

Social Compliance Audit Report

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July 2018

Proposed Loan People's Republic of China: Multimodal Passenger Hub and Railway Maintenance Project

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Units

Currency unit	=	Yuan (RMB)
1.00 yuan	=	\$0.15
1 hectare	=	15 mu

ABBREVIATIONS

AAOV		Average Annual Output Value
ADB	-	Asian Development Bank
AH	-	Affected Household
AP	-	Affected Person
CKRC		Chengdu-Kunming Railway Corporation
DH		Displaced household
DMS	-	Detailed Measurement Survey
DP		Displace person
FGD	-	Focus Group Discussion
LA	-	Land Acquisition
LAR		Land Acquisition and Resettlement
PRC	-	People's Republic of China

NOTE

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

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1 Summary

1.1 Project background

The Multimodal Passenger Hub and Railway Maintenance Project (the Project) aims to assist China Railway Corporation (CRC) in developing modern, energy efficient and sustainable transport solutions in South Western People's Republic of China (PRC).¹ The government is developing a new railway line connecting the provincial capitals of Sichuan and Yunnan provinces. The project will develop a demonstration multimodal hub² on this line in Xichang city, improve maintenance systems by introducing modern maintenance equipment and institutional capacity building and training.

The Project includes two components:

1) Component 1, Multimodal Hub developed. This component will construct a multimodal passenger hub in Xichang (Xichang West Station)³. The hub will include (i) good intermodal connectivity; (ii) energy efficiency features; and (iii) earthquake resistant design.

2) Component 2, Railway maintenance improved. This component will procure modern railway track maintenance machines. The equipment will cover track inspection and repair as well as rescue and restoration equipment. This component will also include capacity building for railway maintenance measures and training on advanced railway maintenance systems. About 100 staff from executing and implementing agencies will be trained, and technical exchanges on maintenance technologies and new maintenance techniques will be organized to familiarize staff in these areas. Training on the operations of the new railway maintenance machines will be included in the procurement contracts. ADB will also provide railway asset management training through its KSTA on Sustainable Transport.⁴

According to project design, only the construction of Component 1 will involve land acquisition and resettlement (LAR). The LAR of Component 1 started in April 2016 and completed in February 2017. As the requirements of ADB's involuntary resettlement policy of Safeguard Policy Statement (SPS) (June 2009), this LAR due diligence report is prepared.



¹ The project is included in ADB's country operations business plan for the PRC, 2017–2019 as a standby project for 2018.

² The term multimodal hub generally refers to any facility that caters to more than one mode of transport.

³ Xichang City is the capital of Liangshan Prefecture in Sichuan Province, located in the middle of the Chengdu-Kunming Railway Line.

⁴ ADB. 2017. *Implementation of Sustainable Transport for All (Co-financed by the Government of Austria)*. Manila.



Figure 1-1 site of Xichang Station and project information bulletin board

1.2 Resettlement Due Diligence

1.2.1 Purpose

The purpose of the due diligence is to (i) identify impact scope, implementation procedure and results of the LAR; (ii) evaluate whether the LAR was in accordance with relevant resettlement laws, regulations and policies of the PRC, Sichuan Province and Xichang City as well; (iii) ensure that the legal rights of the affected persons (APs) are protected; (iv) understand livelihood restoration status of Aps; and (v) determine whether there are any remaining LAR issues and confirm any actions to be taken during the project implementation in accordance with ADB's Safeguard Policy Statement (SPS, 2009), Policy Requirement 2 "Involuntary Resettlement".

1.2.2 Methodology

This due diligence was conducted with two methods mainly, one was desk research and the other was fieldwork.

In the desk research, documents and materials on the Project and resettlement were collected and verified.

- The materials collected in this due diligence include project design and approval documents, land approvals, rosters of APs receiving compensation fees, agreements on resettlement, etc.;
- Public participation information related to resettlement: announcement of land acquisition and resettlement issued by Xichang City Government, brochures of land acquisition and house demolition policies, minutes of village meetings, etc.;
- LAR compensation rates, distribution of LAR compensation fees, etc.

The fieldwork consisted of FGDs and field interviews.

