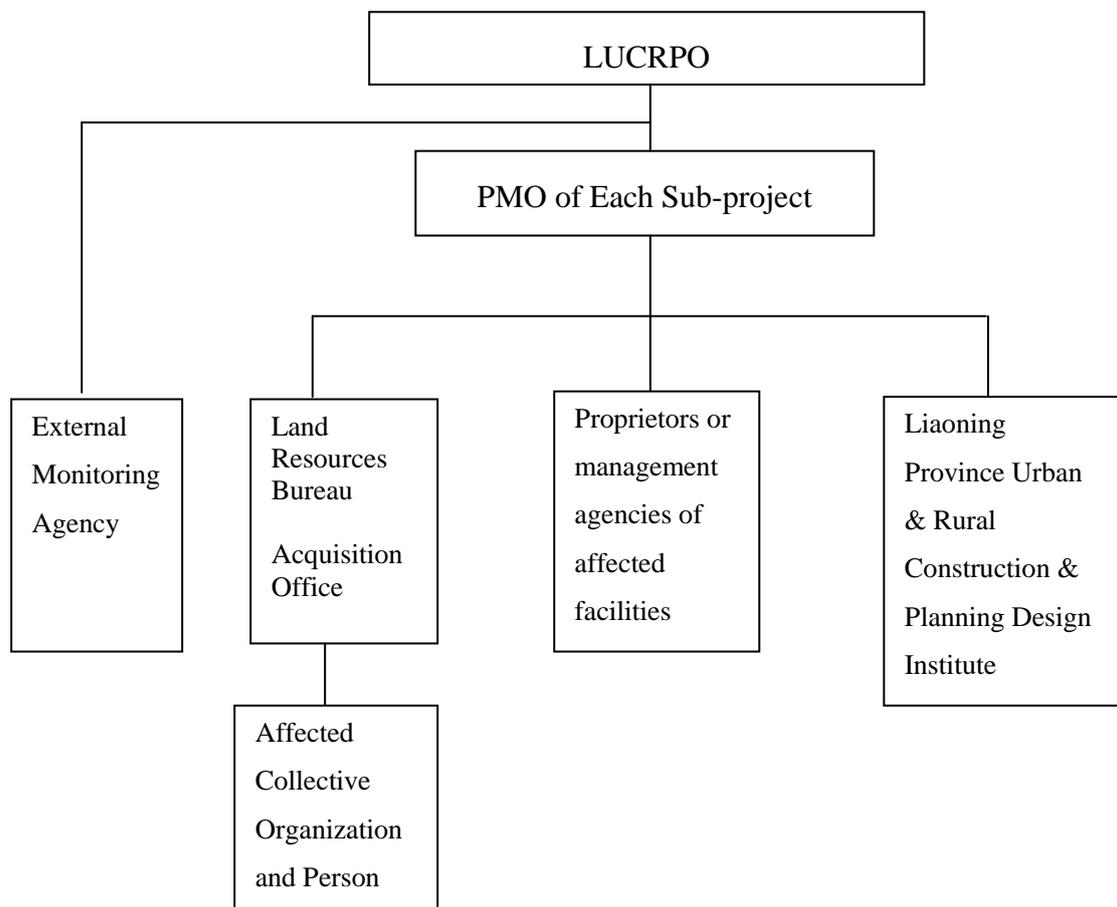


Table 7-1 Resettlement Organization and Duty

| Resettlement Agency | Duty |
|--|---|
| Subproject PMO | Preparing RP Organizing public consultation and participation Disclosing resettlement information, including distribution of RIB Supervising resettlement fund payment Coordinating and supervising resettlement activities and progress Carrying out internal M&E and report the LPO Settling conflicts and problems |
| Land Resources Bureau | Making relevant LA&R polices Take part in RAP preparation Issue construction land occupation license Directing, coordinating and monitoring land acquisition and resettlement activities |
| Acquisition Office (Demolition and Relocation Office) | Participating in RAP preparation, reviewing and approving Comforting AP's grievance Implementing RP Applying relevant resettlement procedures Signing resettlement compensation agreements with APs |
| Village Committee | Participating in socio-economic survey Participating in preparation of resettlement plan Assisting IA for public consultation Assisting LA&R Office to implement RP Reporting AP's opinions and suggests to authorities Providing assistance to vulnerable HHs |
| External Monitoring Agency | Providing the technical support to land acquisition and resettlement Monitoring RAP implementation and reporting to LPO and World Bank |

7.2 Implementation Schedule

In accordance with project implementation schedule, the project will be implemented in phases from March 2018 to October 2022. The schedule of land acquisition, demolition and resettlement interlinks with the implementation plan of each sub-project. Land acquisition, demolition and resettlement task will commence in June 2017 and December 2022.

The project construction and land acquisition, demolition and resettlement schedule for each sub-project are as follows: (1) Land acquisition and demolition should be finished one month before using land for construction activities. (2) Enough time should be allowed for land acquisition, demolition and resettlement before construction work starts.

According to the implementation schedule of land acquisition, and resettlement preparation and practice, the general resettlement schedule plan of each subproject should be worked out. The practical implementation time may be adjusted for the general project arrangement. The schedule of land acquisition, demolition and construction shows in Table 7-2. And the practical time and contents show in Table 7-3.

Table 7-2 Schedule of Land Acquisition, Demolition and Construction

| Project Name | Location | Construction Schedule | Resettlement Implementation Schedule |
|--|--------------|-----------------------|--------------------------------------|
| Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Fuxin City | 2018.3-2022.10 | 2017.6-2022.12 |
| Surface Water Diversion Project (Phase I) in Gaizhou City | Gaizhou City | 2018.3-2022.10 | 2017.6-2022.12 |

Table 7-3 Practical Schedule and Contents of Land Acquisition and House Demolition in Each Subproject

| N o. | Resettlement Contents | Schedule | | Progre ss |
|----------|--|--------------------|--------------------|--------------|
| | | Fuxin City | Gaizhou City | |
| 1 | Resettlement Plan Preparation Phase | | | |
| 1. 1 | Establish PMO | 2016.4 | 2016.4 | |
| 1. 2 | Implement Detailed Socio-economic Survey | 2016.10~11 | 2016.10~11 | |
| 1. 4 | Compile RAP | 2016.10~20 17.3 | 2016.10~20 17.3 | Finish ed |
| 2 | Information Disclosure and Public Participation | | | |
| 2. 1 | Consult Suggestions from Relevant Departments and APs | 2016.10~11 | 2016.10~11 | |
| 2. 2 | Publish the RAP on Internet or Papers | 2017.3 | 2017.3 | |
| 2. 3 | Publish the RAP on the Web Site of World Bank | 2017.4 | 2017.4 | |
| 3 | Construction Land Procedure | | | |
| 3. 1 | Land Prejudication | 2017.7 | 2019.7 | |
| 3. 2 | Approval | 2017.9 | 2019.9 | |
| 4 | Implementation Phase | | | |
| 4. 1 | Land Acquisition Announcement | 2017. 9 | 2019.9 | |
| 4. 2 | Check Physical Quantity Index | 2017. 9 | 2019.9 | |
| 4. 3 | Land Acquisition Arrangement | 2017.10-11 | 2019.10-11 | |
| 4. 4 | Compensation Payment | 2017.10-11 | 2019.10-11 | |
| 4. 5 | APs Skill Training | 2017.12~20 18.2 | 2019.12~20 20.2 | |
| 4. 6 | Income Rehabilitation Measures | 2017.12~20 18.3 | 2019.12~20 20.2 | |
| 5 | Monitoring and Evaluation | | | |
| 5. 1 | Base Line Investigation | 2017.9 | 2019.9 | |
| 5. 2 | Internal Monitoring | 2017.6~202 2.12 | 2017.6~202 2.12 | |
| 5. 3 | External Monitoring and Evaluation | 2017.6~202 2.12 | 2017.6~202 2.12 | |

8 Budget and Funding

8.1 Budget

The total budget includes the compensation for permanent land acquisition, temporary land occupation, affected infrastructures and ground attachments, and the related taxes. Of which the planning and design fee is calculated as 1-2% of the basic cost; the implementation and management fee is calculated as 1-3% of the basic cost; the skill training fee is calculated as CNY 20000 (rural land acquisition); the monitoring and supervision fee is calculated as 1-2% of the basic cost; and the contingency is calculated as 10% of the basic cost.

The total resettlement budget is CNY 12.0025 million, accounting for 2.07% of the total cost, including the total resettlement budget for Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City as CNY 3.3939 million accounting for 1.13% of the total project cost, and the total resettlement budget for Surface Water Diversion Project (Phase I) in Gaizhou City as CNY 8.6086 million accounting for 3.08% of the total project cost. The total resettlement cost is covered by the total project cost. The project budget is given in detail in Table 8-1 and 8-2.

Table 8-1 Budget List of Resettlement Compensation of the Project in Fuxin City

| No. | Item | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|-----------|---|---------------------|----------------------------------|----------------|--------------------------------|
| A. | Basic Cost | | | | 189.82 |
| 1. | Permanent Land Acquisition | mu | | 6.048 | 15.72 |
| 1.1 | State-owned Land Transfer with Compensation | mu | | 3.024 | 70 |
| 1.2 | Construction Land | mu | 52000 | 3.024 | 15.72 |
| 2. | Temporary Land Occupation | mu | | 102.909 | 89.04 |
| 2.1 | Construction Land | mu | | 1.248 | 1.09 |
| | Ajindai Village | mu | 8700 | 1.248 | 1.09 |
| 2.2 | Farmland (dry land) | mu | | 101.661 | 87.95 |
| | Dongguan Village | mu | 8700 | 53.421 | 46.48 |
| | Tugulu Village | mu | 5250 | 1.44 | 0.76 |
| | Hubuyingzi Village | mu | 8700 | 5.76 | 5.01 |
| | Xindi Village | mu | 8700 | 24 | 20.88 |
| | Bajiazi | mu | 8700 | 17.04 | 14.82 |
| 3. | Ground Attachments and Infrastructures | | | | 53.25 |
| 3.1 | Corn | mu | 2000 | 101.661 | 20.33 |
| 3.2 | Poplar | tree | 150 | 128 | 1.92 |
| 3.3 | Power Pole | pole | 10000 | 25 | 25 |
| 3.4 | Street Light | set | 3000 | 20 | 6 |
| B. | Other Cost | | | | 13.29 |
| 1. | Planning and Design Fee | 10 ⁴ CNY | 2% of A | 228.001 | 4.56 |
| 2. | Implementation and Management Fee | 10 ⁴ CNY | 3% of A | 228.001 | 6.84 |
| 3. | Monitoring and Supervision Fee | 10 ⁴ CNY | 2% of A | 228.001 | 4.56 |
| C. | Taxes and Fees | | | | 72.62 |
| 1. | Fee for Using Construction Land (permanent land occupation) | mu | 16000 | 3.024 | 4.84 |
| 2. | Land Reclamation Fee (temporary land occupation) | mu | 6667 | 101.661 | 67.78 |
| D. | Contingency | 10 ⁴ CNY | 10% of A | 228.001 | 22.8 |

| No. | Item | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|--------------|----------------|------|----------------------------------|----------|--------------------------------|
| Total | A+B+C+D | | | | 339.39 |

Table 8-2 Budget List of Resettlement Compensation of the Project in Gaizhou City

| No. | Item | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|-----------|---|------|----------------------------------|------------|--------------------------------|
| A. | Basic Cost | | | | 628.48 |
| 1. | Temporary Land Occupation | mu | | 252 | 113.39 |
| 1.1 | Construction Land | mu | | 38.42 | 17.28 |
| | Baling Village | mu | 4500 | 24.72 | 11.12 |
| | Guotun | mu | 4500 | 3.98 | 1.79 |
| | Jijiatun | mu | 4500 | 4.16 | 1.87 |
| | Gujiazi Village | mu | 4500 | 5.56 | 2.5 |
| 2.2 | Farmland (dry land and orchard) | mu | | 213.58 | 96.11 |
| | Baling Village | mu | 4500 | 132.78 | 59.75 |
| | Guotun | mu | 4500 | 42.22 | 19 |
| | Jijiatun | mu | 4500 | 23.14 | 10.41 |
| | Gujiazi Village | mu | 4500 | 15.44 | 6.95 |
| 2. | Ground Attachments and Infrastructures | | | | 515.09 |
| 2.1 | Corn | mu | 1200 | 127.36 | 15.28 |
| 2.2 | Grape | mu | 52500 | 3.86 | 20.27 |
| 2.3 | Apple Tree | tree | 2000 | 1360 | 272 |
| 2.4 | Peach Tree | tree | 600 | 800 | 48 |
| 2.5 | Pear Tree | tree | 1000 | 500 | 50 |
| 2.6 | Plum Tree | tree | 400 | 50 | 2 |
| 2.7 | Cherry Tree | tree | 450 | 130 | 5.85 |
| 2.8 | Poplar | tree | 150 | 706 | 10.59 |
| 2.9 | Power Pole | pole | 10000 | 80 | 80 |
| 2.10 | Telephone Pole | pole | 2000 | 30 | 6 |
| 2.11 | Street Light | set | 3000 | 17 | 5.1 |
| B. | Other Cost | | | | 27.14 |

| No. | Item | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|--------------|---------------------------------------|---------------------|----------------------------------|----------|--------------------------------|
| 1. | Planning and Design Fee | 10 ⁴ CNY | 1% | 628.48 | 6.28 |
| 2. | Implementation and Management Fee | 10 ⁴ CNY | 1.5% | 628.48 | 9.43 |
| 3. | Skill Training Fee (farmer lost land) | | | | 2 |
| 4. | Monitoring and Supervision Fee | 10 ⁴ CNY | 1% | 628.48 | 9.43 |
| C. | Taxes and Fees | | | | 142.39 |
| 1. | Farmland Reclamation Fee | Mu | 6667 | 213.58 | 142.39 |
| D. | Contingency | 10 ⁴ CNY | 10% of A | 628.48 | 62.85 |
| Total | A+B+C+D | | | | 860.86 |

8.2 Annual Investment Plan

According to the land acquisition schedule of each sub-project, annual capital utilization plan would be worked out, see in Table 8-3

Table 8-3 List of Annual Fund Utilization Plan

Unit: 10⁴CNY

| Project Name | 2017 | 2018 | 2019 | Total |
|--|---------|---------|--------|---------|
| Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | 169.695 | 169.695 | | 339.39 |
| Proportion | 50% | 50% | | 100% |
| Surface Water Diversion Project (Phase I) in Gaizhou City | | | 860.86 | 860.86 |
| Proportion | | | 100% | 100% |
| Total | 169.695 | 169.695 | 860.86 | 1200.25 |

8.3 Funding and Allocation

Liaoning Safe and Sustainable Urban Water Supply Project belongs to urban infrastructure, and based on the project schedule, the resettlement funds come from local government finance and domestic bank loan. See in Table 8-4.

