World Bank Financed Gansu Cultural and Natural Heritage Protection and Development Project

Resettlement Action Plan

World Bank Financed Gansu Cultural and Natural Heritage Protection and Development Project Management Office

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Introduction

This is the report of Resettlement Action Plan (RAP) of the proposed China: Gansu Cultural and Natural Heritage Protection and Development Project (USD 79.4 million, 2008-2013), hereafter referred to as 'the project'. The project will finance a series of priority investments at key cultural and natural tourism sites in Gansu Province, in addition to institutional strengthening and training for tourism management in Gansu.

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BACKGROUND AND OVERVIEW

Gansu Province, with its capital Lanzhou and a total population of 26 million, is located in northwestern China. The economy has traditionally been based on agricultural production, mining of the province's abundant mineral reserves,

and heavy industrial development. Poor infrastructure and Gansu's distance from the coast, has largely kept Gansu isolated from the rapid development experienced by other provinces in China in the last two decades. As a result, Gansu is the second poorest province in China, measured by per-capita GDP. Moreover, the province contains some of the country's poorest communities, as listed on the Government's national poverty register.

Gansu Province is situated at the famous 'silk road' which occupies the central part of the country's mainland with rich cultural heritage and precious relics. However, lack of infrastructure has been an obstacle to the development of the tourism industry in Gansu Province. Mogao Grottoes in Dunhuang, Jiayu Pass, Maiji Mountain Grottoes in Tianshui and a few other area tourism resorts have relatively good facilities. Problems still exist in these resorts such as poor facilities, weak supporting services, poor access and poor management. These problems are significant obstacles of the sustainable development of the tourism industry.

For the purpose to improve the protection of cultural and natural heritage, Gansu provincial government submitted an application to the National Development and Reform Commission, Ministry of Finance in 2003, which discussed a loan for tourism infrastructure construction with the World Bank. The project was formally listed in the 2005-2007 fiscal year projects planned by the Ministry of Finance. Gansu Cultural and Natural Heritage Protection and Development Project ("the project") was approved by the State Council, which can be seen as an unprecedented opportunity for Gansu.

PURPOSE OF THIS DOCUMENT

The document has been prepared to the structure of a World Bank "Resettlement Action Plan (RAP)" according to the Guidelines of the *World Bank's Operational Policies (O.P 4.12) on Involuntary Resettlement*, and according to the Laws and Regulations of the P.R. China and Gansu Province.

This document gives recommendations for actions that can be taken at this stage to ensure Project Affected Peoples (PAPs) can improve or at least restore their standards of living after displacement, as per Guidelines of the *World Bank's Operational Policies (O.P 4.12) on Involuntary Resettlement*.

Although no further displacement of people is expected beyond that identified here, it is considered to make provision for any additional displacement arising from unforeseen project activities. Therefore, the document sets out the procedures and processes to follow in the event of additional displacement arising from the project following a Resettlement Policy Framework approach.

METHODOLOGY

The RAP was prepared by the Household Investigation Department of the Gansu Statistics Bureau, during the project preparation period (2006-2007). Information on the two sites at which there will be involuntary resettlement, Lutusi and Qingcheng, is sourced from separate individual Resettlement Action Plans for each site, prepared by Lanzhou University. Other information was provided and supported by the Provincial Project Management Office and Local Project Management Offices.

Environmental Resource Management (ERM) Ltd provided advice and guidance to the Gansu Statistics Bureau and PMO, on the steps to be taken to prepare the RAP and on the presentation of this document.

LAYOUT OF THIS DOCUMENT

The document is structured according to the following chapters:

Chapter 2: Objectives Chapter 3: Project Description Chapter 4: Socio-Economic Profile *Chapter 5:* Policy and Legislative Framework Chapter 6: Breakdown of Impacts Chapter 7: Eligibility and Mitigation Measures Chapter 8: Organisational Responsibilities Chapter 9: Costs and Budgets Chapter 10: Consultation and Participation Chapter 11: Grievances and Dispute Procedures Chapter 12: Monitoring and Evaluation Chapter 13: Schedule for Implementation Chapter 14: Policy Framework Chapter 15: Conclusion Annex A: Questionnaires of Lutusi and Qingcheng **Annex B: Legislation Annex C: Land Use Tables**

Objectives

This chapter describes the objectives of the RAP.

PRINCIPLES OF THE RAP

Involuntary resettlement can be a disruptive and traumatic experience for PAPs and have significant social impacts. However, the negative effects of resettlement can be mitigated, and positive impacts maximised if resettlement is treated as an integral part of project formulation and implementation, rather than merely another project hurdle.

OBJECTIVES OF THE RAP

The objectives of the RAP are to:

- Prevent or mitigate the adverse impacts associated with resettlement and land acquisition for the project;
- Maximise benefits of project operations to the local community as far as • practicable; and
- Deliver entitlements of PAPs for payment of compensation and support • for re-establishing their livelihood while providing a transparent record of compensation payments made by the project developer for land acquisition and displacement.

The RAP helps achieve this through the:

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- Recommendation of a strategy that will restore the livelihoods of PAPs, as a minimum, to a level equivalent to that prior to project developer's involvement by way of better shelter and access to services, training and facilitating community action;
- Provision of guidance on the appropriate involvement of PAPs in all stages of resettlement and rehabilitation;
- Detailing of the applicable land acquisition and compensation policies and standards; and
- Outlining of responsibilities for implementation and monitoring of the land acquisition/resettlement programme and livelihood restoration strategies.

The resettlement objectives will be achieved through:

- Conducting resettlement in accordance with the laws and regulations of China and in accordance with World Bank policies and guidelines governing involuntary resettlement *"World Bank Operational Policy 4.12 and World Bank Procedure 4.12"*;
- The fair compensation of project affected people in accordance with the compensation standards set out in *Gansu Province Implementing Regulation on the National Land Administration Law* 1999;
- The provision of assistance to project affected people towards development of opportunities for replacement employment or self-employment;
- Special attention to disadvantaged groups including the poor (defined as households below the poverty line), the sick, women, handicapped, elderly;
- The conducting of full and thorough community consultation throughout the resettlement process; and
- The monitoring of the effective implementation of the land acquisition/resettlement programme and any livelihood restoration initiatives.

Project Description

This chapter provides a summarised description of the project and its components. Full details of the project description are available in Appendix 1 of the Project Appraisal Document, 'Detailed Project Description'.

PROJECT OVERVIEW

The project development objective is to generate benefits for local communities from the development of sustainable cultural tourism in Gansu Province.

The project will achieve this objective through investment in a range of key sites of highly significant cultural and natural value, located across Gansu Province, accompanied by investment in the institutional capability for sustainable tourism management in Gansu.

The project covers nine resort sites in Lanzhou, Jiuquan, Jiayuguan, Zhangye, Tianshui and Baiyin Municipalities, as listed in *Error! Reference source not found.*. The location map of the sites is presented in *Figure 0.1*.

The project consists of two components as stated in the following sections.

Component 1 – Protection and Development of Priority

Sites

The following activities would be carried out at each of nine sites:

- a) Heritage Conservation and Presentation. The preservation and conservation of key relics, research, interpretation and presentation of cultural and natural heritage assets; and
- b) Infrastructure, Tourism Services and Environmental Protection. Investment in high priority physical infrastructure at key cultural and natural heritage sites that raise local standards of living and have a high potential for promoting local economic development through tourism.