- FGDs and interviews were conducted with the Chengdu-Kunming Railway Corporation (CKRC), Xichang City Railway Construction Coordination and Service Center (House Demolition Office), Yulong and Taihe Town Governments, Xingfu Village Committee in Yulong town, and Zhongxin and Lijiakan village Committees in Taihe Town, AHs, etc. to learn LA compensation and resettlement results.



Figure 1-2 FGDs and interview

1.2.3 Content

The contents of DDR are as follows:

- Approval process of construction land;
- LAR policies and implementation;
- Progress of LA, disbursement of funds, compensation rates, etc.;
- Operating efficiency of resettlement implementing agencies;
- Public participation and consultation;
- Grievance redress; and

2 LAR Implementing Organization

2.1 Organization

According to project management plan, the executing agency is the China Railway Company (CRC), and will be responsible for overall project implementation.

The implementing agency is the Chengdu-Kunming Railway Corporation (CKRC), which is a joint-venture shareholding company established under the PRC company law. The shareholders are the China Railway Development Fund Company Ltd., Chengdu Railway Bureau (both under CRC) and Sichuan Provincial Railway Industry Investment Group Ltd. (under Sichuan Provincial Government). CKRC will be responsible for project construction, operations management, finance and accounting and maintenance of infrastructure assets. CKRC will be responsible for coordinating and implementing all project components, and the LAR are mainly implemented by local governments.

In order to facilitate the land acquisition, house demolition and resettlement and ensure the lawful rights of affected persons, Xichang City Government issued *implementation program of LAR for E'mei~Miyi (Xichang Section) of Chengdu-Kunming Railway Line* (No.186 (2016) Xifufa) on June 30, 2016. According to the Program, the main organizations related the LAR implementation include:

- Xichang LAR Headquarters;
- Xichang City Railway Construction Coordination and Service Center (House Demolition Office);
- Township governments; and
- Village committees

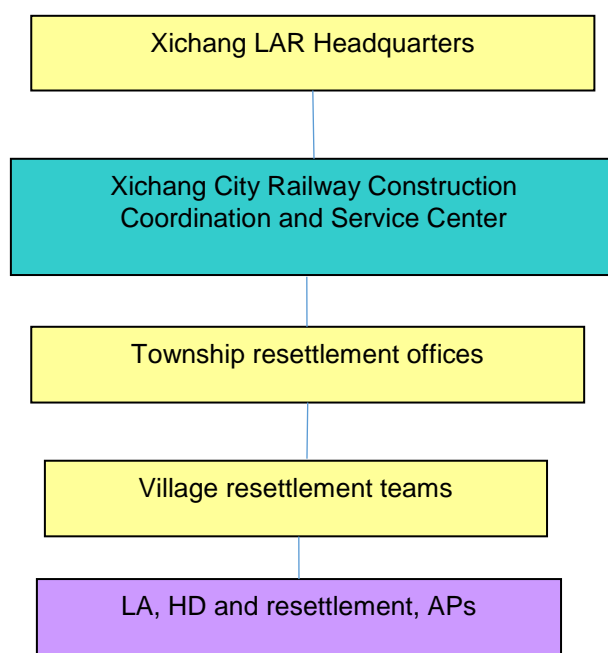


Figure 2-1 LAR Organization

The main responsibilities of related agencies are as follows:

- 1) Xichang LAR Headquarters, headed by Xichang City Party Secretary, is consisted of government departments, such as land resource bureau, finance bureau, housing construction and planning bureau, and ethnic minority, poverty reduction and resettlement bureau, etc.;

- Leading and supervising land acquisition and resettlement; and making decisions, explanations and guidance on LAR policies;
 - Deploying compensation and resettlement tasks; and,
 - Coordinating all agencies involved in compensation and resettlement.
- 2) Xichang City Railway Construction Coordination and Service Center (House Demolition Office)
- To collect and compile the information of railway construction and establish related database, and report the information;
 - To collect and compile the opinions and suggestions from construction units, project owner, and affected townships, and summarize the problems for decision-making;
 - To coordinate work of related organizations;
 - To collect, sort out and report various information of LAR;
 - To manage LAR resettlement files.

3) Township government

Each local township government is responsible for implementing compensation and resettlement in its own township.

- Participating in the DMS;
- Organizing public participation, and communicating the resettlement policies;
- Implementing, inspecting, monitoring and recording all resettlement activities within the township;
- Responsible for the disbursement and management of land compensation fees;
- Reporting LA and resettlement information to the Xichang City Railway Construction Coordination and Service Center and Xichang City Government; and
- Coordinating and handling conflicts and issues arising from its work.