According to the compensation policy and resettlement plan standard, each municipal project office allocates the compensation fund to acquisition office or each municipal land administration bureau. And the latter pay it to the affected units or individuals based on the agreement.

Table 8-4 Resettlement Funding List

| Project Name | Total Investment of Project (CNY million) | World Bank (CNY million) | Resettlement (CNY million) | Percentage of Total Investment | Funding |
|--|---|--------------------------|----------------------------|--------------------------------|--|
| Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | 299.93 | 207 | 3.39 | 1.13% | Domestic Counterpart Funding and Bank Loan |
| Surface Water Diversion Project (Phase I) in Gaizhou City | 279.68 | 186.3 | 8.61 | 3.08% | |
| Total | 579.5 | 393.3 | 12 | 2.07% | |

9 Public Participation, Consultation and Grievance Mechanism

9.1 Public Participation

Since April 2016, Liaoning Province World Bank Project Management Office (LPO) have conducted a series of survey, public participation and consultation. During project preparation stage, WB delegation, FSR preparation institution, environment management plan preparation institute, social impact assessment institute and others went deep into the project area to conduct social survey, to understand the demands and recommendations of public, and to improve project design.

The preparation of Resettlement Plan is based on the in-depth interviews, stakeholder seminars, key informant interviews and other public participation activities. In order to maintain the legitimate rights and interests of the APs and affected institutes, to reduce the discontent and disputes, to further develop relevant policies and implementation rules for the demolition and resettlement of the project, to prepare resettlement plan, to carry out the work of the organization, to achieve the goal of proper resettlement, the preparation of the resettlement policy and plan of the project attached great importance to the participation and consultation of the APs, from October 2016 to April 2017, there were 5 times of public participation conducted (2 in Fuxin and 3 in Gaizhou). The preparation team of the resettlement plan has implemented extensive participatory survey, visited and interviewed with the APs and relevant departments within the influence area, conducted in-depth interviews with the APs about the impact of land acquisition, demands and suggestions of the project; held forums to discuss related topics of the project. The participants include relevant departments and agencies, responsible person of the relevant village committee, the APs and others. Public participation and policy disclosure process are shown in Table 9-1 and 9-2.

Table 9-1 Public Participation

| City | Location | Participants | Participation Mode | Contents and Schedule | | | Main Conclusion |
|--------------|--|---|--------------------------------------|--|--|---|---|
| | | | | Investigation of Physical Quantity within the Scope of the Project | Socio-economic Investigation, Compensation and Resettlement Intent | Compensation and Resettlement Policies, and Resettlement Plan | |
| Fuxin City | Fuxin City Tap Water Company/Village Committee | LPO, Affected Villager Representatives, Land Bureau, as 30 people | Interview and Workshop | 2016.10 | 2016.11 | 2016.11 | APs are supportive to the projects, but should be paid reasonable compensation to land acquisition and demolition |
| Gaizhou City | Gaizhou City Tap Water Company/Village Committee | LPO, Affected Villager Representatives, Land Bureau, as 50 people | Interview Workshop and Questionnaire | 2016.10 - 2017.04 | 2016.11 - 2017.04 | 2016.11 - 2017.04 | |

Table 9-2 Policy Disclosure

| Files | Disclosure Way and Language | Fuxin City | Gaizhou City | Location |
|---------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------|
| | | Date | | |
| Resettlement Plan Report | Chinese, Internet | 2017.3 | 2017.3 | LPO |
| Resettlement Plan Booklet | Chinese, hand out to APs | After Approval by World Bank | After Approval by World Bank | Village Committee/Community |

In the future implementation and operation process, there will be more public participation activities, and the public participation situation for different stage of the project is detailed in the Table 9-3.

Table 9-3 Summary of Public Participation Activities at the Different Stages of the Project

| Stage | Activity | Description | Methods | Participants | Agencies responsible |
|----------------|---------------------------------------|---|---|--|-------------------------------|
| Implementation | Participation in project construction | 1) Coordinating relations among all stakeholders; 2) Establishing criteria for worker selection, including women and the poor; 3) Supervising compensation payment; 4) Participating in project construction | Collection of comments through community committees | Those involved in project construction, including women and the poor, APs, PMOs, IAs | PMOs, IAs, agencies concerned |
| Operation | M&E and grievance redress | 1) Establishing a participatory M&E mechanism, including internal and external monitoring; 2) Establishing an effective grievance redress mechanism | Interview, FGD, questionnaire survey; PMO appeal hotline, mayor hotline; websites of municipal governments; websites of water companies | Agencies concerned Village committees PMOs | PMOs, IAs, agencies concerned |

9.2 Grievances Mechanism

Ensuring that the affected persons' production operations and livelihoods are restored or improved is the primary purpose of resettlement. Therefore, no grievance will arise in most cases if resettlement is conducted after consultation with the displaced persons. However, during project implementation, problems may arise more or less. In order to solve problems timely whenever they arise, so as to ensure that resettlement is implemented successfully, and that the displaced persons have an appeal channel in respect of land acquisition and resettlement, the following grievance redress procedure will be adopted for the Project:

- Phase1: APs can appeal by verbal or paper way to village committee or project demolition implementation agency; if by verbal way, disposal and written record are needed. Village committee or project demolition implementation agency should solve it in 2 weeks;
- Phase 2: If APs are still unsatisfied with the decision of phase 1, they can appeal to city project management office (PMO); PMO should make decision in 2 weeks;

- Phase 3: If APs are still unsatisfied with the decision of phase 2, they can appeal to Liaoning Province Project Management Office (LPO); LPO should make decision in 2 weeks;
- Phase 4: If APs are still unsatisfied with the decision of LPO, they may submit an appeal to Land Resource Bureau/Demolition Office of each city. Or ask the arbitration by the Arbitration Agency, which should make the solution within 2 weeks;
- Phase 5: If APs are still unsatisfied with the arbitration by the Arbitration Agency, they can appeal to the civil court under the Civil Procedure Law.

APs can prosecute any aspect about resettlement including the compensation standard. APs should be informed about their rights pertaining to grievances through meetings, project booklets, operational manual, training, disclosure of the RAP and other ways. Media will be used for propaganda and the advice and suggestions about resettlement will be arranged to inform terms for resettlement organizations at different levels to deal with. To completely record grievances of affected population and results, PMO shall develop affected population grievance and appeal redress registration form. See Annex 6 for sample of resettlement grievance and appeal redress registration form. Appeal and grievance to every agency or organization is free, and the reasonable cost from it will be expended from the contingency cost of project.

Reception Location of Fuxin City: Fuxin City Tap Water Company

Receptionist: Tong Yiran Contact Number: 18641888598

Reception Location of Gaizhou City: Gaizhou City Tap Water Company

Receptionist: Wu Zhensheng Contact Number: 0417-7835702

10 Monitoring and Evaluation Arrangement

To achieve successful implementation of the RAP, land acquisition, demolition and resettlement monitoring and evaluation will be done according to World Bank OP4.12 Involuntary Resettlement and Guiding to Resettlement Monitoring and Evaluation of China Projects Financed by World Bank. Monitoring is divided into two parts: internal monitoring of resettlement organizations and external one. Monitoring and evaluation will begin in June 2017 and end in December 2022, and internal and external monitoring report will be submitted to the World Bank semiannually.

LPO will take charge of internal monitoring and the implementation of which will be responsible by each subproject leading team, project office, land administration bureau and house demolition bureaus to ensure that land acquisition and demolition will be undertaken according to the plan principles and schedules by the implementation agencies. The purpose of internal monitoring is to maintain the good responsibility of the resettlement agencies during implementation.

External independent monitoring and evaluation is the activity that the independent monitoring institute conducts in respect to land acquisition, demolition and resettlement. The scope of external monitoring includes: responsibility for resettlement network; land acquisition and demolition, implementation and compensation of resettlement; demolition and restoration of displaced persons, enterprises and shops, investigation and analysis of living standard of APs. Independent monitoring occurs where the institution, which is independent of resettlement implementation agencies, checks and evaluates all the implementation activities of land acquisition, demolition and resettlement over a long-term and overall view. Independent monitoring institution, by following the project resettlement activity, will evaluate if resettlement undertakes national relevant laws or regulations about land acquisition, demolition and resettlement, if accords with World Bank OP4.12 Involuntary Resettlement; if living standard of displaced persons improves or at least keep the same level of pre-project. Monitoring institution will give suggestions to relevant bureaus about problems found in monitoring and help to solve these problems.

Table 10-1 shows the monitoring and evaluation reporting schedule.

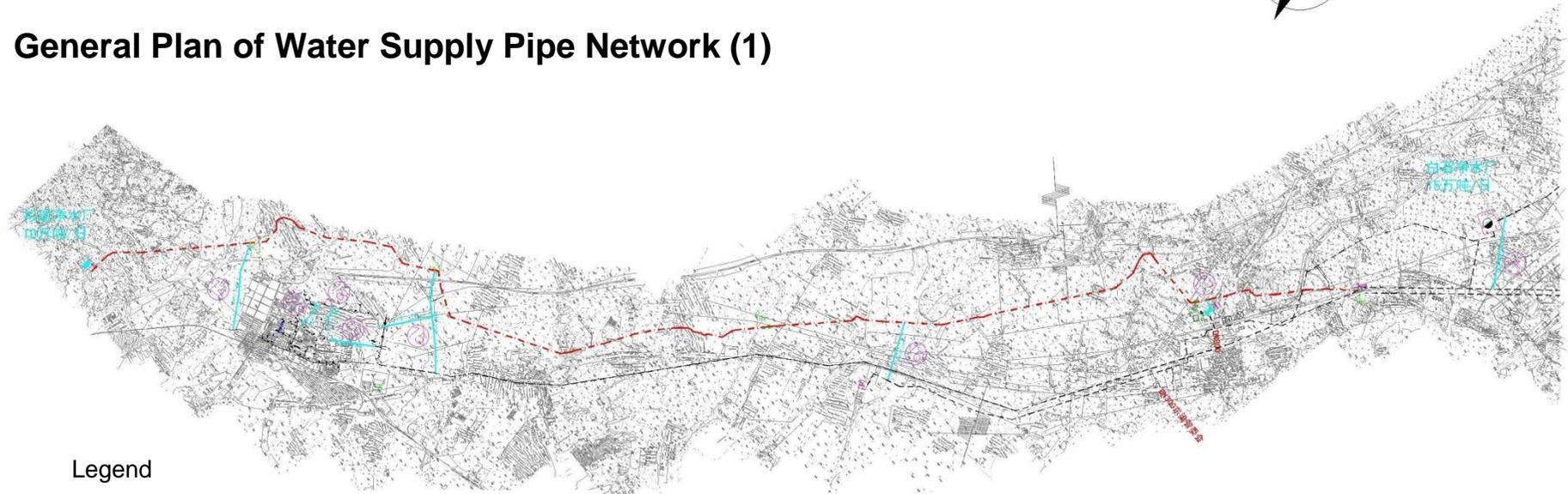
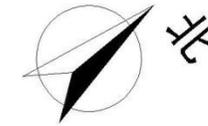
Table 10-1 Monitoring and Evaluation Reporting Schedule

| Project Name | City | Internal Monitoring | | External Monitoring | | |
|--|--------------|---------------------|----------------|---------------------|-------------------|------------------------|
| | | Date | Reporting | Date | Reporting | Post Evaluation Report |
| Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City | Fuxin City | 2017.6 - 2022.12 | Once Quarterly | 2017.6-2022.12 | Once Semiannually | One Time 2022.12 |
| Surface Water Diversion Project (Phase I) in Gaizhou City | Gaizhou City | 2017.6 - 2022.12 | Once Quarterly | 2017.6-2022.12 | Once Semiannually | One Time 2022.12 |

Annex 1 Project Location Map

Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City

General Plan of Water Supply Pipe Network (1)