Project activities at each site include a combination of:

- ***** Restoration of cultural heritage sites;
- * Restoration and construction of tourism service centres and museums;
- **Road construction and upgrading;**
- ***** Construction of parking Lot;
- * Installation or upgrading of electricity supply and lighting;
- Provision of environmental protection facilities, including water supply, toilets and wastewater drainage system, solid waste disposal landfills etc; and
- * Auxiliary facilities including landscaping, footpaths, fencing and signage.

Component 2 – Institutional Strengthening and Capacity

Building

This will include detailed project design, project management strengthening, training of site managers, staff and local residents in heritage conservation, site management and tourism development (including study tours), and implementation of several key province-wide tourism and heritage studies designed to assist the Gansu Provincial Government (GPG) to develop the tourism industry in Gansu.

			Т	ype of Sign	ificance
No.	Site Name	Municipality	Cultural	Natural	Cultural and Natural
1	Yellow River Stone Forest Park	Baiyin			
2	Jiayuguan Great Wall	Jiayuguan			
3	Wei Jin Folk Culture Park	Jiayuguan			
4	Suoyang Town	Jiuquan			
5	Yardang National Geological Park	Jiuquan			
6	Lutusi Ancient Government Building	Lanzhou			
7	Qingcheng Ancient Town	Lanzhou			

Table 0.1Nine Sites of the Project

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NI.	Cite Name	M	Т	ype of Signi	ificance
No.	Site Name	Municipality	Cultural	Natural	Cultural and Natural
8	Maijishan Scenic Area	Tianshui			
9	Mati Temple Scenic Park	Zhangye			

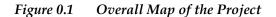
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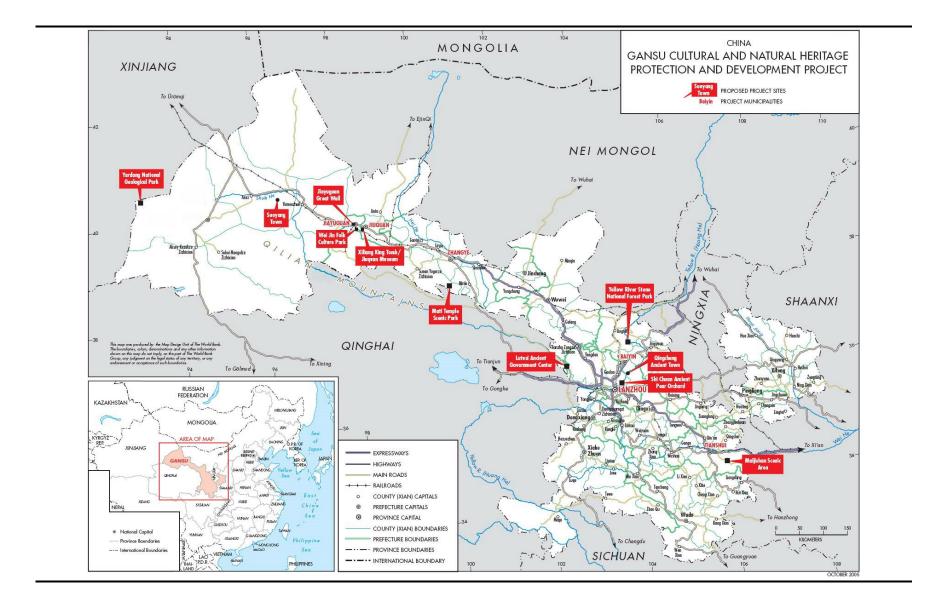
Budget

The total budget for the project is RMB 611.5 million (USD 79.4 million at 1USD = RMB 7.8). 70% of the project budget will be financed by World Bank, with a total Bank loan of USD 55.6 million.

The total costs for Components 1 and 2 are currently estimated at RMB 583 million and RMB 28.5 million (USD 3.65 million at 1 USD = 7.8 RMB), respectively. (Need to be updated)

The project is expected to start in 2008 and complete in 2013.





To allow the proposed project development in the project area, land acquisition and physical displacement of residential houses will be necessary in two sites located in Lutusi and Qingcheng, respectively. Details of the project activities are outlined in *Table 0.2* and *Table 0.3*.

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Parking lot	2,000	Collectively- owned	No.9 Village Group of Liancheng Village	House, trees	Yes
2	Tourist service center	783	State-owned	Liancheng police station	House, trees	No
3	Reconstruction of east and west Street	2,020	Collectively- owned	No.1, 2, 3 Village Group of Liancheng Village	House	Yes
4	Road from Xianjiao Temple to the new parking lot	1,820	Collectively- owned	No.5 Village Group of Liancheng Village	No	No
5	Updating road inside LutusiYamen	4,200	State-owned	Lutusi Yamen	No	No
6	Landfill site	667				
7	Waste water treatment plant	200				
8	Parking lot resettlement	4,336	Collectively- owned	No.3 Village Group of Liancheng Village	No	Yes
9	Police station resettlement	1,334	Collectively- owned	No.3 Village Group of Liancheng Village	No	Yes
10	Wall of Lutusi	372	State-owned	Lutusi Yamen	Walls	No

Table 0.2Land Use of Project Activities in Lutusi

Table 0.3

Land Use of Project Activities in Qingcheng

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Water supply	300	Collectively- owned	No.2 Village Group of Chenghe Village	No	Yes
2	Weiqing Road construction	24,000	State-owned	Qingcheng Town	No	No
3	Dongtan Township Tourism Road	48,000	State-owned	No.7 Village Group of Dongtan Village	No	Yes
4	Updating Road in Wangxiangou	2,200	State-owned	Qingcheng Town	No	No
5	Reconstruction of street and block	9,250	State-owned	Qingcheng, Xinmin and Chenghe Village	No	No
6	Bridge construction	1,333	State-owned	Qingcheng Town	No	No
7	Restoration of many historical houses	1,312	State-owned	Qingcheng Town	No	No
8	New service center	200	State-owned	Qingcheng Town Government	No	No
9	Improve environme Land fill	3333	Collectively- owned	No.2 Village Group of Xiaping Village	No	Yes
	nt Water condition treatment	1333	Collectively- owned	No.1 Village Group of Wayao Village	Standing crops	Yes

Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
 Toilet and dustbin	400	State-owned	Qingcheng Town	No	No

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IMPLEMENTATION ARRANGEMENTS

The Provincial Project Management Office (PPMO) is the main organisational body established by Gansu Provincial Government to lead implementation of the project. For the project sub-components, Local Project Management Office (LPMO) have been established in the relevant municipalities, including Lanzhou, Jiuquan, Jiayuguan, Zhangye, Baiyin and Tianshui.

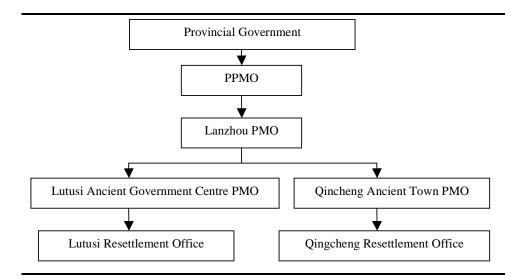
To manage and implement the land acquisition and resettlement of the project, the PPMO has set up a Resettlement Office of three levels under the administration of Provincial, Municipal and Town-level Project Management Offices.