4) Related government departments

All functional departments (land and resources bureau, planning bureau, forestry bureau, labor and social security bureau, and civil affairs bureau, etc.) should not only carry out their own works, but also should assist township governments in conducting compensation and resettlement practically.

2.2 Capacity of Organization

In order to ensure the successful implementation of the resettlement work, each resettlement agency is composed mainly of 3–8 staff and specialized technicians. See Table 2-1. A smooth channel of communication has been established among agencies at different levels.

All resettlement agencies have been provided basic office, transport and communication equipment, including desks and chairs, PCs, printers, telephones, facsimile machines and vehicles.

Table 2-1 Staffing of Resettlement Agencies

Agency	Workforce	Composition
Xichang LAR Headquarters	3	Civil servants
Xichang City Railway Construction Coordination and Service Center	4	Civil servants
Each Town Government	6	Civil servants
Each Village Committee	7	Village officials

2.3 Evaluation on Resettlement Implementing Agencies

During resettlement implementation, Xichang City Government formulated the detailed LAR implementing schemes including establishment of resettlement organizations. The resettlement organizations are well staffed and equipped with clear responsibilities. Their staff members are familiar with LA operations and policies, have rich experience in LAR, and are able to perform their duties properly.

3 Resettlement Policies and Compensation Rates

3.1 Policy Framework

The LAR of the Subproject was conducted strictly in accordance with relevant resettlement policies and regulations of the PRC, Sichuan Provincial Government and Xichang City Government. The main policy and legal framework used in the Subproject is presented in Table 3-1.

Table 3-1 Resettlement Policy Framework

Level	Policy document	Effective date
State	Land Administration Law of the PRC	August 28, 2004
	Regulations on the Implementation of the Land Administration Law of the PRC (Decree No.256 of the State Council)	December 27, 1998
	Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (SC [2004] No.28)	October 21, 2004
	Guidelines on Improving Compensation and Resettlement Systems for Land Acquisition (MLR [2004] No.238)	November 3, 2004
	Notice of the Ministry of Land and Resources on Formulating Uniform Annual Output Value Rates and Location-based Integrated Land Prices (MLR [2005] No.114)	July 23, 2005
	Notice of the General Office of the State Council on Forwarding the Guidelines of the Ministry of Labor and Social Security on Doing a Good Job in the Employment Training and Social Security of Land-expropriated Farmers (SCGO [2006] No.29)	April 10, 2006
Sichuan Province	Notice of the Sichuan Provincial Government on Publishing and Implementing Uniform AAOV Rates for Land Acquisition (Sichuan Provincial land resource department [2014] No.1170)	January 1, 2015
Xichang City	Notice on compensation rates of collective land acquisition of Xichang City by Xichang City Government (XCG (2016) No.187)	June 17, 2016
	Notice on issuing implementation rules of land acquisition, house demolition and resettlement for Xichang Section of Chengdu-kunming railway line (XCG (2016) No.157)	September 19, 2016
	Implementation opinion of social security of land-expropriated farmers in Xichang City (XCG(2016) No.270)	September 1, 2016

3.2 Compensation Policy and Rates

3.2.1 Land acquisition

According to the Notice on compensation rates of collective land acquisition of Xichang City by Xichang City Government (XCG (2016) No.187), LA compensation includes land compensation and resettlement subsidy. The LA compensation rates in Taihe town and Yulong town that are affected by the Project are detailed in Table 3-2.

Among LA compensation, land compensation is 10 times of average annual output value (AAOV) of the land, and the remaining is resettlement subsidy. The AAOV in affected towns is 2040 yuan/mu. The compensation for young crops is 2430 Yuan/mu.

The LA compensation is to be used for land expropriated farmers to participate in social security in priority.

The compensation rates for mountainous dry land (orchard land) and woodland (non-cultivated land) are 0.67 and 0.5 time of the rate for cultivated land respectively.