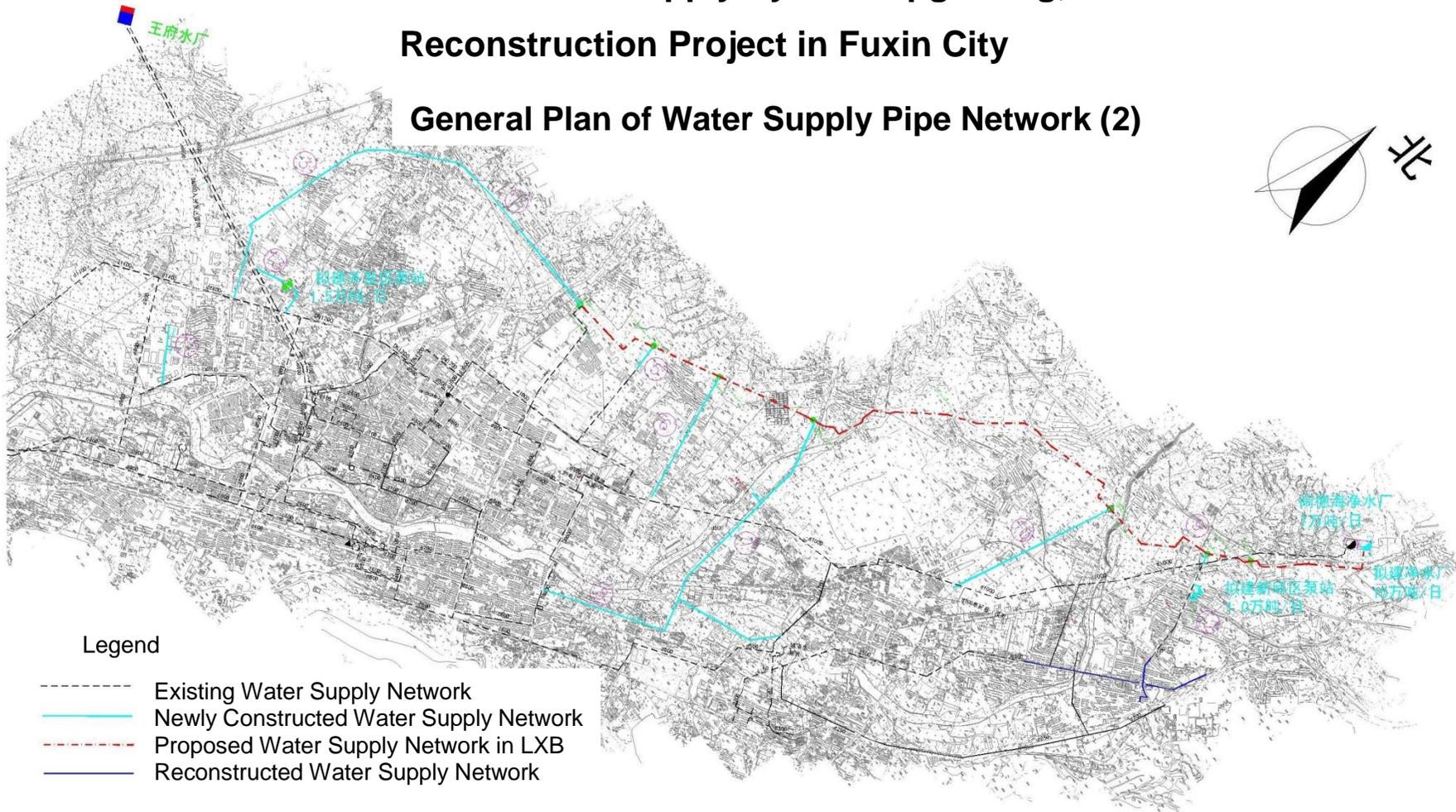
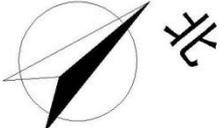


Legend

- Existing Water Supply Network
- Newly Constructed Water Supply Network
- - - - - Proposed Water Supply Network in LXB
- Reconstructed Water Supply Network

Urban Water Supply System Upgrading, Construction and Reconstruction Project in Fuxin City

General Plan of Water Supply Pipe Network (2)



Legend

- Existing Water Supply Network
- Newly Constructed Water Supply Network
- - - - Proposed Water Supply Network in LXB
- Reconstructed Water Supply Network



General Plan of Surface Water Diversion Project (Phase I) in Gaizhou City

Annex 2 External Monitoring Framework

A Objective of Monitoring and Evaluation of Resettlement

According to the requirements of the World Bank Operational Guide OP4.12 "Involuntary Resettlement", the No. 80 technical document "Involuntary Resettlement during Project Development -- Policy Guidelines for World Bank Financed Project", Annex 3 "Technical Guidelines for Monitoring and Evaluation for Involuntary Resettlement" and "Operational Directives for Monitoring and Evaluation of Resettlement for World Bank Financed Project in China", the resettlement process of Liaoning Safe and Sustainable Urban Water Supply Project will be conducted with independent monitoring and evaluation, and the resettlement work of the Project will be conducted with tracking evaluation by inspecting the resettlement process, funds and management of the affected people. The Project will submit the report for World Bank, LPO and the relevant competent Departments every two years, with information and suggestions, for the reference of the decision by each Department. The independent monitoring and evaluation can make World Bank and the competent Departments fully understand the land acquisition and resettlement work is on time and on quality to achieve the required objectives, pointing out where the problem lies, and make recommendations to improve the work.

B Contents of Monitoring and Evaluation of Resettlement

Capacity Evaluation of Resettlement Implementation agencies: working capacity and efficiency of resettlement implementation agency

- Process, compensation standards and payment of resettlement
- Impact analysis of land acquisition, demolition and resettlement
- Tracking survey and evaluation for the income level of the residents affected by land acquisition, demolition and resettlement (sample rate should be no less than 20%)
- Rehabilitation measures of livelihood for APs
- Public participation and negotiation: public participation activities during the preparation and implementation of resettlement plan, and participation effect of public.

Grievances: monitor the registration and solution of resettlement grievances

C External Monitoring Agency

The external monitoring should be carried out by the external monitoring agencies hired by LPO and accepted by World Bank.

D Organization and Work Division of Monitoring and Evaluation for Resettlement

(1) LPO commissioned external monitoring agencies to be responsible for the detailed survey, data collection, and calculation analysis for the monitoring and evaluation, and review the results.

(2) External monitoring agencies constitute the monitoring and evaluation group of " Liaoning Safe and Sustainable Urban Water Supply Project". The mission of which is: under the guidance of World Bank officials, to monitor and evaluate the resettlement of the Project, to be responsible for the preparation of the monitoring and evaluation framework, to set monitoring points, to be responsible for the on-site survey, monitoring and analysis, and to be responsible for the preparation of monitoring and evaluation reports of resettlement.

(3) Project institute will give on-site cooperation to the staffs, transport and other aspects for the monitoring and evaluation group of resettlement during the monitoring and survey works.

E Monitoring and Evaluation Methods of Resettlement

(1) Monitoring and evaluation adopts the method that combined on-site survey, calculation analysis and expert evaluation.

(2) The survey combines the points and the entire areas. The implementation progress, funds, organization and management of resettlement as area conditions should be fully investigated. And the sampling survey should be conducted for the settlers.

(3) The sampling survey adopts classified random sampling, which means the typical households, enterprises and institutions will be sampled and conducted with designated and tracking survey. Sampling rate is no less than 20% of the households affected by land acquisition and resettlement.

(4) The comprehensive survey adopts the forms, discussion, inquiring files and documents and other means.

(5) Except for the text information, pay attention to collect photos, audio, video, physical matters and other information.

F External Monitoring and Evaluation Reports of Resettlement

The external monitoring and evaluation reports should be submitted for LPO and World Bank by the external monitoring agencies semiannually. Before the full completion of the project, the external monitoring agencies should prepare the annual monitoring and evaluation reports every year. The external monitoring agencies should prepare the post monitoring and evaluation reports for the entire project.

Schedule for External Monitoring Reports Submission

| Main Tasks | Fuxin City | Gaizhou City |
|--|----------------|----------------|
| | Schedule | |
| Preparing work plan of external M&E, including: preparing TOR of survey and table, establishing monitoring system, confirming tasks, and confirming monitoring points. | September 2017 | September 2019 |
| Baseline survey | September 2017 | September 2019 |
| Submitting No.1 Monitoring Report | December 2017 | December 2019 |
| Submitting No.2 Monitoring Report | June 2018 | June 2020 |
| Submitting No.3 Monitoring Report | December 2018 | December 2020 |
| Submitting No.4 Monitoring Report | June 2019 | June 2021 |
| Post Evaluation Report | December 2022 | December 2022 |

Annex 3 Reference of Laws and Regulations

(1) Regulations of “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province”

1. The comprehensive land price for the regions under land acquisition standard refers to the summation of the compensation fees and resettlement subsidy fee for acquiring general agricultural land; the other land type should be adjusted according to the following coefficient based on the comprehensive land price standard: constructive land 1.0; unused land 0.8. Any units or individuals are not allowed to change or reduce the land acquisition area comprehensive land price standard without approval.

2. If there are fixtures and young crops on the acquired land, there should be other compensation for the owners. The detailed compensation standard should be prepared by the local government according to the relevant regulations.

3. Acquiring peasant family land according to law, 80% of land acquisition compensation fee is owned by farmers, 20% owned by the collective economic organizations; acquiring the land not contracted or contracted in other ways by the collective economic organizations, land acquisition compensation fee is owned by the collective economic organizations, distributed or used according to the law.

4. If the construction or geological survey needs to use collective or state-owned lands temporarily, the compensation standard accounts for 15% of the comprehensive land price every year.

(2) Regulations of “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office of the People’s Government of Fuxin City”

Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City

| County District | Adjustment Results | | |
|------------------|--------------------|---------------------|---|
| | Category | Land Price (CNY/mu) | County, Town, Street Office, Village |
| Fumeng County | I | 50000 | Urban Area Street Office: Dongguan Village and Xiguan Village |
| | II | 35000 | Fuxin Town, Wangfu Town, Dongliang Town, Wuhuanchi Town, Jianshe Town, Paozi Town, Shijiazhi Town, Shiwujiazhi Town, Yusi Town, Fuosi Town, Jiumiao Town, Paozi Farm, Yimatu Town, Fuxingdi Town, Shala Town, Daba Town, Daguben Town |
| | III | 30000 | Xinmin Town, Daban Town, Pingandi Town, Furong Town, Taiping Town, Huashige Town, Zidutai Town, Qijiazhi Town, Bajiazhi Town, Zhaosugou Town, Zhizhushan Town, Hongmaozhi Town, Zhalanyingzi Town, Laohetu Town, Hadahushao Town, Tayingzi Town, Cangtu County, Wofenggou County, Guohua County |
| Xihe District | I | 58000 | Huadong Street Office: Bajiazhi Committee and Huadong Committee Sihhe Town: Liujiazi Committee, Jiuyingzi Village, GONGjiawazi Village, Dongwazi Village, Hedong Village, Hexi Village, Huangjiagou Village, Lalatun Village, Jianbalahuang Village, Xiawazi Village, Xindi Village |
| | II | 50000 | Sihhe Town: Taipinggou Village |
| Taiping District | I | 58000 | Shuiquan Town: Hubuyingzi Village |
| | II | 45000 | Shuiquan Town: Changhada Village, Dongshuiquan Village, Shuiquan Village, Gaodeyingzi Village, Qianyingzi Village, Dabagou Village, Tazigou Village, Nataiyingzi Village, Wujiazhi Village, Xisan Village |
| Xinqiu District | I | 52000 | Changyingzi Town: Changyingzi Village, Ajindai Village, Shengli Village, Jinjiawazi Village |
| | II | 45000 | Changyingzi Town: Zhaojiagou Village, Qijiazhi Village, Daganggang Village, Dongwujiazhi Village, Taitougao Village |

| County District | Adjustment Results | | |
|---------------------|--------------------|---------------------|--|
| | Category | Land Price (CNY/mu) | County, Town, Street Office, Village |
| Qinghemmen District | I | 52000 | Hexi Town: Qincaigou Village Wulongba Town: Wujiayao Village |
| | II | 45000 | Xinbei Street Office: Beiyuanzi Community Hexi Town: Xingjiatun Village, Liutai Village, Hexi Village, Houyao Village, Nanjie Village, Dongpuzi Village, Sandaohao Village Wulongba Town: Kaobiantun Village, Pucaopao Village, Xihepu Village, Laoyemiao Village, Guanjiatun Village, Zhujiatun Village, Lingdong Village |

(3) Regulations of “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Yingkou City Issued by the People’s Government of Yingkou City”

Comprehensive Land Price for the Regions under Land Acquisition in Yingkou City

| County District | Adjustment Results | | |
|-----------------|--------------------|---------------------|---|
| | Category | Land Price (CNY/mu) | County, Town, Street Office, Village |
| Gaizhou City | I | 45000 | Gulou Street Office, Xicheng Street Office (Shanshang Village, Dongzhan Village, Shanxi Village, Yongan Village, Xingyuan Village, Zizhi Village, Xiaohonghuayu Village) |
| | II | 35000 | Tuanshan Street Office, Xihai Street Office, Shagang Town, Taiyangsheng Street Office (shagou Village, Shaotun Village, Guangrong Village, Henan Village), Dongcheng Street Office (Xinhua Village, Nongmin Village, Luxi Village, Ludong Village, Fanrong Village), Guizhou Street Office, Jiulongdi Street Office |

| | | | |
|--|-----|-------|---|
| | III | 30000 | Dongcheng Street Office (Xiangou Village, Mentun Village, Hongqiyuan Village, Zhanglangzhai Village, Hutun Village, Liutun Village, Beishanzu Village, Songshudi Village, Gutaizi Village, Dabaling Village, Baiguo Village, Hudoumayu Village, Honghuayu Village, Mamai Village, Lanhaizaotian), Xicheng Street Office (Tuandianyuan Village, Yishanyuan Village), Taiyangsheng Street Office (Hetun Village, Huayuantuo Village, Guoyuan Village, Shanghezhai Village, Xinmin Village, Laoyemiao Village, Zhangdazhai Village, Huangtunzi Village, Yanyu Village, Huangdazhai Village, Kezhai Village), Guoyuan County, Chentun Town, Ertai County, Jiuzhai Town, Nuanquan Town, Qingshiling Town, Shuangtai Town, Yuandian Town, Bangshipu Town, Yangyun Town, Xutun Town, Gaotun Town, Wolongquan Town, Liangtun Town, Xiaoshipeng County, Kuangdonggou Town, Shizijie Town, Wanfu Town |
|--|-----|-------|---|

Annex 4 Resettlement Policy Framework

China: Liaoning Safe and Sustainable Urban Water Supply Project

I. Project Overview and Components

1. To further implement the spirit of the State Council document No. 28, and accelerate the overall revitalization of Northeast Old Industrial Base, Liaoning Provincial Government, for the development of smart city and intelligent water fair, the improvement of water supply security, the promotion of energy conservation, and sustainable development of socio-economy, proposed to utilize 250 million U.S. dollars from World Bank to support Liaoning Safe and Sustainable Urban Water Supply Project.

2. Liaoning Safe and Sustainable Urban Water Supply Project involves 5 cities as Shenyang City, Anshan City, Fushun City, Fuxin City and Gaizhou City, and the detailed construction contents are following:

Shenyang: (1) Newly construct, update and reconstruct primary water supply pipe network 125.805km.