For Lutusi and Qingcheng, the Local Project Management Office (LPMO) has established Local Resettlement Offices (LRO), which will be responsible for land acquisition, and resettlement and compensation procedures for each site.

The Local Resettlement Offices (LRO) under the Local Project Management Offices (LPMO) includes officials from Local Land Resources Bureau. The LRO reports to the LPMO directly.

Implementation arrangements are depicted in Figure 0.2.

Figure 0.2 The Implementation Arrangements for Land Acquisition and Resettlement



Socio-Economic Profile

This chapter describes the socio-economic profile of the project area within Gansu Province.

To ensure that the livelihoods of project affected people are not negatively affected by resettlement, and identify what support can alleviate this in any cases where hardship has been caused, it is necessary to have an understanding of the livelihoods of people living within the project area before resettlement. For a Resettlement Action Plan, this is usually undertaken through:

- Desk-based socio-economic analysis, followed by
- Field-based:
 - Household surveys
 - o Assets inventories and resource assessments, and
 - Consultation meetings with people to be affected.

Such research and asset inventories when undertaken before resettlement can also provide a baseline of data against which future grievance claims can be checked. This can be used to protect against fraudulent claims of people being negatively affected by resettlement for the project.

GANSU PROVINCE

Gansu Province is located in the northwest of China and occupies the central part of the country's mainland with rich cultural heritage and precious relics. It encompasses 14 municipalities, consisting of 86 county level districts. At the end of 2005, the total population of Gansu Province is 25,943,600, of which 7,788,300 (30.02%) are urban and 18,155,300 (69.98%) are rural. Gansu is one of the most ethnically diverse of all Chinese provinces and autonomous areas. Of China's 56 ethnic groups, 45 live in Gansu (for example, Hui, Tibetan, Dongxiang, Mongolian, Yugur, Bonan, Kazak etc.). The total population of ethnic minorities in Gansu in 2005 is 3,135,800, 12% of the total population.

Compared with eastern provinces, Gansu Province is less developed as measured by GDP, education, health, roads and other infrastructure. However as a result of significant recent government investment in the region, it is catching up. For example, over the period 2000 to 2005, GDP in Gansu Province average increased by 10.7% per year and achieved GDP RMB 192.8 billion in 2005. Per capita GDP in 2005 is RMB 7, 477 and net income for farmers is RMB 1, 980 in 2005, an increased of 6.9% on the previous year.

Gansu is one of the provinces targeted under the Government's Great Western Development Initiative, which aims to alleviate poverty and restructure the economies of the western provinces. Through this program, the Government and Gansu Provincial Government have invested heavily in a wide range of projects, including agricultural restructuring and transportation infrastructure.

LANZHOU MUNICIPALITY, YUZHONG AND YONGDENG COUNTIES

Lutusi and Qingcheng are located in Yongdeng and Yuzhong Counties of Lanzhou Municipality respectively. Lanzhou Municipality is the capital of Gansu Province, including five districts (Chengguan, Qilihe, Anning, Xigu and Honggu) and three counties (Yongdeng, Yuzhong and Gaolan).

At the end of 2005, the total population of Lanzhou Municipality is 3,149,600, consisting of 37 ethnic groups. GDP in 2005 was RMB 56.7 billion, an increase of 12% on the previous year and per capita GDP is RMB 18,296. The structure of agriculture, industry and service is 4:44:52 in 2005. The net income of urban people is RMB 8,529 and that of rural people is RMB 2,713.

Table 0.1 present the demographic and economic overview of Lanzhou Municipality, Yuzhong County and Yongdeng County.

Table 0.1Demographic and Economic Overview of Yuzhong, Yongdeng and Lanzhou
(2005)⁽¹⁾

Indicator	Lanzhou	Yuzhong County	Yongdeng County
Population	3,149,600	422,700	498,600
GDP (RMB)	56.7 billion	1.7 billion	4.1 billion
Per capita GDP (RMB)	18,296	4,023	8,313
Ratio of first, secondary and tertiary industries	4:44:52	28: 41: 31	13: 49: 38
Net income of urban people (RMB)	8,529	5,865	4,370
Net income of rural people (RMB)	2,713	1,866	2,070

HOUSEHOLD SURVEY

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Socio-economic and household surveys were conducted by Lanzhou University in February and June 2006 to understand the socio-economic context of the project-affected area.

A total of 48 questionnaires for Lutusi (41 were effective questionnaires, 85.4% recovery rate) and 98 questionnaires (90 were effective questionnaires, 91.8% recovery rate) for Qingcheng were used for the household survey within the project area. The questionnaires are attached in *Annex A Questionnaires of Lutusi and Qingcheng*.

The purpose of the survey was to:

- Gain sufficient data to both support the project in calculating compensation and understanding how to support livelihood restoration when necessary; and
- Defend against any potentially fraudulent grievance claims.

To assess the socio-economic context of the affected area, the World Bank recommends that the household survey section of a RAP analyses data from eight different types of questions that survey affected populations. This is not mandatory; however, it provides the best overview of the condition of the PAPs and allows for detailed planning. The questionnaire surveys covered the following:

- 1. Condition of family members;
- 2. Public opinion and suggestions;

⁽¹⁾ Source: Gansu Province Statistic Handbook 2006

- 3. Houses and attachments;
- 4. Land acquisition;
- 5. Affected enterprises and institutions;
- 6. Affected infrastructure and facilities;
- 7. Socio-economic situation of affected villages; and
- 8. Poverty-stricken and vulnerable households

According to the information collected from questionnaires, the key findings of the survey are listed in *Table 0.2* and *Table 0.3* below:

Table 0.2Baseline Conditions of Affected Households in Lutusi

Indicators		Value	Unit
Demolection Devictor (in a	Rural	98.2	%
Population Registration	Urban	1.8	%
	Below 17	21	%
Age	17 - 60	67.3	%
	Above 60	11.7	%
Gender	Male	53.76	%
Gender	Female	46.24	%
	Above senior middle school	13.2	%
Education	Junior middle school	46.8	%
Education	Primary school	29.8	%
	Illiteracy	11.2	%
Household population		4.3	person/household
Family income	5001- 10000	17.1	%
	10001-20000	58.5	%
	Above 20000	24.4	%
Family expenditure		8088.5	yuan/household (year)
Area of house		102.2	m ² /household
Structure of house	Brick-wood	54.8	%
Structure of nouse	Other	45.2	%
Water supply	Public	100	%
Gas supply	Coal	100	%
Toilet	Composting toilet	100	%
	TV	100	%
	Washer	56.1	%
	Refrigerator	26.8	%
Other Assets	Telephone	41.5	%
	Mobile Phone	43.9	%
	Tractor	29.3	%
	Motorcycle	39	%
Land		2.31	mu/household

According to the information available from the household survey in Lutusi, almost all PAPs are registered as rural residents. However they were mostly living in the town or near the town, and therefore have lot of opportunities for small businesses to earn money to supplement income gained from farming. 41.5% of the interviewees rent houses to others, 70.7% of the interviewees run their own businesses and 22% seasonally migrate for work.