Table 3-2 LA Compensation Rates

		Unit Yuan/mu	
Town		Taihe town	Yulong town
cultivated land	total	51000	51000
	land compensation	20400	20400
	resettlement subsidy	30600	30600
mountainous dry land	total	34000	34000
	land compensation	13600	13600
	resettlement subsidy	20400	20400
wood land/non-cultivated land	total	25500	25500
	land compensation	10200	10200
	resettlement subsidy	15300	15300

3.2.2 House demolition

According to the *Notice on issuing implementation rules of land acquisition, house demolition and resettlement for Xichang Section of Chengdu-kunming railway line*, two options have been provided for the compensation and relocation for house demolition by the Project, 1) cash compensation; and 2) resettlement house by uniform planning and combined construction.

House demolition compensation includes house compensation, removal fee, transitional fee, incentive fee and subsidy for new house purchase as well.

1) Cash compensation

Cash compensation refers that Xichang city government will provide cash to displaced households directly. The displaced households can purchase the commercial apartments anywhere by themselves.

The compensation base rates which are appraised by the third party based on market price and agreed by Xichang City government are detailed in Table 3-3.

Table 3-3 compensation base rates of cash compensation for house demolition

Unit: Yuan/m ²		
Affected town	Base rates of cash compensation	Purchase price for relocation apartment
Taihe town	2730	2450
Yulong Town	2550	2400

2) Resettlement house by uniform planning and combined construction

This option refers that Xichang City Government will carry out site selection in the planning area of affected town, planning and design of relocation house uniformly, and then the town government, affected village and affected household will construct concentrated relocation house jointly. The house structure will be compensated at replacement cost, which is detailed in Table 3-4.

Table 3-4 compensation rates of house structure

Unit: yuan/m ²		
Structure	Class	Compensation rate
Frame-shear		950
Frame	I	800
	II	750
Concrete-brick	I	700
	II	650
	III	550

Structure	Class	Compensation rate
Brick-timber	I	400
	II	370
	III	340
	IV	270
Earth-timber	I	350
	II	320
	III	290
	IV	180
shed	Brick-timber	120
	Earth-timber	100
	simple	80

The households who choose this option will also be entitled to:

- a) Three supplies and one levelling⁵ and public facilities of relocation site will be provided by the Government;
- b) The fees of planning, design, geological exploration and drawings review, etc. will be paid by the Government;
- c) Subsidy for construction cost: 20000yuan/person; and
- d) 5000 yuan/person incentives for house construction if the house is constructed as the design.

3) Other fees

In addition, the affected households will receive:

- a) Removal fee, 400 yuan/person;
- b) Transitional fee: 260 yuan/person/month. For transition period, cash compensation will be 6 months, and resettlement house by uniform planning and combined construction will be calculated from original house handing over to a month after relocation house delivery; and
- c) Incentive fee: 1000 yuan/person for signing agreement within specified period, 1500 yuan/person for handing over original house as the signed agreement.

3.3 Evaluation

The LAR has been implemented according to the laws and regulations issued by PRC, Sichuan Provincial Government and Xichang City Government. Especially, the key document, *implementation rules of land acquisition, house demolition and resettlement for Xichang Section of Chengdu-kunming railway line*, is formulated by Xichang City Government combing with the actual situation.

In conclusion, it is considered that:

- 1) Affected persons have been informed and consulted with LAR policies and rates;
- 2) The LAR policies and rates were accepted by the affected persons; and affected persons knew their entitlements;
- 3) The compensation policies and rates meet the ADB's requirement on replacement cost. Affected persons could afford similar houses/apartments using compensation; and
- 4) Grievance redress mechanism was in place and affected persons were properly informed.

⁵ Water supply, electricity supply, road supply and land levelling.

4 Resettlement Impacts and Implementation

The impact scope of the LAR, implementation progress of resettlement compensation and resettlement agreements were identified and understood according to interviews and discussions with the related personnel of affected village committees and towns, and documents collected.

4.1 Summary of resettlement impacts

According to the survey, the main resettlement impacts of the Project are collective land acquisition and house demolition. All resettlement activities had been completed by December 2017. However, the relocation of displaced households is not started yet as the relocation site has not been finalized so far.

The LAR of the Project affected 3 villages in 2 towns which are Xingfu village in Yulong town, and Lijiakan village and Zhongxin village in Taihe Town.

The Project acquired 530mu collective land. Along with land acquisition, 14451.76 m² houses were demolished, displacing 45 households and 187 person.

4.2 Land Acquisition and Implementation

4.2.1 Land Acquisition Impact

A total of 530.0mu collective land was acquired by the Project as presented in Table 4-1.