(2) Reconstruct secondary water supply pipe network 109.27km, and reconstruct 99 secondary pressurization pump stations

(3) Construction on the Shenyang Urban Water Supply Intelligent Operation System based on GIS platform

Anshan: (1) Reconstruction of Tanghe water source pump station, and raise standard and reconstruction of Wangjiayu Water Purification Plant

(2) Intelligent water fair construction project

(3) Reconstruction of valves and old pipe network as 38.76km

(4) Reconstruction of 80 secondary water supply pump stations

(5) Reconstruction of pipes in abandoned buildings and yards

Fushun: (1) Reconstruction of water distribution pipe networks, totally 710.679km, of which, there are 57.732km of municipal networks and 652.947km of community networks

(2) Reconstruction of 70 pump stations and water quality inspection

(3) Intelligent water fair construction project

Fuxin: (1) Newly construct and reconstruct 49.35km of pipe networks, of which, there are 29.51km newly constructed and 19.84km reconstructed; newly construct 2 secondary pressurization pump stations

(2) Reconstruction of water supply facilities in old residence community Phase II (not implemented parts)

(3) Water quality inspection equipments and intelligent water fair infrastructures project

(4) Water plant reconstruction project (Naodehai Water Plant)

Gaizhou: (1) Newly construct 12km of water distribution pipes with diameter of DN1000

(2) Reconstruct the existing water plant, 236km of secondary pipe networks in communities, and 74km of pipes in the buildings

(3) Reconstruct secondary pressurization pump stations in 14 communities

(4) Reconstruct intelligent pipe network, and replace intelligent water meters for 32050HHs

3. There are 5 components in Liaoning Safe and Sustainable Urban Water Supply Project, of which, there are 3 components in Shenyang City, Anshan City and Fushun City, have obtained state-owned lands available for use; the component in Fuxin City involves permanent land acquisition of collective lands as 3.024mu, which will affect 0 people of 0 HHs from 1 village, 1 town and 1 county.

4. Resettlement Policy Framework and corresponding principles and policies of the Project have been prepared in accordance with the World Bank policy on "Involuntary Resettlement" (OP4.12) to guide the potential resettlement activities of each component in the future.

II. Objectives of Resettlement, Definitions and Key Principles

In a project funded by the World Bank, the borrower should take all necessary measures to mitigate the project's negative social impacts, including those

arising from land acquisition. The provisions on involuntary resettlement in the World Bank's Operational Policy OP4.12 provide guidance on necessary policy objectives and principles, and apply to project impacts related to land acquisition and resettlement.

All reasonable measures should be taken to avoid or minimize land acquisition and all negative impacts related to resettlement. The purpose of this RPF is to ensure that properties and other losses of those affected by the Project (as defined below) are compensated for at replacement cost (as defined below), and appropriate assistance and restoration measures are offered so that they have sufficient opportunities to improve or at least restore their income and standard of living.

"Affected persons" refer to a group of persons affected in any of the following ways:

(1) their standard of living is adversely affected; (2) their houses, land (including housing land, farmland and grassland), and other fixed and non-fixed assets are adversely affected, or their land is occupied temporarily or permanently; (3) they have the right to use, either temporarily or permanently, productive resources that are adversely affected; or (4) their business, occupations, and working or living areas are adversely affected.

"Replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, paragraph 6.

"Land acquisition" means the involuntary loss of the ownership to, use right to or access to land of anyone due to the implementation of a project. Land acquisition may lead to a series of relevant impacts, including loss of housing and other fixed assets (enclosing walls, wells, tombs or other structures or facilities attached to such land).

“Resettlement” means the process of providing sufficient opportunities to affected persons to restore productivity, income and standard of living. Compensation for assets is usually insufficient to realize full restoration.

“Cut-off date” is a date of delimitation before which the affected population identified based on title or use right is entitled to compensation or any other form of resettlement assistance. The cut-off date is specified in the RAP, usually consistent with the date of census of the affected population or the date of announcement issued by local authorities (usually the resettlement office of local government of project localities in China). Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

The World Bank’s Operational Policy OP4.12 provides key guidelines for the RAP and its implementation, and the principles related to this RPF are as follows:

(1) In any case, the project design and the RAP should be prepared with a view to improving development opportunities for the displaced persons, so that the displaced persons fully benefit from the implementation of project activities, services, and the construction of relevant facilities.

(2) All displaced persons should be entitled to compensation for lost assets or equivalent assistance in lieu of compensation; anyone who has no legal title to lost assets should not be excluded from compensation.

(3) The compensation Standards in the RAP should be based on compensation to all collectives or individuals suffering asset losses, and the amount of compensation should never be discounted or reduced on the ground of depreciation or otherwise.

(4) In case of acquisition of arable land, the first option is to reallocate co-owned land. If income on arable land accounts for a small part of a displaced person’s income, cash compensation or job placement may be taken as an alternative at the discretion of such displaced person.

(5) The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation payable for the corresponding asset lost.

(6) The transition period should be minimized, and compensation for lost assets should be paid before residents are affected so that they can build new housing, relocate or replace fixed assets, and take measures to mitigate resettlement impacts before the beginning of resettlement. A certain level of transition assistance should be provided to residents who fail to obtain replacement housing until replacement housing is available.

(7) The RAP should be developed in consultation with the displaced persons, and incorporate their requests and suggestions. The RAP should be disclosed to the displaced persons in an understandable manner.

(8) In host communities, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons.

(9) The borrower should provide all costs for land acquisition and resettlement, and meet financial and material demand adequately during resettlement and restoration.

(10) The RAP should include appropriate institutional arrangements so as to design, plan and implement resettlement and restoration measures timely and effectively. It should be submitted to the World Bank team and PMO for review and no objection before it can be implemented.

(11) Effective internal and external monitoring mechanisms should be established to monitor the implementation of resettlement measures.

(12) A necessary appeal channel should be established and the appeal procedure disclosed to the displaced persons.

III. Legal and Policy Framework for Resettlement

The primary purpose of this RPF is to ensure that the RAP and its implementation comply with the World Bank’s Operational Policy OP4.12. In addition, all land acquisition and resettlement activities under the Project should observe a series of state laws and regulations. The detailed RPF is as follows:

18. The key laws, regulations and ordinances of the PRC and World Bank used to prepare this RP and ensure its legal validity are as follows:

| | Policy File | Effective Time |
|--------|--|----------------------------|
| Nation | “Land Administration Law of the People's Republic of China” | Revised in August 28, 2004 |
| | “Regulations for the Implementation of the Land Administration Law of the People's Republic of China” | Revised in July 29, 2014 |
| | "Property Laws of the People's Republic of China" (P.R.C Chairman Order No.62) | October 1, 2007 |
| | "Ordinance of Acquisition and Compensation for the Houses on State-owned Land" (State Council Decree No.590) | January 21, 2011 |

| | Policy File | Effective Time |
|-------------------|---|-------------------|
| | Notice on Publishing “Acquisition and Evaluation Method for the Houses on State-owned Land” (CB [2011] No.77) | June 3, 2011 |
| Liaoning Province | “Liaoning Provincial Implementation Regulations of ‘Land Administration Law of the People’s Republic of China’ in Liaoning Province” | January 9, 2014 |
| | “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province” (LNR [2015] No.339) | January 1, 2016 |
| | “Implementation Measures of Farmland Occupation Tax in Liaoning Province” (LPPG Order No.249 January 15, 2011) | February 20, 2011 |
| | “Notice on the Collection of Farmland Reclamation Fee, Land Reclamation Fee and Farmland Idle Fee Issued by the People’s Government of Liaoning Province” (LPG [2000] No.48) | December 11, 2000 |
| Shenyang City | “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Shenyang City Issued by the People’s Government of Shenyang City” (SG [2015] No.65). | January 1, 2016 |
| Anshan City | “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Anshan City Issued by the People’s Government of Anshan City” (AG [2015] No.46). | January 1, 2016 |
| Fushun City | “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fushun City Issued by the Office of the People’s Government of Fushun City” (FGO [2015] No.64). | January 1, 2016 |
| Fuxin City | “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office of the People’s Government of Fuxin City” (FGO [2015] No.130). | January 1, 2016 |
| Yingkou City | “Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Yingkou City Issued by the People’s Government of Yingkou City” (YG [2015] No.217) | January 1, 2016 |
| World Bank | Operational Policies OP4.12 “Involuntary Resettlement” and its Annex | April 1, 2013 |
| | Operational Procedures BP4.12 “Involuntary Resettlement” and its Annex | April 1, 2013 |

The above laws, regulations and policies constitute the legal basis and policy framework for providing compensation, and production and livelihood restoration measures to those affected by land acquisition and resettlement. The key provisions of some laws and policies are as follows:

Key provisions of the Property Law of the PRC:

Article 42 In order to meet the demands of public interests, it is allowed to acquire lands owned collectively, premises owned by entities and individuals or other realties according to the statutory power limit and procedures.

When acquiring land owned collectively, it is required to, in accordance with law and in full amount, pay land compensation fees, placement subsidies, compensations for the above-ground fixtures of the lands and seedlings and other fees, arrange for social security fees for the farmers with land acquired, guarantee their livelihood and protect their lawful rights and interests.

When acquiring the premises owned by entities and individuals or other realties, it is required to compensate for demolition and acquisition in accordance with law and protect the lawful rights and interests of the owners of the acquired realties; when acquiring the individuals' residential houses, it is required to guarantee the housing conditions of the owners of the acquired houses.

Article 43 Special protections are provided by the state for farm lands, the conversion of farm lands into construction lands is strictly restricted and the aggregate quantity of construction lands is under control. No one may acquire any land owned collectively with violation of the statutory power limit and procedures.

Key provisions of the Land Administration Law:

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

Compensation fees for land acquired include land compensation fees, resettlement 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. But 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.

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

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

Users who use the land temporarily should use the land according to the purposes agreed upon in the contract for the temporary use of land and should not build permanent structures. The term for the temporary use of land shall not usually exceed two years.

Key provisions of the Regulations on the Acquisition of Premises on State-owned Land and Compensation:

Article 17 The compensation to be paid by the city and county people's governments that have made the decisions on house acquisition to the persons whose houses are to be acquired shall include:

- (1) The compensation for the value of the houses to be acquired;
- (2) The compensation for relocation and temporary resettlement arising from the house acquisition; and
- (3) The compensation for losses arising from production and business suspension caused by the house acquisition.

City and county people's governments shall formulate the procedures for subsidies and incentives, and grant subsidies and incentives to the persons whose houses are to be acquired.

Article 19 The compensation for the value of houses to be acquired shall not be less than the market price of the real estate comparable to the houses to be acquired on the date of the public notice of the house acquisition decisions. The value of the houses to be acquired shall be assessed and determined by real estate appraisal agencies with appropriate qualifications in accordance with the procedures for evaluating houses to be acquired.

Anyone who has objection to the value of the houses to be acquisition that has been assessed and determined may apply to the real estate appraisal agency for reassessment. Anyone who disagrees with the results of the review may apply to the real estate appraisal expert committee for appraisal.

Article 20 Real estate appraisal agencies shall be selected by the persons whose houses are to be acquisition through consultation. If consultations fail, the same shall be determined by majority decision, random selection and other methods. The specific procedures shall be formulated by the authorities of provinces, autonomous regions and municipalities directly under the central government.

Article 21 The persons whose houses are to be acquisition may choose monetary compensation or house property rights exchange.

If the persons whose houses are to be acquisition select house property rights exchange, city and county people's governments shall provide the houses to be used for property rights exchange, and, jointly with the persons whose houses are to be acquisition, calculate and settle the price difference between the values of the houses to be acquisition and the values of the houses to be used for property rights exchange.

Article 22 If any relocation is caused by house acquisition, the house acquisition department shall pay relocation costs to the persons whose houses are to be acquisition. If any persons choose house property rights exchange, the house acquisition department shall, prior to the delivery of the houses to be used for property rights exchange, pay temporary resettlement costs or provide transitional houses to the persons whose houses are to be acquisition.

Article 23 The compensation for any losses arising from production and business suspension caused by house acquisition shall be determined according to profits, duration of production and business suspension and other factors prior to the house acquisition.

Article 25 The House Acquisition Departments and the persons whose houses are to be acquisition shall, pursuant to these Regulations, enter into compensation agreements with respect the compensation method, the compensation amount and payment terms, the location and area of the houses to be used for property rights exchange, relocation costs, temporary resettlement costs or transitional houses, losses arising from production or

business suspension, period of relocation, methods and periods of transition and other matters.

If, after any compensation agreement is entered into, one party fails to perform its obligations set forth in the compensation agreement, the other party may file an action according to law.

Article 26 If any House Acquisition Departments and any persons whose houses are acquisition fail to enter into compensation agreements within the time limit for contract execution specified in the acquisition compensation program, or the owners of the houses to be acquisition are uncertain, the House Acquisition Departments shall request the city and county people's governments that have made the decisions on house acquisition to make decisions on compensation in accordance with the acquisition compensation program and publish the same to the public in the areas of house acquisition pursuant to these Regulations.

If any person whose house is to be acquisition has objection to the compensation decision, such person may apply for administrative reconsideration or file an administrative lawsuit according to law.

Article 27 In carrying out house acquisition, compensation shall be paid first before relocation.

Article 28 If the persons whose houses are acquisition fail to apply for administrative reconsideration or institute administrative proceedings within the statutory time limit, and fail to relocate within the period set forth in the compensation decision, the city and county people's governments that have made the decisions on house acquisition shall petition the people's court for enforcement.

Key provisions of the Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration:

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

farmers affected by land acquisition, local people's governments may pay a subsidy from the income from compensated use of state land. The people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall fix and publish the uniform annual output value standards or integrated land prices for land acquisition of all cities and counties, so that the same price applies to the same kind of land. For key construction projects of the state, land acquisition expenses must be listed in the budgetary estimate in full. Compensation Standards and resettlement measures for large and medium-sized water resources and hydro-power projects shall be otherwise stipulated by the State Council.

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

Key provisions of the Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (Document No.238):

1. Fixation of uniform AOV Standards: The province-level land and resources department shall fix minimum uniform AOV Standards for arable land of each county (city) within the province together with other departments concerned, and report to the provincial government for approval and implementation. Uniform AOV Standards may be fixed in consideration of land type, quality and grade, farmer investment, farm product price, etc.