Table 0.3Basic Conditions of Affected Households in Qingcheng

Indicators	Value	Unit	
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Indicators		Value	Unit
Average popul	lation/household	4	Person
	Labour force	75.93	%
Labour	Non-labour force	24.07	%
	Farmer	31.34	%
	Farming and with others business	8.92	%
Employment	Business	2.32	%
	Working outside for short term	18 33	%
	Working outside for long term	15.02	%
	University	7.17	%
E da contra a	Middle school	56.03	%
Education	Primary school	28.78	%
	Illiteracy	8.07	%
	Good	55.04	%
Health	Normal	38.11	%
	Bad	5.2	%
*Average Net	income per capita	3253	Yuan/year
*Average Exp	enditure per capita	2331	Yuan/year
*Average Foo	d Expenditure per capita	1229	Yuan/year
*Average Ente	ertainment Expenditure per capita	26.3	Yuan/year

Note: The data with * is from Qingcheng Statistical Handbook. Household surveys for the two sites were conducted by different institutes resulting in different table structures.

Vulnerable Groups

Vulnerable groups generally include those already living below the poverty line, the landless, the elderly, women and children, indigenous peoples and ethnic minorities, sick, handicapped, female-headed households, or other displaced persons who may not be sufficiently protected through national land compensation legislation.

To follow World Bank Guidelines, the project developer, is required to pay special attention to these PAPs, and ensure that their livelihoods are restored or improved by the project to avoid the risk of destitution caused by project impacts.

There were two households identified as vulnerable groups in Lutusi. Detailed information is mentioned in *Section ()*. No vulnerable groups were found at Qingcheng.

Detailed measures to mitigate the risk of destitution to very poor households caused by project are presented in *Section* ().

Policy and Legislative Framework

This chapter provides a brief synopsis of the relevant Chinese regulations and standards, and a description of the project's institutional framework. Further details and the key features of the World Bank Policy on Involuntary Resettlement (*OP 4.12*) are provided in *Annex B Legislation*.

Compensation

The Land Administration Law of the Peoples Republic of China (1998) stipulates that where land acquisition is necessary, compensation shall be paid in accordance with the original usage of the acquired land. Compensation shall include (i) compensation for land, (ii) compensation for land "attachments"(*eg* trees, houses), and (iii) compensation for standing crops, and in addition (iv) a resettlement subsidy will be paid.

- The land compensation fee for cultivated land is 6-10 times the average annual output value (AAOV) of the land in the previous three years preceding land acquisition;
- In the case of Gansu Project, relevant compensation standards for land "attachments" and standing crops are determined by the Gansu Provincial Government;
- The resettlement subsidy of acquired farmland shall be calculated according to the agricultural population to be resettled. The population to be resettled is calculated by the area of farmland divided by the average area of farmland per person within the acquired unit; and,
- The resettlement subsidy for displaced farmers shall be 4-6 times the AAOV in the previous three years. However, the resettlement subsidy for farmland shall not exceed 15 times the AAOV.

Should the land compensation fee and resettlement subsidy be insufficient to restore the original standard of living for displaced persons, the resettlement subsidy may be increased with the approval of the relevant Provincial Government. However, the sum of land compensation and resettlement subsidies shall not exceed 30 times the AAOV for the three-years preceding acquisition. The State Council can raise the land compensation fee and resettlement subsidy under special circumstances according to the social and economic development level of the project area.

Temporary Acquisition

The Land Administration Law of the Peoples Republic of China (2004) requires that where land owned by the State or by rural residents collectives needs to be used temporarily for construction of projects, the matter shall be subject to approval by the land administration departments of governments at or above the county level. However, if the land to be temporarily used is located in the area covered by urban planning, the matter shall be subject to agreement by the urban planning administration department concerned before it is submitted for approval. The land user shall, depending on who owns the land and who has the land-use right, enter into a contract for the temporary use of the land with the land administration department concerned, the rural collective economic organization, or the villager's committee and pay compensation for it in accordance with the provisions of the contract. The temporary land user shall use the land for the purposes stipulated in the contract for temporary use of the land and may not build permanent structures on it. Generally, the period for temporary use of land shall not exceed two years.

Resettlement in Urban Areas

The *Management Regulation on the Dismantlement of Urban Houses (2001)* applying to resettlement occurring on stated owned land within an urbanplanning zone, requires that the project developer and households to be displaced shall sign a resettlement agreement that specifies the compensation amount and method of payment, construction space and location of the new house, timeframe of displacement, transitional mode and time limit etc. It also requires that resettlement may only be conducted after the project developer obtains a resettlement permit.

Consultation and Disclosure

Publication Rules on Land Acquisition (2003) requires that a Land Acquisition Plan and Resettlement Compensation Plan be submitted to the town/village government if rural land is to be acquired. The Land Administration Law of the Peoples Republic of China (2004) states that the relevant local government shall publicise the resettlement plan and hear the comments from the agricultural collective economic organisation and the rural workers to be resettled.

The Land Resources Hearing Regulation (2004) includes provisions requiring that:

- (i). Landowners must be informed of the relevant laws and compensation standards to be applied and their right to a dispute hearing;
- (ii). Agreement must be reached with affected land users prior to the land being requisitioned;
- (iii).Access to public dispute hearings should be free of charge to affected landowners; and
- (iv). Government will consult with communities prior to introducing or amending compensation standards.

The *Management Regulation on the Dismantlement of Urban Houses (2001)*, requires that the residential resettlement administrative department shall publicise, by public notification, the resettlement information stipulated on the resettlement license⁽²⁾ simultaneously when it issues the license, including: the resettlement proponent, scope and timeframe of the resettlement, etc. The housing resettlement administrative department and resettlement proponent shall undertake information disclosure and notification to households to be displayed in a timely manner.

PROVINCIAL REGULATIONS

Compensation for Farmland

Land acquisition applications for land with areas below sizes of 35 ha for farmland and 70 ha for other land will be approved at provincial level and report to the State Council for record.

Compensation for farmland acquisition and resettlement will be as described in *Section 6.1.1*. Under the provincial regulations, when the acquisition of

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⁽²⁾ A resettlement licence developed by a licensed agency is required for urban resettlement. Each city has its own requirement. Gansu Project involves two cities therefore theoretically it needs two resettlement licences.

farmland is for the purpose of infrastructure construction, the following compensation standards apply:

- (i). When average farmland owned per capita is greater than 1mu, the land compensation per mu is six to eight times the average annual output of the land for the past three years; and resettlement subsidy should be four to six times of that;
- (ii). When average farmland owned per capita is less than 1*mu* and greater than 0.4*mu*, the land compensation per *mu* is eight to ten times of the average annual output for the past three years; and resettlement subsidy should be six to eight times of that; and
- (iii).When average farmland owner per capita is less than 0.4*mu*, the total compensation (land and resettlement) per *mu* should not exceed 25 times of the average annual output for the past three years.

Compensation for Other Types of Land

For other types of land, compensation for land acquisition and resettlement, and attachments and standing crops should be distributed according to a series of detailed standards, provided in *Annex B*.