Table 4-1 permanent collective land acquisition of the Project

Town	Affected village	Land acquisition (mu)			percentage
		Cultivated land	Non-cultivated land	subtotal	
Yulong	Xingfu village	416.3	23.8	440.1	83.0%
Taihe	Lijiakan village	38.1	0	38.1	7.2%
	Zhongxin village	48.1	3.7	51.8	9.8%
Subtotal		502.6	27.4	530	100%
percentage		94.80%	5.20%	100.00%	/

Data source: field survey, affected township governments, and CKRC

4.2.2 Land Acquisition Implementation

In 2006, Ministry of Land resource and state forestry bureau approved land use in advance in Xichang City for the Project. The document No. is [Gutuziting[2016] No. 756] by Ministry of land resource, and (Lizixuzhun[2016] No.253) by state forestry bureau.

On August 18, 2016, Xichang City Government issued the notice on land acquisition (Xituzhengzi[2016] No.08) as per the approval above.



Figure 4-1 Notice on land acquisition issued by Xichang City Government

Since then, the land acquisition for the Project was started and was completed in February 2017.

4.2.3 Resettlement Measures

The main resettlement measures for land acquisition are i) cash compensation, and ii) endowment insurance for land expropriated farmers.

According to survey, the program of endowment insurance for land expropriated farmers has not been finalized yet by end of April 2018. As per the program, the funds will be contributed by the Government, the Collective and affected person. In order to ensure that the collective and affected person have adequate fund for endowment insurance, only part of compensation of LA (21000yuan/mu out of 51000yuan/mu for cultivated land) had been paid to APs, the remaining are reserved in special bank account.

4.3 House Demolition and Implementation

4.3.1 House Demolition

A total of 14451.76 m² houses have been demolished, with 45 households and 187 persons affected. According to the survey, 2 households in Lijiakan village were affected partially, who need not be relocated. The details are shown in Table 4-2.

Table 4-2 House Demolition of the Project

Town	village	House demolition (m ²)					Affected person	
		Concrete-brick	Brick-timber	Earth-timber	shed	subtotal	household	person
Yulong	Xingfu	4946.11	3111.5	2670.25	1025.81	11753.67	36	158
Taihe	Lijiakan	0	21.24	0	0	21.24	2	4
	Zhongxin	834.75	914.63	281.03	646.44	2676.85	7	25
subtotal		5780.86	4047.37	2951.28	1672.25	14451.76	45	187
percentage		40.0%	28.0%	20.4%	11.6%	100.0%		

Data source: field survey, affected township governments, and CKRC

4.3.2 House Demolition Implementation

Along with the implementation of land acquisition, the house demolition was implemented. And all affected households had signed house demolition agreement by end of 2017.

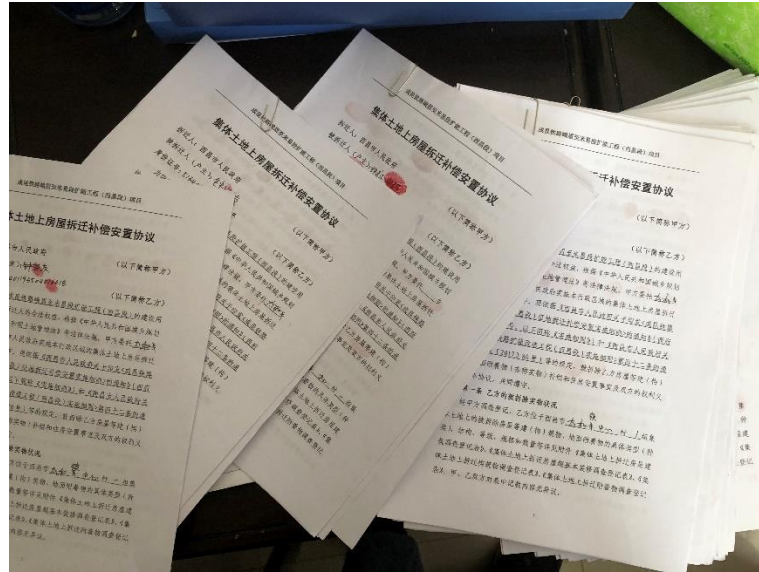


Figure 4-2 house demolition agreement

4.3.3 Relocation of Displaced household

Among 45 households, 2 households opted for cash compensation due to very limited impact, the remaining 43 households opted for resettlement house by uniform planning and combined construction. The resettlement houses will be located in the area near Xichang Railway Station, where is also close to the original houses. It was planned that the resettlement houses would be allocated to displaced households by end of 2018. Although the resettlement site has been proposed, it was revised several times due to the revision of Master Plan of Xichang Railway Station Zone. Up to now, the Master Plan of Xichang Railway Station Zone has not finalized yet, the site for resettlement houses therefore has not been decided.