2. Fixation of uniform annual output value multiples. The uniform multiple of annual output value for land compensation fees and resettlement subsidy shall be fixed within the statutory range so that land-expropriated farmers' standard of living is not reduced; if compensation fees for land acquisition calculated from the statutory uniform multiple of annual output value are insufficient for land-expropriated farmers to maintain their former standard of living or insufficient to cover their social security costs, the multiple shall be increased appropriately with the approval of the province-level people's government; if an aggregate multiple of 30 for land compensation fees and resettlement subsidy is still insufficient for land-expropriated farmers to maintain their former standard of living, the local people's government shall allocate a certain

proportion from the income from the compensated use of state-owned land for subsidization. For basic farmland occupied with lawful approval, the highest compensation rate announced by the local people's government shall apply.

3. Fixation of composite land prices for land acquisition areas. Where conditions permit, the province-level land and resources authority may fix composite land prices for land acquisition for different counties and cities in the province together with other competent authorities, and report such prices to the province-level people's government for approval, disclosure and implementation. Such prices shall be fixed in consideration of land type, output value, geographic location, farmland rating, per capita arable area, land supply-demand relationship, local economic level and minimum living security level of urban residents, etc.

4. Distribution of land compensation fees: Since land compensation fees are used mainly on households affected by land acquisition, land compensation fees shall be distributed within rural collective economic organizations reasonably. The detailed distribution measures shall be formulated by the provincial government. If all land of a village is acquired and the rural collective economic organization is cancelled, all land compensation fees shall be used for the production and livelihood resettlement of land-expropriated farmers.

Article 19 If people whose land was acquisitioned, who are eligible and voluntary to choose affordable housing, they should submit written applications to the House Acquisition Department, and the House Acquisition Department shall timely submit the written applications to the House Management Department at the same level. The House Management Department should carry out verification and validation of the priority applicants confirmed by the House Acquisition Department and then deal with relevant formalities.

Article 20 People who enjoy priority of resettlement housing can firstly get monetary compensation before house resettlement. Property right replacement is also available.

Article 21 If resettlement housing adopts equity swap, the compensation area should be indicated in the note column of the House Ownership Certificate when the property is dealt with. And its original property attributes will also be kept.

Gap analysis on involuntary resettlement policies between the World Bank OP 4.12 and Chinese domestic requirements

In principle, there is no big gap on involuntary resettlement requirement between the World Bank OP 4.12 and Chinese domestic policies.

Generally speaking, World Bank OP4.12 is consistent with land acquisition and resettlement policies and regulations of China in terms of goal and general

procedures. Both focus on avoiding or minimizing involuntary resettlement, ensure long-term livelihoods for displaced persons and restore their living standard to that prior to involuntary resettlement. Both demand for not only compensation also rehabilitation, supervision and evaluation during implementation of involuntary resettlement. There are some gaps on specific areas which include the following:

(i) Linkage coverage of involuntary resettlement impact scope. World Bank includes the scope of lending project and its linkage project in addressing involuntary resettlement. While the Chinese land acquisition and resettlement regulation does not have requirements for a project to cover its linkage project.

(ii) Compensation of legal and illegal structures and squatters. In general, only the affected legal structures and displaced person can be compensated under Chinese regulations. In contrast, under the World Bank requirements, whether the affected structure or displaced person (such as squatter) is legally recognized, should be compensated or receive other necessary resettlement assistance as appropriate.

(iii) In terms of compensation standard, the World Bank OP4.12 policy requires for compensation at full replacement cost or direct replacement of asset with assets for affected housing property and other assets. However, the World Bank also stipulates that if resettlement cost cannot be fully covered in accordance with the country domestic regulation, other necessary measures should be taken to reach level of full replacement cost. This policy does not allow depreciation of asset value and often leads to a higher compensation standards in its lending project than domestic projects.

(iv) Public Participation. The requirements for participation and consultation of the Chinese government policies and regulations are very general. No Chinese government policies or regulations requires for the participation of affected people in resettlement planning, except in hydropower projects. In contrast, the Bank policy has very clear and specific requirements for information disclosure as a policy, and public people's participation (esp. those affected people) in project design, resettlement planning, implementation, and monitoring and evaluation as well as grievance mechanisms. The Bank encourage project owner to prepare resettlement information leaflets and distribute them to the public, particularly the affected people.

How to fill the gap on involuntary resettlement policies between the World Bank OP 4.12 and Chinese domestic requirements?

Overall the entitlement matrix of this framework has provided general measures to fill the gap between OP/BP 4.12 and the national policies and laws and will apply to all components of the Project.

(i) Continual identification of linkage activities will be carried out. Once it is confirmed that there is any involuntary resettlement under linkage projects during project implementation, This RPF will be also followed for mitigation measures to handle properly the involuntary resettlement.

(ii) It has been agreed that under the project whether the affected structure or displaced person (such as squatter) is legally recognized, the affected property will be compensated at full replacement cost, including other necessary resettlement assistance as appropriate.

(iii) It is confirmed when compensation is needed for the affected persons who will benefit from the Bank's project, other necessary measures should be taken to reach level of full replacement cost if resettlement cost cannot be fully covered in accordance with the Chinese domestic regulation.

(iv) The project will continue to promote public participation through various measures of community organization development, local residents' engagement, grievance and complaint handling mechanism. These include incubating support to community organizations, capacity building for community and local residents, wide and adequate dissemination of project relevant information and reflecting local people's views and suggestions in project activity planning and implementation.

The above gap filling measures will be reflected in all components of the project as appropriate.

IV. Preparation and Approval of the Resettlement Action Plan

The borrower should prepare and implement the RAP (including meeting all funds needed for involuntary resettlement). However, many aspects of land acquisition and resettlement are implemented by the project county level land administration departments. The borrower will coordinate project activities through the project management institution to ensure that an effective RAP is prepared and implemented. The RAP should be combined with local construction, resources exploitation, economic development and environmental protection, and fully embody the sustainability of local economic development and the development of the displaced persons. A feasible RAP should be prepared in consideration of the local natural and socioeconomic conditions in order to restore the production level and standard of living of the displaced persons effectively, and maintain sustainability.

Once it is determined that land acquisition is unavoidable in project implementation, it is necessary to conduct involuntary resettlement, and determine the amount of land acquisition and resettlement impacts. At this point, relevant resettlement report documents, such as the RAP, the Abbreviated Resettlement Action Plan (ARAP) and the Due Diligence Report on Resettlement, should be prepared and submitted to the World Bank. Only

when these report documents have been reviewed with no objection by the World Bank can the PMO and the project implementing agencies begin to implement land acquisition, property demolition and resettlement activities.

The RAP should estimate a transition period according to the time possibly required for restoring livelihoods and the standard of living, and ensure that displaced persons can receive assistance during the transition period. The borrower identifies and enumerates the persons to be acquired of land or displaced in the project through a census, determines which persons are entitled to assistance and prevents the influx of those without such entitlement; the borrower determines the scope and extent of potential impacts in the project area through a socio-economic survey. The census must cover all persons directly affected, and the socioeconomic survey may be conducted on a sampling basis. If the census and the socioeconomic survey are conducted concurrently or separately depends on if a full RAP or an Abbreviated RAP (see Annex A to OP 4.12) is prepared. If over 200 persons are affected, a full RAP should be prepared. If the whole displaced population is affected slightly, or less than 200 persons are affected, an ARAP may be sufficient. If the affected persons do not have to be displaced, and the loss of means of production is less than 10%, the project is deemed to have a “slight impact”.

If an RAP has to be prepared, it should be prepared in accordance with the policy principles, programs and implementation arrangements in this RPF. The RAP should be based on accurate census and socioeconomic survey results, and incorporate measures to mitigate negative impacts arising from resettlement (e.g., compensation for assets, assistance during the transition period, and assistance for economic restoration). To ensure that necessary resettlement measures will not displace or restrict the use of resources and assets before implementation, resettlement activities should be implemented in conjunction with the investment plan of the project. For different types of negative impacts, the RAP should pay special attention to the following:

- (1) Description of activities resulting in land acquisition;
- (2) Scope and extent of potentially negative impacts;
- (3) Baseline results of socioeconomic survey and census;
- (4) Review of laws and regulations on land acquisition and resettlement;
- (5) Compensation Standards for all types of affected assets (or other options);
- (6) Other necessary resettlement measures to provide economic restoration opportunities to the displaced persons;
- (7) Acceptable Standards of compensation and other assistance;

- (8) Replacement arrangements, including assistance measures during the transition period if necessary;
- (9) Selection or preparation of resettlement site if necessary;
- (10) Restoration or replacement of community infrastructure and services;
- (11) Organizational arrangements for implementation;
- (12) Consultation and information disclosure arrangements;
- (13) Resettlement implementation schedule;
- (14) Costs and budget;
- (15) Monitoring and evaluation (M&E) arrangements;
- (16) Grievance redress procedure;
- (17) Summary entitlement matrix.

The RAPs should be prepared and submitted to the Bank for review and no objection at least 3 months before the starting date of resettlement. Only after the Bank has accepted the RAPs can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil works.

If an RAP has to be prepared, it should be prepared in accordance with the policy principles, programs and implementation arrangements in this RPF. It should at least include the following:

- (1) Census and appraisal of affected assets;
- (2) Description of compensation and other assistance measures to be provided;
- (3) Acceptable compensation Standards;
- (4) Consultation and information disclosure arrangements;
- (5) Organizational arrangements for implementation;
- (6) Schedule and budget;
- (7) M&E arrangements;

(8) Grievance redress procedure.

The ARAPs should be prepared and submitted to the World Bank for review and no objection at least 3 months before the starting date of resettlement. Only after the Bank has accepted the ARAPs can compensation, resettlement and restoration activities begin. Such activities should be completed before the commencement of civil engineering.

V. Entitlements to Compensation and Resettlement

The compensation standard for land requisitioned by the project shall follow “all regions should establish dynamic adjustment mechanism for land acquisition compensation standard and adjust land acquisition compensation standard every 2 to 3 years in accordance with economic development level and increase of local per capita income to gradually improve land acquisition compensation level” prescribed in Notice of the Ministry of Land and Resources on further Improve Land Acquisition Management (2010.6.26).

The purpose of preparing the RAP is to ensure that the APs have sufficient opportunities to replace their lost assets, and improve or at least restore their income level and living standard. To realize this purpose, all APs should be identified, and it should be ensured that all APs think the remedies defined in the RAPs are rational.

(1) APs losing farmland will be entitled to the following compensation and restoration measures:

➤ Village committee shall relocate remaining collective arable land after land acquisition or collective land of the village among all collective members. In this case, land should be fully requisitioned if partial acquisition of land lead to unsafety or function loss of houses or buildings. All displaced person are entitled to participate in relocation of land and benefit from collective land compensation investment projects.

➤ In accordance with Land Administration Law and related laws, displaced person who lose arable land must be identified where land cannot be relocated. In some cases, paid job opportunities might be provided to them and the salary at least match the income the loss. In some other cases, displaced person shall get resettlement subsidy which is at least 4 to 6 times average annual output value of their land over the past three years prior to land requisition. If displaced person still cannot be fully restored to the living standard prior to the land acquisition, resettlement subsidy can be increased to 15 times of the average annual output value of their land over the past three years prior to land requisition.

➤ If land compensation and resettlement subsidy still cannot recover living standards of the displaced person, related municipal and county government

can provide subsidy using income from the use of state-owned land;

➤ Land compensation and resettlement subsidy paid to land affected village committee or displaced person are to 1) increase arable land area if the land can be used this way; 2) develop non-agricultural income based on current livelihoods activities. Like fixed assets, affected green crops, fruits and cash tree and crops shall be compensated at replacement cost.

➤ The project shall compensate for loss of income, green crops and land recovery fees and damaged infrastructure of displaced person affected by temporary land acquisition of the project.

➤ If displaced person who lose land meets conditions of participating in social security for landless farmers, the displaced person should be timely included into social security system for landless farmers in accordance with related policies of project counties.

➤ Provide timely and reasonable skill training for displaced person to improve agricultural/non-agricultural skills of displaced person and enhance their capacity in generating income.

➤ Provide job opportunities for displaced person, including government public jobs, job opportunities provided by project organizations, jobs in industrial parks, etc. Priority should be given to local labors in choosing non-technical job opportunities to create income generation opportunities for displaced person.

(2) Demolished houses and ground attachments will be compensated, and the following restoration measures will be taken as applicable and appropriate:

➤ Supply of resettlement housing of equal value;

➤ Compensation at full replacement cost;

➤ Reconstruction or restoration of all affected infrastructure and services. Infrastructure (e.g., water resources, road, sewage system or power supply) and public services (e.g., school, clinic or community center) should be restored or replaced for free for any affected community. In new resettlement sites, infrastructure and public services are provided as necessary to improve or maintain accessibility and levels of service for the displaced persons. Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of the displaced persons and any host communities are preserved and the displaced persons' preferences with respect to relocating in preexisting communities and groups are honored;

➤ The subsidy during the transition period should ensure that all assets are

relocated or temporary housing is available.

(3) Vulnerable groups

Vulnerable groups involved in the Project include the elderly, the disabled and woman-headed households, should be identified and consulted in the census.

The compensation and resettlement terms for all affected persons apply to these groups. In addition, vulnerable groups will receive extra assistance to ensure that their income and livelihoods are restored or improved as a result of project implementation.

(4) Ethnic minorities

Although the project will not have IP presence by the Bank definition according to the social assessment. Just in case any ethnic minority people by the Chinese definition are affected by the project, special measures should be taken. Resettlement of ethnic minorities is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the borrower should explore all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups that are compatible with their cultural preferences and are prepared in consultation with them. Project PIUs should ensure ethnic minority' participation in consultation and that communicate in ethnic minority language or plain language as needed, to improve social equity and inclusion awareness of PMO and related township planning and management staff, to strengthen social inclusion of the project. In the meantime, PMO should closely follow the RAP for affected ethnic minority people in compensation and livelihood restoration.

The RAPs prepared should include an entitlement matrix for the APs. See **Annex 5**.

VI. Implementation Procedures

The RAP should include all detailed implementation schedules. Compensation payment and other necessary restoration measures (in cash or otherwise) must be completed before land acquisition. If full compensation is not paid or necessary assistance measures are not available before land acquisition, a transition subsidy should be provided. In addition, the following basic legal procedures should be followed during land acquisition, property demolition and resettlement.