Demolition of Buildings

The *Gansu Province Infrastructure Construction Land Acquisition Measures* approved on 30 March 2002, stipulates that:

- (ii). House dismantlement in urban areas should accord with approved city plans, redevelop old parts of the city, improve land use efficiency and living standards, and protect cultural heritage;
- (iii).County government and government levels above this should enhance the supervision of urban house dismantlement. Departments of Planning, Urban Construction, Land Resources, Public Security, and Industrial and Commercial should also cooperate to supervise demolitions;
- (iv). When the dismantlement scope is finalized, organizations and individuals within the scope are prohibited from constructing, expanding or renovating houses, altering the purpose of the house and land, and renting or leasing the house;
- (v). Compensation can be in the forms of cash or replacement housing. Cash compensation will be based on details of the dismantled house stated on the property right papers (building area, location, and purpose) and market price;
- (vi). In cases of the demolition of houses and attachments used for public services or welfare, the developer should rebuild the structure according to its original characteristics and size. Where reconstruction is not possible, cash compensation should apply with approval from administration body, or according to plans produced by local government according to overall planning; and,
- (vii). Demolition of or damage to public buildings, communication cables, power supply cables, pipelines and other public infrastructures, and greenbelts should be compensated or restored according to relevant municipal and forestry standards.

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MUNICIPAL REQUIREMENTS

The Lanzhou Municipal Urban House Dismantlement and Resettlement Compensation Regulation (Provisional) will apply to the sites of Lutusi and Qincheng. The regulation is applicable to all house dismantlement involving compensation and resettlement within the administrative boundary of the city. Details are provided in *Annex B Legislation*.

Subsidy for Small Business

According to *Measures of Management of Lanzhou Municipality, Article 42*, discontinue subsidy shall be provided when discontinuation of business activity arises. It shall be distributed for each season, and based on house areas, as follows:

Land Class I:

- RMB40/m² for small business households;
- RMB25/m² for production households;
- RMB15/m² for official houses; and
- RMB10/m² for storehouses.

Other Classes: Decrease of 10% from Class I.

WORLD BANK INVOLUNTARY RESETTLEMENT POLICY

The World Bank first set out its official requirements for involuntary resettlement in 1990 in the *World Bank Guidelines OD 4.30, Involuntary Resettlement*. In December 2001, this Guideline was replaced with *World Bank Operational Policy 4.12* and *World Bank Procedure 4.12* for all projects after 1 January 2002. The overall objectives of the *World Bank's OP* and *BP 4.12 Involuntary Resettlement* are the following:

- Involuntary resettlement should be avoided where feasible, or minimised, exploring all viable alternative project designs;
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits⁽³⁾;
- Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs; and,
- Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

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⁽³⁾ Local regulations do not address this, however, article 50 of China's Land Administration Law (1998) states: "Local people's governments at all levels shall support rural collective economic organizations and peasants in their efforts toward development and operations or in starting up enterprises." However, this is the only mention of any form of development beyond basic compensation.

World Bank Operational Policy 4.12 contains a number of "Required Measures" that are relevant to the Gansu Cultural and Natural Heritage Protection and Development Project, as follows:

Article 6 Requires that a Resettlement Action Plan (RAP) be developed in order to address socio-economic impacts as a result of displacement. The RAP must include measures to ensure that the displaced persons are:

- Informed about their options and rights pertaining to resettlement;
- Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
- Are provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

Where physical relocation is unavoidable, the RAP includes measures to ensure that the displaced persons are:

- Provided assistance (such as moving allowances) during relocation; and
- Provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, location advantages, and other factors at least equivalent to the advantages of the old site.

Where necessary to achieve the objectives of the policy, the RAP will include measures to ensure that displaced persons are:

- Offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and,
- Provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

Article 8 states that particular attention must be paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, sick, handicapped, women-headed households or other displaced persons who may not be protected through national land compensation legislation.

Article 10 indicates that the implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement does not occur before necessary measures for resettlement are in place. These measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.

Article 11 states that preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Whenever replacement land is offered, displaced persons should be provided with land

for which a combination of productive potential, location advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and any other assets lost.

Article 12 states that payment of cash compensation for lost assets may be appropriate where livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

Article 13 states that 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. Appropriate and accessible grievance mechanisms are established for these groups.

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. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).

Patterns of community organization appropriate to the new circumstances are based on choices made by those to be resettled. To the extent possible, the existing social and cultural institutions of those to be resettled and any host communities are preserved and the resettlers' preferences are honoured with respect to relocating in pre-existing communities and groups.

Article 14 indicates that a census should be carried out to identify those that will be affected by the proposed project, and to discourage the inflow of those ineligible for assistance. A procedure should be developed for determining the criteria for eligibility, which includes provisions for meaningful consultation with PAPs and specifies grievance mechanisms (however, grievance mechanisms are not clearly laid out).

Article 16 states that PAPs with formal legal rights to the land that they occupy and those with claims to the land that are recognized under Chinese law be compensated in accordance with Article 6 (above). Importantly, Article 16 also states that those who have no recognizable legal right or claim to the land they are occupying are provided resettlement assistance in lieu of compensation for the land that they occupy, as necessary, in order to meet the objectives of the Policy. Resettlement assistance may consist of land, other assets, cash, employment, and so on, as appropriate.

Article 19 indicates that in preparing the RAP, the project developer should draw on appropriate social, technical, and legal expertise and on relevant community-based organizations and NGOs. The project developer should inform potentially displaced persons at an early stage about the resettlement aspects of the project and consider their views in project design.

Article 21 states that the RAP must include arrangements for the monitoring of resettlement activities by the implementing agent, supplemented by independent auditors as considered appropriate.

Article 24 states that the project developer is responsible for adequate monitoring and evaluation of the activities set forth in the RAP local regulations and law. Upon completion of the project, the project developer undertakes an assessment to determine whether the objectives of the RAP have been achieved. The assessment takes into account the baseline conditions and the results of resettlement monitoring. If the assessment reveals that these objectives may not be realized, the project developer should propose follow-up measures.

STANDARDS FOR THE PROJECT

The project, as a minimum will meet relevant PRC regulations and laws. In particular, PMO should facilitate and or monitor:

- Adherence by PMO to World Bank policies on resettlement;
- Adherence to PRC, Gansu and Municipal laws and regulations relating to land acquisition and resettlement; and
- Stakeholder engagement and consultation in accordance with PRC EIA law and World Bank policies.

In addition the compensation rates defined in regulations are likely to be changed in the near future. The compensation rate determined in the RAP should be no lower than changed compensation rate. If the changed compensation rate of the regulation is higher than it confirmed in the RAP, it should implement the compensation rate of changed higher compensation rate as defined in the regulation.

INSTITUTIONAL FRAMEWORK

In accordance with the law, the following institutions will be involved in resettlement activities arising from the Gansu project:

- * Provincial, municipal or county level governments; and
- * Provincial, municipal or county level land resources administration departments.

In Gansu, Provincial, Municipal or County level Land Resources Bureaux are equivalent to Land Resources Administration Departments (LRADs) and are in charge of land acquisition and resettlement issues within their jurisdictional area. *Box 0.1* presents the responsibilities of LRADs in China.