Figure 4-3 the current situation of proposed resettlement site in Zhongxin village

4.4 Resettlement Fund and Disbursement

4.4.1 Resettlement Fund and disbursement

The total resettlement cost of the Project is about 38.77 million Yuan. As mentioned above, the resettlement measures for land acquisition have not been finalized, only part of compensation for LA has been disbursed. Up to now, according to available data, 23.65 million yuan for land acquisition has been disbursed, and compensation for house demolition has been fully paid.

The total LAR compensation and disbursement amounts are shown in Table 4-3.

Table 4-3 LAR compensation and disbursement

Unit: Yuan, by end of April 2018

Town	village	compensation of LAR				disbursed compensation			
		LA	HD	other	subtotal	LA	HD	other	subtotal
Yulong	Xingfu	21687349.9	9814359	1700080	33201788.4	8504843	9814359	1700080	20019281.6
Taihe	Zhongxin	2640587.73	1675622	0	4316209.913	1035525	1675622	0	2711146.783
	Lijikan	534337.965	718123.8	0	1252461.758	209544.3	718123.8	0	927668.0927
	subtotal	3174925.695	2393746	0	5568671.671	1245069	2393746	0	3638814.876
total		24862275.6	12208104	1700080	38770460.07	9749912	12208104	1700080	23658096.48

Data source: field survey, affected township governments, and CKRC

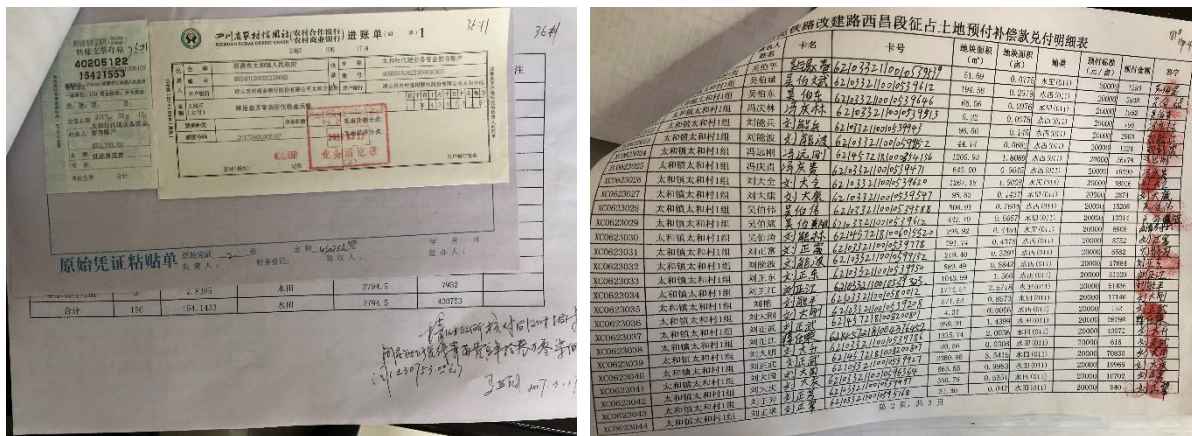


Figure 4-4 Receipt of Land Compensation disbursement for affected towns and affected households

4.4.2 Fund Disbursement Process

All LAR funds are raised and managed by Xichang City Government. As resettlement agencies, it will ensure that all required resettlement funds are available timely and fully. See Figure 4-5.