1. General procedures of land acquisition and property demolition on collective land

Article 20 of the Regulations on the Implementation of the Land Administration Law of the PRC stipulates that land acquisition for the purpose of urban planning within the range of urban land for construction specified in the master plan for land utilization shall be carried out as follows:

(1) The municipal or county people's government shall draft farmland conversion programs, arable land replenishment programs and land acquisition programs according to the annual land utilization plan, and submit them to competent people's governments level by level in batches.

(2) The competent department for land administration of a competent people's government shall examine farmland conversion programs, arable land replenishment programs and land acquisition programs, give opinions, and submit them to the competent people's government for approval; an arable land replenishment program shall be approved by the people's government approving the corresponding farmland conversion program together with such farmland conversion program.

(3) Approved farmland conversion programs, arable land replenishment programs and land acquisition program shall be implemented by the municipal or county people's government, and land shall be provided for specific construction projects.

Article 25 Municipal, county people's government of the locality whose land has been acquired shall, upon approval of the land acquisition plan according to law, organize its implementation, and make an announcement in the village (township), hamlet whose land has been acquired on the approval organ of the land acquisition, number of the approval document, use, scope and area of the acquired land as well as the Standards for compensation of land acquisition, measures for the resettlement of agricultural personnel and duration for processing land acquisition compensation.

Persons with land ownership and use rights of the acquired land should, within the duration prescribed in the announcement, go to the competent department of people's government designated in the announcement to go through the registration for land acquisition compensation on the strength of land ownership certificates.

The competent departments of municipal, county people's governments shall, on the basis of the approved land acquisition plan and in conjunction with the departments concerned, draw up land acquisition compensation and resettlement plan, make an announcement thereof in the village (township), hamlet wherein the acquired land is located to solicit the views of the rural collective economic organizations and peasants on the acquired land. The competent departments of land administration of municipal, county people's governments shall, upon approval of the land acquisition compensation and resettlement plan submitted to the municipal, county people's governments,

organize its implementation. Where a dispute arises over the compensation Standards, coordination shall be carried out by local people's government above the county level; where coordination has failed, arbitration shall be resorted to by the people's government that approved the land acquisition. Land acquisition compensation and resettlement dispute shall not affect the implementation of the land acquisition plan.

Payment of various expenses for land acquisition should be effected in full within 3 months starting from the date of approval of the land acquisition and resettlement plan.

2. General procedure of property acquisition on state-owned land

According to the Regulations on the Acquisition of Houses on State-owned Land and Compensation Therefore, the following general procedure should be followed when properties on state-owned land are acquired for the Project:

- (1) Making a decision of property acquisition according to legal conditions and procedures;
- (2) Issuing an announcement of property acquisition and an announcement of withdrawal of the right to use state-owned land;
- (3) Selecting a qualified appraisal agency for appraisal, and disclosing the appraisal result;
- (4) Entering into a compensation agreement for property acquisition;
- (5) Disclosing compensation information and establishing acquisition files;
- (6) Demolishing acquired properties and transferring to land acquisition;

3. Arrangement of organizational structure

To ensure smooth implementation and expected results of resettlement, a vertical organizational structure should be established in project implementation to effectively implement the approved resettlement plan and RPF as required. The provincial PMO will take overall responsibility to coordinate and oversee the RPF/RAPs implementation, including management and supervision, training and capacity building, and preparation of project progress report based on the reports and monitoring information from each project county/district, etc. Each county/city PMO will take respective responsibility for their own RPF/RAP implementation, including hiring qualified social/resettlement experts for social and resettlement monitoring, supervising implementation of the mitigation measures together

with related local authorities and stakeholders, promoting good practice of resettlement and social development. Each project PMO at provincial and county/district level will assign a dedicated social staff to coordinate social safeguards work, together with related local government departments, project towns and affected villages handling local land requisition and house demolition.

VII. Resettlement Budget and Arrangements

Any RAP prepared in accordance with this RPF should include costs and budget. All persons adversely affected by land acquisition are entitled to compensation and appropriate resettlement measures, whether they are identified at the RAP stage or not, and whether sufficient relief funds are available. Therefore, the RAP should include contingency costs, which should account for at least 10% of total resettlement costs to pay unforeseeable resettlement costs.

The compensation Standards in the RAP provide a basis for resettlement compensation. All collectives or individuals losing properties should be compensated at full replacement cost, and discount for any reason is prohibited. The RAP should describe the flow of compensation fees from the borrower to the affected persons. As a principle, funds should be paid to the affected population as directly as possible, with minimum intermediate processes, such as coordination and arbitration.

See appendix 1 for current compensation standard for land acquisition. If the project has needs for land acquisition during implementation, compensation standard shall refer to the latest standard.

VIII. Consultation and Information Disclosure

At resettlement planning, RAP preparation and implementation stages, great importance should be paid to the participation of and consultation with the displaced persons, and the resettlement policies of the Project should be introduced extensively for comments from the affected population by all means, such as the socioeconomic survey and the impact evaluation survey. Through extensive public participation, coordination and communication, the local governments, affected villages and affected persons could thoroughly understand the project, the potential project impacts, resettlement policies and income restoration program of the Project.

The participation of or consultation with the affected persons is the starting point of resettlement activities. Consultation can facilitate the successful implementation of the Project, and is a basic means of meeting the resettlement and restoration objectives. The RAP must describe measures for consultation with the displaced persons about the RAP. Displaced persons

and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Appropriate and accessible grievance mechanisms are established for these groups to restore or improve their income level. In order that the affected persons' opinions and choices are fully considered, consultation will be conducted before the project design and the mitigation measures are finalized. Through external monitoring (see below), public participation will run through the whole implementation process of the RAP.

The PMO and the local resettlement implementing agencies can encourage the participation of and consultation with the affected population in the following ways:

(1) Disclosure of involuntary resettlement information

To ensure that the displaced persons and the local governments fully understand the RAP, and the compensation amounts and RAPs of the components, the PMO should also compile and sum up resettlement information by posting or through broadcast, TV or online media in the project area and prepare resettlement information leaflets for distribution to each displaced person. Resettlement information includes all lost assets, compensation Standards, amount of compensation, resettlement policies, displaced persons' rights and interests, feedback and appeal channels, etc. All safeguards documents-each RAP need to be cleared by the World Bank and disclosed locally in local language and in the Bank Infoshop in English.

(2) Holding public consultative meetings

The resettlement office of PMO should regularly hold consultation meetings according to situation of land acquisition and displacement. The times of public consultation meetings should be a few times as required and participants of each meeting should be at least 30% of affected population. Representative of vulnerable groups such as women and ethnic minorities should be invited to attend the meetings. The number of attendees including women and ethnic minorities where appropriate should reach 30% of the total in each meeting. An independent monitoring and evaluation organization should be invited to monitor the meetings. Project components, progress and displacement policy should be widely advocated through TV, broadcasting, newspapers, websites and other channels.

(3) Holding public hearings

China's legislation has not stipulated the scope of the testimony. Considering the status quo of the public hearing activities, the National People's Congress enacted the Legislative Public Hearing Rules (demonstration draft), clarifying provisions on the scope of the testimony. The scope of the testimony according to the demonstration draft regulation distinguishes two kinds of cases: a public hearing should be held, and a hearing may be held. Public hearings should be conducted when matters that laws and regulations determined and social hot issues happen such as interest tax, marriage law modification, concerns from almost all the citizen) or when things that would put significant impact on the rights and interests of citizens, legal persons or other organizations such as housing demolition regulations or when things may result in the most influential results on a specific group although they may not put impact on majority of individuals or organizations.

(4) Holding village meeting

The PMO should also disclose the draft and final version of the RAP to the displaced persons and the public in the project area, and hand them out at a place easily accessible to the displaced persons. The place of disclosure of the RAP may be a public library, the villager activity room of the affected village committee, and a government public information website, and the language should be understandable.

IX. Grievance Redress Procedure and Principles

Ensuring that the affected persons' production operations and livelihoods are restored or improved is the primary purpose of resettlement. Therefore, no grievance will arise in most cases if resettlement is conducted after consultation with the displaced persons. However, during project implementation, problems may arise more or less. In order to solve problems timely whenever they arise, so as to ensure that resettlement is implemented successfully, and that the displaced persons have an appeal channel in respect of land acquisition and resettlement, the following grievance redress procedure will be adopted for the Project:

➤ Stage I: Oral or written appeals might be delivered to the village committees of related community organizations funded by the project if displaced person is neither satisfied with resettlement plan or the implementation of the plan. If oral appeals are delivered, the village committees should make a written record. The villages committees or project funded community organizations in the project sites should respond to the appeals as appropriate within two weeks.

➤ Stage II. The displaced person may appeal orally or in a written way to the township government that governs the village where the displaced persons reside if this person is unsatisfied with the village committees' decision and response at stage I. If oral appeals are delivered, the township government

should respond the appeals within 2 weeks and make a written record.

- Stage III. If displaced person is unsatisfied with the township's decision, they may continue to appeal to county PMO. If they are still unsatisfied with the PMO's decision, they may appeal to the provincial PMO.
- Stage IV. If the displaced person is not satisfied with the PMO's decision, they can appeal to the civil court in accordance with the civil procedure law.

The above appeal channels should be disclosed in a manner understandable to the displaced persons, so that they fully understand their right of appeal. The relevant agencies should conduct a field investigation on any grievance raised by the displaced persons, and make a disposition objectively and justly in consultation with the displaced persons, and in accordance with the state laws and regulations, and the principles and standards specified in the RAP.

Responsible organizations should adhere to following principles in redressing appeals and grievances:

- 1) Related organizations of the project delegate specific staff to take care of appeal letters and arrange specific staff to consolidate and record oral responses, and demand for effective reply to appeals and grievances at each level within two weeks;
- 2) All organizations handle appeals and grievances of affected people and reasonable expenditures involved shall be paid through government matching funds of the project. .
- 3) The appeal procedures shall keep effective during all construction phase of the project, to ensure that affected people could deal with related problems using the mechanism. Approaches for appeal and grievance will be informed to displaced person through public meeting and resettlement information booklets distributed. In the meantime, appeal and grievance process will be published among affected population through media.
- 4) During execution of resettlement action plan, land acquisition organizations should carefully register and manage grievance document and results and should report to PMO in written document on a monthly or quarterly basis as required. PMO shall conduct periodic review on handling and registration of grievances. To completely record grievances of affected population and results, PMO shall develop affected population grievance and appeal redress registration form. See **Annex 6** for sample of resettlement grievance and appeal redress registration form.

X. Monitoring and Evaluation Arrangements

The basis of resettlement M&E includes: (1) state laws and regulations on resettlement; (2) operational guidelines of the World Bank; and (3) legal documents related directly to the Project, such as the RAP accepted by both the World Bank and the project owner.

The principles for resettlement M&E include: (1) studying and evaluating the implementation of the RAP regularly; (2) conducting data collection and analysis accurately to ensure the accuracy of M&E results; (3) evaluating the implementation of the RAP scientifically, objectively and fairly; (4) reporting to the project owner and the World Bank timely so that they can learn the progress of the Project timely for scientific decision-making.

Internal monitoring should usually cover the following:

(1) Organization: setup and division of labor of resettlement implementation and related agencies, staffing of the resettlement agencies, capacity building of the resettlement agencies;

(2) Resettlement policies and compensation Standards: enactment and implementation of resettlement policies; practical implementation of compensation Standards for different types of losses, with particular stress on if the compensation Standards in the RAP are complied with, and the reason for any difference;

(3) Implementation progress of land acquisition, property demolition and resettlement;

(4) Resettlement budget and implementation;

(5) Resettlement by production and employment: main modes of resettlement for rural areas (land reallocation, new land development, resettlement of enterprises and public institutions, self-employment, pension and other social insurance, etc.), resettlement of vulnerable groups (ethnic minorities, woman-headed households, the elderly, the disabled, etc.), land reclamation for temporarily occupied land, effectiveness of resettlement, etc.;

(6) Housing rebuilding and livelihood resettlement of displaced persons: modes of resettlement for rural areas, allocation of housing sites, form of housing rebuilding, “three supplies and one leveling” of housing sites, payment of compensation fees, provision and relocation of public facilities (water, electricity, road and market network);

(7) Grievances, appeals, public participation, consultation, information disclosure and external monitoring;

(8) Handling of issues in the Memorandum of the World Bank Mission;

(9) Existing issues and solutions.

External M&E will be conducted by an agency independent of the project owner and the resettlement implementing agencies, and having resettlement M&E capabilities. External M&E should usually cover the following:

(1) Resettlement agencies: monitoring the setup, division of labor and staffing of the project owner and the resettlement agencies, and capacity building and training activities of the resettlement agencies through investigation and interview; evaluating the appropriateness thereof through comparison with the RAP;

(2) Resettlement policies and compensation Standards: studying the main policies for resettlement implementation, and evaluating the appropriateness thereof through comparison with the RAP; verifying the implementation of the compensation Standards for different types of losses (especially major losses such as permanent land acquisition and property demolition) through sampling, and evaluating the appropriateness thereof through comparison with the RAP;

(3) Progress of resettlement implementation;

(4) Resettlement costs and budget;

(5) Resettlement by production and employment: evaluating the production and employment resettlement of the displaced persons, and the implementation of the income restoration program through sampling survey and the follow-up monitoring of typical displaced households;

(6) Housing rebuilding and livelihood resettlement of the displaced persons: conducting analysis and evaluation through sampling survey;

(7) Restoration of the income, production level and standard of living of the displaced persons: learning the income sources, amount, structure and stability , and expenditure structure and amount of typical displaced households through baseline survey before land acquisition and property demolition, and sampling survey and follow-up monitoring thereafter, evaluating the level of fulfillment of income restoration and other resettlement objectives through a comparative analysis; analyzing and evaluating the level of fulfillment of income and standard of living restoration objectives of the displaced persons through comparison in residential conditions, traffic, public facilities, community environment, culture, amusement and economic activities, etc.;

(8) Grievances and appeals: monitoring the appeal channel and procedure for the displaced persons, main grievances and handling thereof through literature review and sampling survey;

(9) Public participation, consultation and information disclosure: monitoring public participation and consultation activities, and the effectiveness thereof, the preparation, issue and feedback of the resettlement information booklet, and information disclosure activities and the effectiveness thereof during resettlement implementation through literature review and field investigation;

(10) Handling issues proposed in the Memorandum of the World Bank Mission and the last resettlement M&E report;

(11) Conclusion and suggestions: summing up resettlement activities and draw to a conclusion and make recommendations; tracking existing issues until they are solved.