For resettlement in Lutusi and Qingcheng, Yuzhong County or Yongdeng County Land Resources Bureaux respectively are responsible for the initial approval for land acquisition. Lanzhou Land Resources Bureau is responsible for the approval of acquiring farmland for construction projects and Gansu Land Resources Bureau is responsible for final approval of the land use implications of the project.

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However, Local PMOs (both Lutusi and Qingcheng) have established a Resettlement Office (RO) with representatives from local government and the local Land Resources Bureau for the responsibilities of resettlement issues of their individual component of Gansu project. Detailed responsibilities and procedures are set out in *Chapter 0*.

It is considered that all institutes should have sufficient capacities to conduct the land acquisition procedure, solve any resettlement-related issues during the project development period. The Local PMO will also engage an independent monitoring agency to undertake reviews of project resettlement, provide technical consultations and information about resettlement.

Box 0.1 China Land Resource Bureaus (LRBs)

In China, the Land Resource Bureaus (LRBs), or Land Resource Administration Departments (LRADs), are district and township government departments with responsibilities to:

- implement national and provincial laws, regulations and policies on land management.
- establish policies, standards, criteria and measures on management, protection and utilization of land.
- organize planning of land utilization and state-owned and other special planning.
- take part in auditing of city planning, direct and audit planning of land use of districts, counties/towns.
- pre-audit land use for construction projects, direct and audit special planning.
- supervise and inspect the implementation of administrative enforcement.
- protect the legal rights of owners and users of land and organize the investigation and handling of serious rights ownership disputes as well as investigate cases violating the law.
- implement agricultural land use controls and organize the protection of prime farmland.
- organize and instruct the development of unused land, land settlement, land reclamation and construction of standard farm land.
- implement investigation of municipal surveying and records of land resources as well as land statistics and dynamic monitoring.
- take charge of land ownership classification, registration and certificate issuance.
- establish and implement management measures on the distribution, remise, lease, investment, transfer, transaction and government acquisition conservation.
- manage and supervise land assets and the land market.
- take charge of the bidding of use right and auction of state-owned land.
- work out management measures on land utilization of villages/towns.
- manage the turnover of collective non-farmland use rights.
- manage municipal land prices.
- work out, examine and declare projects of farmland use change, land acquisition, farmland supplement and land provision as well as implement, inspect and approve.
- manage the municipal acquisition and removal of collective land.
- examine and approve settlement solution s for reimbursement of land acquisition.
- take charge of state-owned land resources technology, propaganda and education as well as correspondence and cooperation between state-owned land resource system and outside.

Breakdown of Impacts

This chapter summarizes the potential impacts of the project owing to land acquisition and resettlement.

INTRODUCTION

Involuntary resettlement is often extremely disruptive to the lives of those affected.

Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition. (Source: IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement).

Key impacts of resettlement on PAPs can be summarized as follows:

- ж Loss of land;
- Loss of productive assets (for e.g. crops, trees and livestock pens etc.) and other assets (for e.g. facility, small businesses);
- Loss of houses (for e.g. dwelling house) and structures (for e.g. wall, shelter);
- * Affects on public utilities and assets.

It should be noted that *Chapters 1-13* of this RAP concern only Lutusi and Qingcheng sites, because they are the only sites out of the nine to be addressed by the project that will physically or economically displace people. *Chapter 0* provides a policy framework to guide provincial and local PMOs to meet the objectives of the RAP, if further displacement is inevitable at the other nine sites or elsewhere, during the implementation of the project. For example at Yellow River Stone Forest Park and Maijishan Scenic Area the exact locations of infrastructure are still under consideration and not confirmed at the time of preparing this RAP.

Each potential impact of Lutusi and Qingcheng is briefly described below and the possible mitigation measures are described in *Section ().o.* Detailed land use status for the other nine sites (besides Lutusi and Qingcheng) is described in *Annex C Land Use Tables*.

IMPACTS AT LUTUSI

Project Land Take and Affected Population

In total, 9.46 mu⁽⁴⁾ (6500m²) of land of two Village Groups (No.3 and No.9), Liancheng Village, Liancheng Town will be permanently used for the Lutusi project. The detailed temporary land take will be confirmed during the construction period.

Details are summarized in Table 0.1.

Table 0.1Land Take and Affected Population in Lutusi

	Permanent Land Take					Temj	porary	Land T	ake		
Project Activities	Area (mu)	Type of Land	Physicall Displaced People		Econo Displa Peopl		Physi Displ Peop		Econo Displa Peopl		Notes
			HH	PP	HH	PP	HH	PP	HH	PP	

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^{(4) 1} MU = 667 m^2

	Perma	anent Land T	ake				Tem	porary	Land T	ake	Notes
Project Activities	Area (mu)	Type of Land	Physically Displaced People		Econ Displ Peop		Phys Displ Peop	aced	Econ Displ Peop		
			HH	PP	HH	PP	HH	PP	HH	PP	
		House plots and farmland	7	30	1	5					7 households living in the area will be resettled; 1 household will be economically displaced.
Parking Lot	2.66	Small businesses			8	27			-	-	This consists of: five households (9 people) that rent business premises in this area; and three households (18 people) that own these premises.
Host site for people displaced from parking lot area	5.5	Class III Irrigated Farmland			5	26					The land belongs to 5 households and will be taken for 7 households and the police station.
									5	19	Residential house
									15	72	Private business
Rehabilitation of Ancient Street									5	7	People that rent the house for small business
7 merent Succi									4	6	Collectively owned business
			1 unit	6							A police station will be resettled.
Landfill site	1	Class III Irrigated Farmland	-	-	-	-	-	-	-	-	
Waste water treatment plant	0.3	Barren land	-	-	1	3	-	-	-	-	
Total	9.46		7 hh and 1 police station	36	10	52			29	113	

Note: 1 mu= $667m^2$

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Project Affected Dwelling Houses

In total 12 dwelling houses will be affected by Lutusi project development: 7 households will be demolished for the construction of the parking lot; 5 households will be temporarily moved from their dwellings during the reconstruction of the ancient street.

Details of the affected dwelling houses are presented in *Table 0.2* and *Table 0.3*.

In addition, the premises of several businesses will be permanently removed. Five households (9 people) rent these premises from a total of three households (18 people) that own the premises. All will require compensation for permanent displacement.

Table 0.2Structure Details of Affected Dwelling Houses in Lutusi

Structure of Affected Dwelling House	Parking Lot (m ²)	Ancient Street (m ²)	Total Area (m ²)
Brick-concreted		713.48	713.48

Structure of Affected Dwelling House	Parking Lot (m ²)	Ancient Street (m ²)	Total Area (m ²)
Brick-wood	473.05	691.01	1164.06
Soil-wood	208.76	92.69	301.45
Simple Shed	61.6		61.6
Total	743.41	1497.18	2240.59

Table 0.3Details of Affected Dwelling Houses in Lutusi

Name	Brick-wood (m ²)	Soil-wood (m ²)	Simple Shed (m ²)	Total Area (m ²)
7 dwellings to be p	ermanently demolishe	ed for the parking	lot:	
Ma Bin	49.10	74.84		123.94
Ma Guoqiang		45.68	8.2	53.88
Qu Xianfeng	25.08	45.6		70.68
Ji Fushou	110.14	-		110.14
Sun Ruoyi	150.4		21.5	171.90
Sun Ruowen		42.64	6.8	49.44
Ma Cunyi	87.64		19.5	107.10
5 households to be street:	temporarily displaced	l from their dwelli	ngs during the reha	abilitation of ancient
Li zongjie	33.6			33.6
Li bowen	28.2			28.2
Wu chunlin	43.85			43.85
Yuan wenqiang	21.48			21.48
Lu xuelong	0			0
Total	569.09	208.76	56	833.81

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Project Affected Attachments

The project affected attachments are presented in Table 0.4.