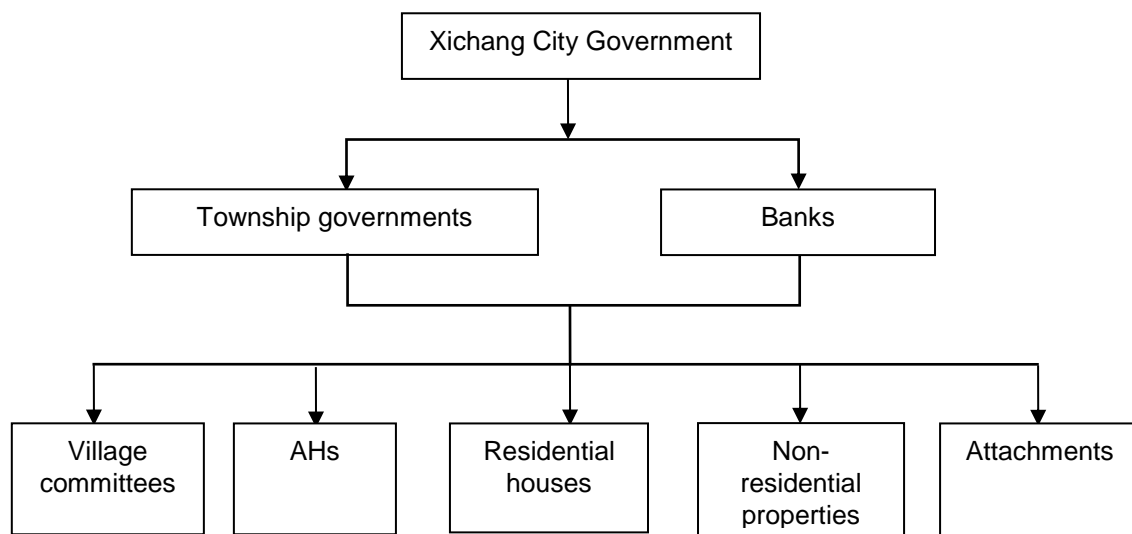


Figure 4-5 Fund Disbursement Flowchart

4.5 Evaluation

Through field investigation, interviews, FGDs and literature review, it was thought that the LAR for Xichang railway Station had been completed, and the site is now available for construction of the Project. The compensation policies and rates are conducted in strict conformity with those issued by local government, which are also consistent with the principles and requirements on LAR of the ADB.

However, it was also found that:

- i) Only part of LA compensation had been paid to affected households because resettlement measures for LA, have not finalized yet.
- ii) The resettlement site has not finalized due to revision of master plan of Xichang railway station zone. This is now causing the delay of relocation of the displaced households by the Project. Furthermore, this will result in resettlement cost increase due to increase of transition fee.

5 Information Disclosure and Grievance Redress

5.1 Information Disclosure and Consultation

During implementation, extensive public participation and information disclosure was conducted.

When determining the design scheme, Xichang City Government, affected township governments and related departments have been consulted in order to optimize LAR.

The Project encourages people to participate in the entire implementation process of LAR through (i) direct participation via village meetings as well as individually affected persons and units; and (ii) indirect participation via relevant government agencies and departments.

Information disclosure utilized mass media and public announcements regarding the Project. The resettlement brochures including project information, policies and rates, resettlement schemes and grievance redress mechanism as well have been handed out to the affected villages and households.

The details are as follows:

1) LA announcement

On August 18, 2016, Xichang City Government issued the notice on land acquisition (Xituzhengzi[2016] No.08) and posted *the Notice* in the affected areas.

2) On-site meeting

From September 2106 to December 2017, Xichang LAR headquarters, Xichang City Railway Construction Coordination and Service Center and affected town governments and village committees conducted extensive consultation with the AHs, mainly including: 1) holding village meetings to notify the purpose and range of LA, and compensation policy and rates; 2) selecting representatives to participate in LA appraisal and measurement; and 3) disclosing the measurement results.

3) LA and HD compensation agreement

LA and HD compensation agreements have been signed through negotiations, and the compensation was paid in full consultation with the AHs.

5.2 Grievance and Redress

During resettlement implementation, a transparent and effective grievance redress mechanism was established. Any AP may file an appeal with the Village Committees, Town Governments, Xichang City Railway Construction Coordination and Service Center or Xichang LAR headquarters, or even bring a suit in the Xichang City People's Court.

According to survey, although there were some minor disputes during LAR implementation, they could be resolved at village or township level. Up to now, The Xichang City LAR headquarters has not received any grievance or appeal.

5.3 Evaluation

All grievances have been addressed properly through consultation, and no lawsuit arose from resettlement.