During resettlement, the external M&E agency will conduct two rounds of M&E through field investigation per annum. After the completion of resettlement, M&E may be conducted annually or less frequently as necessary, subject always to the consent of the World Bank. External M&E will usually continue until the fulfillment of the resettlement objectives. Through external M&E, opinions and suggestions will be given on the whole resettlement process, and the restoration of the production level and standard of living of the displaced persons. External M&E reports will be submitted to both the PMO and the World Bank.

Annex 5 Entitlement Matrix

| Type of Impact | APs | Resettlement Measure | Entitlement |
|------------------------------------|---|---|---|
| Permanent LA | Collective | Collective land | Full compensation will be paid to the village collective and used as resolved at village meeting. |
| | | Attachments | |
| | Farmers affected by land acquired | Land compensation fees and resettlement subsidy | 1) The AHs will receive all land compensation fees and resettlement subsidies without la 2) 80% of land compensation fees will be paid to the AHs, with the remaining 20% used welfare. |
| | | Attachments and infrastructure | The AHs will receive full compensation for attachments and infrastructure, which will be restored elsewhere themselves. |
| | | Temporary land use | Full compensation will be paid and the temporarily occupied land will be restored to the original condition. |
| | | Young crops | The APs will receive full compensation for young crops. |
| | | Social security | The APs may cover endowment insurance for LEFs, new-type rural insurance, endowment insurance for urban and rural residents, and endowment insurance for urban employees voluntarily. |
| | | livelihood restoration | Free training and employment assistance measures |
| Property demolition and rebuilding | Proprietors of affected properties on rural collective land | Cash or house-for-house compensation | Cash compensation for affected property based on full replacement cost, moving subsidy and transition subsidy. New resettlement housing acceptable to affected people in location of site, size, quality and accessibility. |
| | Proprietors of | Cash compensation for the property | Resettlement property of equivalent size, location and quality, and |

| Type of Impact | APs | Resettlement Measure | Entitlement |
|---|---|---|--|
| | affected properties on state-owned land | based on the appraised market value, or offering resettlement housing at the displaced institution's option; | satisfactory to the displaced person, or cash compensation sufficient to purchase similar property. Plus resettlement moving subsidy and transition subsidy. |
| | Property tenants | compensation for the loss arising from the termination of the lease | Affected tenants are adequately consulted, provided with compensation for all losses due to the termination of the lease and assistance in looking for another property. |
| Loss of non-residential buildings Property demolition and rebuilding | Business operators and affected people | 1) New operating plot or cash compensation at replacement cost; 2) cash compensation for business loss; 3) transitional support for loss of income; 4) moving subsidy | A new operating plot provided acceptable in size, location and operating conditions or Cash compensation at full replacement cost; Plus cash compensation for business loss, transitional assistance and moving subsidies. Affected workers will receive compensation for lost wage income; unemployed workers will also enjoy skills training and reemployment assistance services. |
| Vulnerable groups | All | Training and employment | 1) Provide jobs during the construction of the project. 2) They will have priority in receiving job training. 3) They will have priority in job selection and receiving employment information. 4) Enjoy minimum living standard allowance |
| Women | All | Public participation and employment | 1) Unskilled jobs, such as material shipment, pipeline construction, biogas residue disposal and logistics will be offered; 2) The owners will organize workshops for women, distribute instructions, and conduct free door-to-door maintenance regularly; |

| Type of Impact | APs | Resettlement Measure | Entitlement |
|--------------------------------------|---|---|---|
| | | | <p>3) Women have the right to receive relevant information during resettlement, and have equal speaking and decision-making rights. Not less than 30% of participants should be women.</p> <p>4) Women have the same right to sign LA compensation agreements and compensation vouchers as men.</p> |
| Ethnic Minority | All | Public participation and employment | <ul style="list-style-type: none"> ➤ Establish organizations to ensure ethnic-minority groups' participation and consultation during project implementation; ➤ Comments of ethnic minorities are understood and taken into consideration in land acquisition and demolition; ➤ Ethnic minorities shall enjoy equal rights as the majority people do in compensation for land acquisition and demolition; ➤ Ethnic minorities who have job willingness, especially ethnic-minority women, shall be given priority to choose job opportunities during project construction. |
| Loss of attachments and other assets | Proprietors of attachments and other assets | Cash compensation based on replacement cost | Cash compensation based on replacement cost |
| Loss of infrastructure | Proprietors or management agencies of affected facilities | Funds provided for restoring the affected facility to the original condition and function, or money paid to competent authority for restoration | <p>Infrastructure and services should be restored timely to avoid any adverse impact on the host community or entity. or money paid to competent authority for restoration.</p> <p>If cultural and religious buildings or worship sites are affected, monetary compensation based on full replacement cost and if reconstruction is</p> |

| Type of Impact | APs | Resettlement Measure | Entitlement |
|----------------|-----|----------------------|---|
| | | | <p>required, new site and monetary compensation should be provided in full consultation with the affected community and residents, including religious leaders and the believers for worship sites.</p> <p>Affected employees/workers/owners: Compensation and resettlement should be offered according to actual situation in compliance with related government regulations and World Bank involuntary resettlement requirements.</p> |

Annex 6 Resettlement Grievance and Appeal Redress Registration Form

Resettlement Grievance and Appeal Redress Registration Form

| | | | |
|---|--|----------------------|--|
| Name of Appellant | | Date | |
| Receiving Agency | | Location | |
| Content of Appeal | | | |
| Deserved Solution | | | |
| Proposed Solution | | | |
| Actual Redress | | | |
| Appellant (Signature) | | Recorder (Signature) | |
| <p>Note: 1. Record should faithfully record the content and requirements of appellant. 2. The appeal process shall not be subject to any interference or obstacles. 3. Proposed solution should be replied to appellant within required time.</p> | | | |

Annex 7 Brief Introduction of Land Acquisition and Resettlement Situation of LXB Water Supply Supporting Project in Fuxin City

1. Impact of Land Acquisition

It is going to construct 2 water purification plants with the scale of 10^4 t/d for each, and 45km of water distribution pipe networks in LXB Water Supply Supporting Project in Fuxin City. The land acquisition of the project will affect Fumeng County, Xinqiu County, Xihe District, Qinghemmen District, Science & Technology Park of Fumeng County and High Tech Park in Fuxin City, the total land occupation area is 2789.86mu, of which, there are 226.62mu of permanent land acquisition and 2563.24 mu of temporary land occupation; there will be 1820 people from 521HHs affected. The detailed information is in Table 1-1 and 1-2.

Table 1-1 Permanent Land Acquisition Impact

| No. | Project | | Location | Total | Agricultural Land | | Construction Land | Affected People | |
|-----|--------------------------|-------------------------------------|--|--------|-------------------|----------|---------------------|-----------------|--------|
| | | | | | Farmland | Woodland | Transportation Land | HH | People |
| | | | | | | | | | |
| 1 | Water Purification Plant | Fuxin City Water Purification Plant | Ajindai Village Changyingzi Town Xinqiu District | 116.24 | 61.25 | 54.99 | | 23 | 73 |
| | | Qinghemen Water Purification Plant | Houyao Village Hexi Town Qinghemen District | 110.38 | 41.42 | 68.05 | 0.91 | 21 | 68 |
| | | Subtotal | | 226.62 | 102.67 | 123.04 | 0.91 | 44 | 141 |

Table 1-2 Temporary Land Occupation Impact

| No. | Project | | Location | Total | Agricultural Land | | | Construction Land | | | Unused Land | Affected People | | |
|-----|-------------------|--------------|---|--------|-------------------|----------|---------|-------------------|---------------------|------------|------------------------------------|---|----|--------|
| | | | | | Farmland | Woodland | Orchard | Residential Land | Transportation Land | | Public Management and Service Land | Water Area and Water Conservancy Facility | HH | People |
| | | | | | | | | | Dry Land | Forestland | | | | |
| 1 | Water Supply Pipe | Fuxin Branch | Qianzhujiawazi Village Fuxin Town Fumeng County | 30.01 | | 26.39 | | 3.62 | | | | 8 | 27 | |
| | | | Jinjiawazi Village Changyingzi Town Xinqiu District | 171.03 | 133.83 | 30.39 | | 5.76 | | 1.05 | | | 34 | 122 |

| | | | | | | | | | | | | | | |
|--|--|--|---|-------------|--------|--------|--|-------|--|-----------|-------|-------|---------|-----|
| | | | Ajindai Village Changyingzi Town Xinqiu District | 179.22 | 165.28 | 10.66 | | | | 3.28 | | | 37 | 128 |
| | | | Dongkoumo Village Fuxin Town Fumeng County | 211.10 | 205.97 | | | | | 5.13 | | | 41 | 143 |
| | | | Xikoumo Village Fuxin Town Fumeng County | 89.45 | 88.65 | | | | | 0.80 | | | 16 | 58 |
| | | | Gaolintai Village Fuxin Town Fumeng County | 140.34 | 109.33 | 15.93 | | 1.41 | | 1.13 | | 12.54 | 26 | 92 |
| | | | Science & Technology Park of Fumeng County | 51.98 | 51.72 | | | | | 0.26 | | | 13 | 45 |
| | | | High Tech Park in Fuxin City | 76.34 | 26.53 | 48.09 | | | | 1.72 | | | 15 | 52 |
| | | | Jiuyingzi Village Sihe Town Xihe District | 129.16 | 105.65 | | | 4.48 | | 0.59 | 18.44 | | 28 | 96 |
| | | | Subtotal | 1078.6 3 | 886.96 | 131.46 | | 15.27 | | 13.9 6 | 18.44 | 12.54 | 21 8 | 763 |

| | | | | | | | | | | | | | | |
|--|--|----------------|---|--------|--------|-------|------|------|--|------|--|-------|----|----|
| | | | Houyao Village Hexi Town Qinghem District | 69.16 | 51.22 | 17.25 | | | | 0.69 | | | 13 | 46 |
| | | | Shuangshanzi Village Zhizhushan Township Fumeng County | 100.98 | 95.06 | 4.57 | | | | 1.35 | | | 18 | 68 |
| | | Qinghem Branch | Beiyuanzi Community Xinbei Street Office Qinghemng District | 70.41 | 34.31 | | | | | 0.65 | | 35.45 | 14 | 50 |
| | | | Shitouyingzi Village Zhizhushan Township Fumeng County | 117.91 | 107.68 | 7.19 | | 0.48 | | 2.56 | | | 23 | 78 |
| | | | Liujawanzi Village Zhizhushan Township Fumeng County | 110.47 | 97.04 | 4.62 | 3.33 | 0.73 | | | | 4.75 | 20 | 70 |

| | | | | | | | | | | | | | | |
|--|--|--|---|--------|--------|-------|--|------|-------|------|--|-------|----|-----|
| | | | Tazigou Village Zhizhushan Township Fumeng County | 75.14 | 22.88 | 50.61 | | | | 1.65 | | | 6 | 24 |
| | | | Lvjadian Village Yimatu Town Fumeng County | 97.66 | 96.72 | | | | | 0.94 | | | 20 | 69 |
| | | | Zhuangjiadian Village Yimatu Town Fumeng County | 175.16 | 159.71 | 9.39 | | 1.67 | | 4.39 | | | 32 | 116 |
| | | | Zhoujiatie Village Yimatu Town Fumeng County | 158.12 | 119.17 | 28.21 | | | | 1.15 | | 9.59 | 25 | 86 |
| | | | Nanliang Village Dongliang Town Fumeng County | 140.76 | 110.18 | 13.43 | | | | 1.48 | | 15.67 | 23 | 76 |
| | | | Dongliang Town Fumeng County | 266.85 | 226.07 | | | | 39.53 | 1.25 | | | 45 | 160 |

| | | | | | | | | | | | | | | |
|--|--|--|-----------------------|-------------|---------|--------|------|-------|-------|-----------|-------|-------|---------|------|
| | | | Baojiawopu Village | | | | | | | | | | | |
| | | | Dongliang Town | 101.99 | 99.58 | | | | | 2.41 | | | 20 | 73 |
| | | | Fumeng County | | | | | | | | | | | |
| | | | Subtotal | 1484.6 1 | 1219.62 | 135.27 | 3.33 | 2.88 | 39.53 | 18.5 2 | | 65.46 | 25 9 | 916 |
| | | | Total | 2563.2 4 | 2106.58 | 266.73 | 3.33 | 18.15 | 39.53 | 32.4 8 | 18.44 | 78.00 | 47 7 | 1679 |

2. Government Regulations and Policies and Standards for Compensation

(1) Compensation Policy Reference

1) "Liaoning Provincial Implementation Regulations of 'Land Administration Law of the People's Republic of China' in Liaoning Province"

2) "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province" (LNR [2015] No.339)

3) "Implementation Measures of Farmland Occupation Tax in Liaoning Province" (LPPG Order No.249 January 15, 2011)

4) "Notice on the Collection of Farmland Reclamation Fee, Land Reclamation Fee and Farmland Idle Fee Issued by the People's Government of Liaoning Province" (LPG [2000] No.48)

5) "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office of the People's Government of Fuxin City" (FGO [2015] No.130)

(2) Compensation Standard

1) Permanent Land Acquisition

According to "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province" (LNR [2015] No.339). The comprehensive land price for the regions under land acquisition is the amount of compensation for normal farmland acquisition and resettlement subsidy, and the price for other types of land will be adjusted based on the comprehensive land price according to the parameters below: construction land 1.0 and 0.8 for unused land.

The compensation standards for the permanent land acquisition for the project are based on "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office of the People's Government of Fuxin City" and detailed in Table 1-3.