Table 0.4Summary of Project Affected Attachments in Lutusi

Project Activities	Project Affected Attachments	Unit	Numbers
	Livestock stable	m ²	12.3
	Poultry shed	m ²	9.5
	Toilet	m ²	16.9
	Well	Set	1
	Bowl and pots	Set	7
	Walls	m	143
Parking Lot	Gate	m ²	28.3
	Telephone	Set	5
	Cable TV	Set	2
	Cellar	m ²	16.3
	Fruit trees	Piece	32
	Flower pepper tree	Piece	86
	Other trees	Piece	193

Project Affected Facilities and Small Businesses

The project affected facilities and small businesses are presented in *Table 0.5*.

Project Activities	Affected Facilities or Small Business	Household or Number	Population	Notes
		16	72	Private business
Rehabilitation	Small Business	4	7	Private houses
Ancient Street		1	6	Collectively owned
Ancient Street		4	0	business
	Police Station	1	6	
Parking Lot	Small Business	3	18	Private business
Total		28	107	

Vulnerable Groups

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There are two households identified as vulnerable groups in Lutusi Project through the household survey and consultation.

Mr Qu Xian Feng, leading a household of five people, is identified vulnerable. The household was displaced several years ago as a result of local urban development and did not receive any compensation from that project developer. The household had to borrow money to build a replacement house and has just finished the construction. However the replacement house will need to be relocated again for the development of this project. The household has not yet paid debts resulting from the first resettlement and would become extremely vulnerable due to the secondary relocation.

Mr Sun Ruowen and his wife are both more than 60 years old. They have five sons but live alone. They are both sick and are not able to work. They have no capacity to restore their livelihood after the resettlement without additional support.

It is recommended that special support should be given to these households. LPMO will provide the support beyond Chinese regulations and law. This is thought necessary to meet World Bank standard and reduce risk of destitution from project impacts.

QINGCHENG

Project Land Take and Affected Population

In total, 13.5 mu⁽⁵⁾ (8,932m²) land of four villages (Chenghe, Dongtan, Xiaping and Wayao) of Qingcheng Town will be permanently used for the Qingcheng project.

Road and bridge construction will temporarily occupy a small amount of land along the road totalling 6 mu within 7 villages (Qingcheng, Chenghe, Shangping, Xiaping, Dongtan, Jianting and Dayanzi). According to Qingcheng Project Management Office (QPMO), the land beside the road is all barren land with no above ground attachments.

Details are presented in Table 0.6.

^{(5) 1} MU = 667 m^2

	Perma	nent Land Tal	se				Tem	porary	Land Tak	æ	
Project Activities			Type of Land Physically displaced people		Economically displaced people		Physically displaced people		Economically displaced people		Note
			HH	PP	HH	PP	HH	PP	HH	PP	
Road widening	6	Class II Irrigated Land			14	74					
Water supply	0.5	Class III Irrigated Land			91 *	382*					Collectively owned land
Wastewater treatment plant	2	Class I Irrigated Land			4	15					
Landfill	5	Barren land			120 *	446*					Collectively owned land
Road and bridge							6 mu	within '	7 villages		Collectively owned land
									1	1	Residential house
									28	104	Small businesse
Rehabilitation of									1	18	Collectively owned office building
Ancient Street								1	5	Collectively owned house	
									1 unit	0	Taxation Office
									1 unit	5	Bank
									1 unit	4	Telecommunicat ons Office
Total	13.5		0	0	18	89			34	137	

Note: the data with * is the total household and population of the village group losing collectively owned land; these numbers are not included in the total of permanently economically displaced people.

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Project Affected Dwelling Houses

Ancient Street construction activities are mainly to improve the walls along the street. No dwelling houses will be demolished and no household will be resettled. People will be moved temporarily during the construction period.

Project Affected Attachments

The construction for Qingcheng project will involve widening a road. Construction of the road needs to take land from some natural irrigation ditches that local farmers are using. The PAPs include 14 households, 74 persons.

No other attachments will be affected by the Qingcheng project.

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Project Affected Facilities and Small Businesses

Some facilities and small businesses will be affected by the project and are eligible for compensation. They are summarized in *Table 0.7*.

Table 0.7 Project Affected Facilities and Small Businesses in Qingcheng

Project Activities	Affected Facilities or Business	Number	Population	Notes
	Small business	28	104	Private owned
	Office building	1	18	Collectively owned
Rehabilitation Ancient Street	Bank	1	5	Collectively owned
	Taxation Office	1	0	Collectively owned
	Telecommunications Office	1	4	Collectively owned
Total		32	131	

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Project Affected Public Utilities and Other Project

Affected Assets

No other details of project-affected public utilities are known at the time of the RAP preparation.

Vulnerable Groups No vulnerable group is identified for the Qingcheng project.

> CONSIDERATION OF ALTERNATIVES AND MINIMISATION OF RESETTLEMENT

Minimization of land acquisition and resettlement were incorporated into the selection of the project area during the feasibility study. This will be continued into the actual land acquisition phase and implemented during the construction and engineering phases.

The following principles have been followed during the feasibility study stage:

- Minimize farmland acquisition;
- Avoid densely populated residential areas and enterprises;
- Avoid or minimize the occupation of good-quality cultivated land and commercial forest;
- Follow existing road alignments and vacant ground, wherever possible, to accommodate the land take;
- Reduce resettlement as much as possible by develop the new construction; and
- Promote economic development along the new construction.

In Lutus project, the minimization of land acquisition and resettlement was further considered on the basis of detailed data research and field survey. For example, the Parking Lot was selected in a place to avoid densely populated residential areas rather that the location which is much closer to the tourism area. By changing to another location, the amount of additional land acquisition and resettlement required in Lutusi was minimized from 30 households to 8 households. The location selection of other construction components also followed the principle of avoiding using farmland and less affecting people's livelihoods.

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In Qingcheng project, during the feasibility stage, the project was anticipated to require physical resettlement of 6 households. Through careful consideration of the project construction component and measures and change of project executive plan, there is now no need for physical resettlement.

Eligibility and Mitigation Measures

This chapter sets out the eligibility of PAPs for compensation, compensation standards and resettlement mitigation measures.

• ELIGIBILITY

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Lutusi

The definition of people eligible for compensation at Lutusi is described in *Table 0.1*.