It is thought that public participation and information disclosure was conducted properly, and the grievance redress mechanism of the project was sound.

6 Conclusions and Suggestions

6.1 Conclusions

1) LAR impact and implementation.

The LAR of the Project affected 3 villages in 2 towns which are Xingfu village in Yulogn town, and Lijiakan village and Zhongxin village in Taihe Town. The Project acquired 530mu collective land and demolished 14451.76 m² houses.

45 households with 187 persons were affected by house demolition, of which, 2 households opted for cash compensation, and 43 households opted for resettlement house by uniform planning and combined construction.

All resettlement activities had been completed by December 2017. However, the relocation of displaced households is not started yet as the relocation site has not been finalized so far. The site is now available for construction of the Project

2) Resettlement Policies and rates

The compensation policies and rates are conducted in strict conformity with those issued by local government, which are also consistent with the principles and requirements on LAR of the ADB. The LAR policies and rates were accepted by the affected persons; and affected persons knew their entitlements.

3) Resettlement compensation and disbursement

All affected households signed the LA and HD agreement. The total of resettlement compensation is 38.77 million Yuan. Only part of LA compensation had been disbursed because resettlement measures have not been finalized.

4) Relocation of house demolition

Among 45 households affected by house demolition, 43 households opted for resettlement house by uniform planning and combined construction. The resettlement site is located in the area of Xichang Railway Station. However, the master plan of Xichang railway station zone is being revised, accordingly, the site selection has not been finalized. The displaced households must suffer a longer transition period.

5) Public participation and grievance redress

During resettlement, public participation and consultation have been extensively conducted. The grievance redress mechanism of the Subproject was transparent and effective.

6.2 Suggestions

In order to the remaining issues identified can be addressed properly so that all resettlement activities could be finished successfully, it is suggested that:

1) Resettlement measures and resettlement compensation disbursement

The resettlement measures, especially the program for endowment insurance for land expropriated farmers, should be finalized at the earliest, so that the remaining compensation for LA could be disbursed. And the livelihood of APs could be better restored and guaranteed.

2) Construction of resettlement site and relocation of displaced persons

Further consultations and participations should be strengthened with displaced households. It was planned that the resettlement houses would be allocated by end of 2018. But now it is delayed due to adjustment of Master plan of Xichang Railway Station Zone. The transition period would be exceeded, which not only increases the cost to the Project, but also might bring some troubles to AHs to some extent. In addition, the discontented mood of AHs might be triggered once the transition subsidy cannot be paid in time, which will be one of unstable factors leading to a social conflict. It's suggested that the transition subsidy should

be disbursed fully and timely, and any changes regarding resettlement policies and schemes should be informed earlier and agreed by AHs. The most important thing is that the construction of resettlement houses should be speeded up and be allocated to AHs as early as possible.

6.3 Further Actions to be taken

Based on the surveys and suggestions, the CKRC made several discussions with Xichang City government. The Xichang city government agreed that the actions will be taken as follows:

1) actions for resettlement measures and resettlement compensation disbursement

No.	action	Responsible agency	Due date	remark
1	Willingness survey of affected households	involved township governments	By 2018	The program for endowment insurance for land expropriated farmers is being piloted in Yuehua Town. The lessons and experiences will be integrated into the final program that will be carried out in Xichang City.
2	Finalization of program for endowment insurance for land expropriated farmers	Xichang Social Security bureau	By 2018	
3	Implementation of program for endowment insurance for land expropriated farmers	Xichang Social Security bureau	In 2019	
4	payment of the remaining compensation for land acquisition	Xichang City Railway Construction Coordination and Service Center	By 2018	The land delimitation by households and the program for endowment insurance for land expropriated farmers have not completed. The remaining compensation will be paid when they are completed.

2) actions for construction of resettlement site and relocation of displaced persons

No.	action	Responsible agency	Due date	remark
1	Selection of resettlement site	Yulong and Taihe township governments	By 2018	
2	Construction resettlement houses	Yulong and Taihe township governments	By 2020 年	The planning of site has almost been completed, and now is applying for the approvals from related departments.
3	Relocation of displaced households	Yulong and Taihe township governments	By 2021	

The above actions will be implemented by Xichang City Government and related departments and monitored by the Chengdu-Kunming Railway Corporation (CKRC), and then reported to the ADB.