Table 1-3 Compensation Standards for the Permanent Collective Land Acquisition

| Project | Location | Town | Village | Land Type | Category | Land Price (CNY/mu) | Compensation Standard (CNY/mu) |
|---|------------------|------------------|-----------------|------------------------------------|----------|---------------------|--------------------------------|
| LXB Water Supply Supporting Project in Fuxin City | Xinqiu District | Changyinzhi Town | Ajindai Village | Agricultural Land | I | 52000 | 52000 |
| | Qinghem District | Hexi Town | Houyao Village | Agricultural and Construction Land | II | 45000 | 45000 |

2) Temporary Land Occupation

According to "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Liaoning Province" (LNR [2015] No.339), the construction and geological prospecting for the project which will use collective land or state-owned farmland and unused land, should pay compensation as 15% of the regulated land price of the zone under land acquisition every year. The project will temporarily occupy the collective land for one year.

The compensation standards for the temporary land occupation for the project are based on "Notice on the Implementation of the Comprehensive Land Price for the Regions under Land Acquisition in Fuxin City Issued by the Office of the People's Government of Fuxin City" and detailed in Table 1-4.

Table 1-4 Compensation Standards for the Temporary Collective Land Occupation

| Project | District/County | Town/Street Office | Village | Land Type | Category | Land Price (CNY/mu) | Compensation Standard (CNY/mu) |
|---|-----------------|---------------------|-------------------------|------------------------------------|----------|---------------------|--------------------------------|
| LXB Water Supply Supporting Project in Fuxin City | Xinqiu District | Changyigzi Town | Ajindai Village | Agricultural and Construction Land | I | 52000 | 7800 |
| | | | Jinjiawazi Village | Agricultural and Construction Land | I | 52000 | 7800 |
| | Fumeng County | Fuxin Town | Qianzhujia wazi Village | Agricultural and Construction Land | II | 35000 | 5250 |
| | | | Dongkoumo Village | Agricultural and Construction Land | II | 35000 | 5250 |
| | | | Xikoumo Village | Agricultural and Construction Land | II | 35000 | 5250 |
| | | | Gaolintai Village | Agricultural and Construction Land | II | 35000 | 5250 |
| | | | | Unused Land | II | 28000 | 4200 |
| | | Zhizhushan Township | Shuangshanzi Village | Agricultural and Construction Land | III | 30000 | 4500 |
| | | | Shitouyingzi Village | Agricultural and Construction Land | III | 30000 | 4500 |
| | | | Tazigou Village | Agricultural and Construction Land | III | 30000 | 4500 |
| | | | Liujiawanzi Village | Agricultural and Construction Land | III | 30000 | 4500 |
| | | Unused Land | | III | 24000 | 3600 | |
| | | Yimatu Town | Lvjadian Village | Agricultural and Construction Land | II | 35000 | 5250 |

| Project | District/County | Town/Street Office | Village | Land Type | Category | Land Price (CNY/mu) | Compensation Standard (CNY/mu) | | |
|---------|--|--------------------|-----------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|-------|------|
| | | | Zhuangjiadian Village | Agricultural and Construction Land | II | 35000 | 5250 | | |
| | | | Zhoujiajie Village | Agricultural and Construction Land | II | 35000 | 5250 | | |
| | | | Unused Land | II | 28000 | 4200 | | | |
| | | Dongliang Town | Town Area | Agricultural and Construction Land | II | 35000 | 5250 | | |
| | | | Baojiawopu Village | Agricultural and Construction Land | II | 35000 | 5250 | | |
| | | | Nanliang Village | Agricultural and Construction Land | II | 35000 | 5250 | | |
| | | | Qinghemen District | Xinbei Street Office | Beiyuanzi Community | Agricultural and Construction Land | II | 45000 | 6750 |
| | | | | | | Unused Land | II | 36000 | 5400 |
| | | | | Hexi Town | Houyao Village | Agricultural and Construction Land | II | 45000 | 6750 |
| | Xihe District | Sihe Town | Jiuyingzi Village | Agricultural and Construction Land | I | 58000 | 8700 | | |
| | Science & Technology Park of Fumeng County | | | | Agricultural and Construction Land | II | 35000 | 5250 | |
| | High Tech Park in Fuxin City | | | | Agricultural and Construction Land | I | 58000 | 8700 | |

3) Other Compensation

The other compensation will be 2000 CNY/mu for dry land and crop, 4400 CNY/mu for forest, 8000 CNY/mu for fruit tree, and 6667 CNY/mu for land reclamation.

4) Tax and Fee

Farmland Occupation Tax: 13333 CNY/mu

Farmland Reclamation Fee: 6667 CNY/mu

New Construction Land Utilization Fee: 16000 CNY/mu

Forest Vegetation Restoration Fee: 4000 CNY/mu

3. Compensation Fee

The compensation fee includes permanent land acquisition compensation, temporary land occupation compensation, other fees, and related taxes. Of which, the planning and design fee is calculated as 2% of basic cost, the implementation and management fee is calculated as 3% of basic cost, the monitoring and supervision fee is calculated as 2% of basic cost, and the contingency is calculated as 10% of basic cost.

The total budget of the resettlement of LXB Water Supply Supporting Project in Fuxin City is CNY 61.0966 million, and the total cost of resettlement is covered by the project cost. The budget for each item is detailed in Table 1-5.

Table 1-5 Budget List of Resettlement Compensation of LXB Water Supply Supporting Project in Fuxin City

| No. | Item | | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|-----------|-----------------------------------|----------------------|------|----------------------------------|----------------|--------------------------------|
| A. | Basic Cost | | | | | 3129.84 |
| 1. | Permanent Land Acquisition | | mu | | 226.62 | 1101.17 |
| 1.1 | Agricultural Land | | mu | | 225.71 | 1097.07 |
| 1.1.1 | Dry Land | | mu | | 102.67 | 504.89 |
| | | Ajindai Village | mu | 52000 | 61.25 | 318.5 |
| | | Houyao Village | mu | 45000 | 41.42 | 186.39 |
| 1.1.2 | Woodland | | mu | | 123.04 | 592.18 |
| | | Ajindai Village | mu | 52000 | 54.99 | 285.95 |
| | | Houyao Village | mu | 45000 | 68.05 | 306.23 |
| 1.2 | Construction Land | Houyao Village | mu | 45000 | 0.91 | 4.1 |
| 1.3 | Crop Compensation | | mu | | 225.71 | 74.67 |
| 1.3.1 | Dry Land | | mu | 2000 | 102.67 | 20.53 |
| 1.3.2 | Woodland | | mu | 4400 | 123.04 | 54.14 |
| 2. | Temporary Land Occupation | | mu | | 2563.24 | 2028.67 |
| 2.1 | Agricultural Land | | mu | | 2376.64 | 1923.95 |
| 2.1.1 | Dry Land | | mu | | 2106.58 | 1216.47 |
| | | Ajindai Village | mu | 7800 | 165.28 | 128.92 |
| | | Jinjiawazi Village | mu | 7800 | 133.83 | 104.39 |
| | | Dongkoumo Village | mu | 5250 | 205.97 | 108.13 |
| | | Xikoumo Village | mu | 5250 | 88.65 | 46.54 |
| | | Gaolintai Village | mu | 5250 | 109.33 | 57.4 |
| | | Shuangshanzi Village | mu | 4500 | 95.06 | 42.78 |
| | | Shitouyingzi Village | mu | 4500 | 107.68 | 48.46 |

| No. | Item | | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|-------|----------|--|------|----------------------------------|----------|--------------------------------|
| | | Tazigou Village | mu | 4500 | 22.88 | 10.3 |
| | | Liujawanzi Village | mu | 4500 | 97.04 | 43.67 |
| | | Lvjadian Village | mu | 5250 | 96.72 | 50.78 |
| | | Zhuangjiadian Village | mu | 5250 | 159.71 | 83.85 |
| | | Zhoujiajie Village | mu | 5250 | 119.17 | 62.56 |
| | | Town Area Dongliang Town | mu | 5250 | 226.07 | 118.69 |
| | | Baojiawopu Village | mu | 5250 | 99.58 | 52.28 |
| | | Nanliang Village | mu | 5250 | 110.18 | 57.84 |
| | | Beiyuangzi Community | mu | 6750 | 34.31 | 23.16 |
| | | Houyao Village | mu | 6750 | 51.22 | 34.57 |
| | | Jiuyingzi Village | mu | 8700 | 105.65 | 91.92 |
| | | Science & Technology Park of Fumeng County | mu | 5250 | 51.72 | 27.15 |
| | | High Tech Park in Fuxin City | mu | 8700 | 26.53 | 23.08 |
| 2.1.2 | Woodland | | mu | | 266.73 | 164.64 |
| | | Ajindai Village | mu | 7800 | 10.66 | 8.31 |

| No. | Item | | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|-------|-------------------|------------------------------|------|----------------------------------|----------|--------------------------------|
| | | Jinjiawazi Village | mu | 7800 | 30.39 | 23.7 |
| | | Qianzhujiawazi Village | mu | 5250 | 26.39 | 13.85 |
| | | Gaolintai Village | mu | 5250 | 15.93 | 8.36 |
| | | Shuangshanzi Village | mu | 4500 | 4.57 | 2.06 |
| | | Shitouyingzi Village | mu | 4500 | 7.19 | 3.24 |
| | | Tazigou Village | mu | 4500 | 50.61 | 22.77 |
| | | Liujianwanzi Village | mu | 4500 | 4.62 | 2.08 |
| | | Zhuangjiadian Village | mu | 5250 | 9.39 | 4.93 |
| | | Zhoujiajie Village | mu | 5250 | 28.21 | 14.81 |
| | | Nanliang Village | mu | 5250 | 13.43 | 7.05 |
| | | Houyao Village | mu | 6750 | 17.25 | 11.64 |
| | | High Tech Park in Fuxin City | mu | 8700 | 48.09 | 41.84 |
| 2.1.3 | Orchard | Liujianwanzi Village | mu | 4500 | 3.33 | 1.5 |
| 2.1.4 | Crop Compensation | | | | | 541.34 |
| | Dry Land | | mu | 2000 | 2106.58 | 421.32 |
| | Woodland | | mu | 4400 | 266.73 | 117.36 |
| | Fruit Tree | | mu | 8000 | 3.33 | 2.66 |
| 2.2 | Construction Land | | mu | | 108.6 | 67.99 |
| | | Ajindai Village | mu | 7800 | 3.28 | 2.56 |

| No. | Item | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|-----|--------------------------|------|----------------------------------|----------|--------------------------------|
| | Jinjiawazi Village | mu | 7800 | 6.81 | 5.31 |
| | Qianzhujiawazi Village | mu | 5250 | 3.62 | 1.9 |
| | Dongkoumo Village | mu | 5250 | 5.13 | 2.69 |
| | Xikoumo Village | mu | 5250 | 0.8 | 0.42 |
| | Gaolintai Village | mu | 5250 | 2.54 | 1.33 |
| | Shuangshanzi Village | mu | 4500 | 1.35 | 0.61 |
| | Shitouyingzi Village | mu | 4500 | 3.04 | 1.37 |
| | Tazigou Village | mu | 4500 | 1.65 | 0.74 |
| | Liujiawanzi Village | mu | 4500 | 0.73 | 0.33 |
| | Lvjiadian Village | mu | 5250 | 0.94 | 0.49 |
| | Zhuangjiadian Village | mu | 5250 | 6.06 | 3.18 |
| | Zhoujiajie Village | mu | 5250 | 1.15 | 0.6 |
| | Town Area Dongliang Town | mu | 5250 | 40.78 | 21.41 |
| | Baojiawopu Village | mu | 5250 | 2.41 | 1.27 |
| | Nanliang Village | mu | 5250 | 1.48 | 0.78 |
| | Beiyuangzi | mu | 6750 | 0.65 | 0.44 |

| No. | Item | | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|-----------|-----------------------------------|--|---------------------|----------------------------------|----------|--------------------------------|
| | | Community | | | | |
| | | Houyao Village | mu | 6750 | 0.69 | 0.47 |
| | | Jiuyingzi Village | mu | 8700 | 23.51 | 20.45 |
| | | Science & Technology Park of Fumeng County | mu | 5250 | 0.26 | 0.14 |
| | | High Tech Park in Fuxin City | mu | 8700 | 1.72 | 1.5 |
| 2.3 | Unused Land | | mu | | 78 | 36.73 |
| | | Gaolintai Village | mu | 4200 | 12.54 | 5.27 |
| | | Liujiawanzi Village | mu | 3600 | 4.75 | 1.71 |
| | | Zhoujiajie Village | mu | 4200 | 9.59 | 4.03 |
| | | Nanliang Village | mu | 4200 | 15.67 | 6.58 |
| | | Beiyuangzi Community | mu | 5400 | 35.45 | 19.14 |
| B. | Other Cost | | | | | 219.1 |
| 1. | Planning and Design Fee | | 10 ⁴ CNY | 2% of A | 3129.84 | 62.6 |
| 2. | Implementation and Management Fee | | 10 ⁴ CNY | 3% of A | 3129.84 | 93.9 |
| 3. | Monitoring and Supervision Fee | | 10 ⁴ CNY | 2% of A | 3129.84 | 62.6 |
| C. | Taxes and Fees | | | | | 2447.74 |
| 1. | Farmland Occupation Tax | | mu | 13333 | 225.71 | 300.94 |
| 2. | Farmland Reclamation Fee | Permanent Land | mu | 6667 | 225.71 | 150.48 |

| No. | Item | | Unit | Compensation Standard (CNY/Unit) | Quantity | Total Cost 10 ⁴ CNY |
|--------------|---------------------------------------|---------------------------|---------------------|----------------------------------|----------|--------------------------------|
| | | Occupation | | | | |
| | | Temporary Land Occupation | mu | 6667 | 2376.64 | 1584.51 |
| 3. | New Construction Land Utilization Fee | | mu | 16000 | 226.62 | 362.59 |
| 4. | Forest Vegetation Restoration Fee | | mu | 4000 | 123.04 | 49.22 |
| D. | Contingency | | 10 ⁴ CNY | 10% of A | 3129.84 | 312.98 |
| Total | A+B+C+D | | | | | 6109.66 |