Table 0.1Eligibility of PAPs at Lutusi

		Delegation of houses including and	
		Relocation of houses, including cash compensation for demolition of old houses, provision of land of 200m ² maximum to reconstruct new houses.	Household
	Demolition of 7	Cash compensation for area of land above 200m ²	Household
	houses, 30	Compensation for standing crops	Household
I	people affected	Compensation of attachments	Household
		Provision of infrastructure at replacement housing area	Household
		Moving allowance	Household
Darlying Lat		Additional payment to vulnerable households	Identified Vulnerable households
Parking Lot	T C 1	Relocation of house plot land	Household
ł	Loss of 1 household's house plots	Cash compensation for area of land above 200m ²	Household
1	nouse piots	Compensation for standing crops	Household
ł	Loss of 3 households' small business	Relocation of small businesses at the same street after construction of the parking lot	Household
I	premises	Moving allowance	Household
r I I	Displacement of 5 households renting the businesses premises	Moving allowance	Renter/Business Owner
Land of host site for people 5 displaced from	5 HH, 26 PP	Land compensation	80% for the land user, and 20% for the rural collective economic organization (village committee)
parking lot area		Resettlement allowance	land user
		Cash compensation to standing crops	land user
Rehabilitation of Ancient Road		Construct new houses/shops to the affected	House/shop Owner
2	24 HH, 97 PP	Transition Allowance	House/shop Owner
		Compensation to discontinuation business	House/shop Owner

Project Activity	Impact	Description of Compensation for Permanent Land Acquisition	Eligibility
	Relocation of a	Cash compensation for demolition of old houses, moving allowance and provision of land to reconstruct new building	police station
	police station	The attachments and infrastructure will be restored by the project developer.	police station
Landfill of the solid waste	Collective land	Cash compensation for the land acquisition to Langpai village	Langpai villager
Waste water treatment plant	Collective land	Cash compensation for the land acquisition to the land user	Group 7, Liancheng village

Please note that households in the parking lot area that will be permanently displaced will receive no more than $200m^2$ in land-for-land compensation. Cash compensation will be provided for the area of land owned that is above 200m2, and for standing crops. *Table 7.2* provides further details for each household.

Table 0.2House Plot and Standing Crop at the Parking Plot

Name of the land owners	Area over 200m ² (m ²)	Standing crop area(m ²)
Ma Bin	36.94	32.90
Ma Guoqiang		87.42
Qu Xianfeng	60.94	95.60
Sun Ruoyi	591.05	489.47
Ji Fugui	67.18	267.18
Ma Cunyi	53.86	
Ji Fushou	183.24	83.20
Zhao Guo	85.41	
Total	1079.62	1055.77

To date, no temporary land occupation will be necessary. Should temporary land take of farmland arise, compensation for standing crops and land restoration will be provided to the affected land owners. If temporary land taking occurs in barren land, then no compensation will be paid. The barren land is now collectively owned by rural economic organization No.11 Village Group of Liancheng Village of Liancheng Town, which is the project developer of the project.

A special eligibility should be noted. Two vulnerable families will be affected due to the building of the parking lot. Both of their houses will be demolished. The compensation for their house demolitions will be implemented as *Table 0.1*. The additional allowance for the vulnerable group will be stated in the *Section ()*.

Qingcheng

The definition of people eligible for compensation at Qingcheng is described in *Table 0.3*.

Project Activity	Impact	Description of Compensation for Permanent Land Acquisition	Eligibility
Road	Acquisition of land belonging to 5 households, 20 people	Land compensation	80% for the land user, and 20% for the rural collective organization (village committee)
widening		Resettlement allowance	Land user
		Cash compensation for land and standing crops	land user
Water supply, wastewater treatment plant and landfill	Acquisition of 7.5mu Barren land collectively owned by 356 people, 1397 people	Cash compensation for land	Rural collective organization (village committee)
	Reconstruction of walls along the Ancient St of two households / 5 people	Project developer is responsible for reconstruction of the walls	Property Owner
	Temporary displacement of business and collective units: 28 small businesses / 104 people; 1 collective business / 10 people; 4 collective units / 19 people.	Transition allowance and compensation to business loss as described in Table7.8	Property Owner

The compensation to temporary land take will adopt same policy as stated in that for Lutusi.

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COMPENSATION STANDARDS AND MITIGATION MEASURES

Compensation Policy for Resettlement

In keeping with the relevant standards outlined in *Chapter 0*:

- Compensation for dwellings will be made as replacement dwellings;
- Otherwise, compensation will be made in cash;
- Compensation will be paid to affected parties prior to the commencement of construction activities on the affected land; and
- (Where relevant) To counteract the risk of livelihood deterioration from the loss of land, the project will assist in providing employment opportunities in the non-agricultural sector.

Lutusi

(i) Compensation for Demolition of Dwelling Houses

People to be physically resettled as a result of the construction of the parking lot, will be compensated with new houseplots and government will be responsible for building replacement dwelling houses on the new houseplot. People and small businesses that will be temporarily displaced by the reconstruction of Lutusi Ancient Street will be provided with accommodation that is in the identical location as their previous accommodation, of the same type and size (or bigger). The PMO will rebuild the new accommodation and pay for their construction. The ownership of the new houses will belong to the affected people.

House plots will be provided to the resettled free of charge in Liancheng village, Liancheng town, some 500 meters away from their old houses, upon

which the replacement housing can be built. Each household will be provided with an area of $0.3 \text{mu} (=200.1 \text{ m}^2)$ per household, which is bigger than the largest household's old house (182.16 m²). If the household wish to build a bigger house than the reallocated area, they will be required to pay additional cost described in *Table 0.4*.

Compensation rates have been calculated on the basis of replacement cost, by comparing local markets for construction materials. Compensation rates for different types of dwellings are presented in *Table 0.4*.

Table 0.4Compensation Rates for Houses

House Construction Materials	Range
Brick and concrete	RMB430/m ² .
Brick and wood	RMB365/m ² .
Earth and wood	RMB300/m ²
Simple shed	RMB200/m ²

In addition, the PAPs will be provided with a moving allowance as those affected people will move to their replacement housing. A $RMB6/m^2$ moving allowance will be paid to the household directly.

(ii) Compensation to Loss of Land and Standing Crops

Five households/26 people will lose their farmland for hosting the displaced households. According to World Bank Guidelines, for agriculturally-based PAPs, they should be provided with farm-based compensation where possible, and improved production techniques thereby addressing any impacts to income. Whilst this policy is not realistic for this project, cash compensation will be provided. The land is categorised as the third grade, based on which compensation rates are developed as showed in *Table 0.5*.

Table 0.5

Lutusi: Rates of Cash Compensation for Loss of Land and Crops

Compensation items	Output value of farmland in previous 3 years (RMB/mu)	Multiplier	Sum total of per-mu land compensation of every item
Compensation for land acquisition	1,660	9	14,940
Resettlement subsidy	1,660	11	18,260
Compensation for standing crops*	1,660	1	1,660

*Note: The crop here represents wheat. Eighty percent land compensation will be distributed to the land user while the rest is paid to the collective economic organization (the village committee). Resettlement allowance and compensation for standing crops are paid to the land user directly.

According to the policy of Measure of Implementation on Infrastructure Construction of Gansu province, description on *Section 5.2.1*, the multiplier used to calculate compensation is based on per capita land.

(iii) Compensation for Attachments

Attachments will be compensated in cash as detailed in the Table 0.6.

Item	Unit	Compensation(RMB)
Livestock stalk	m ²	100
Poultry shed	m ²	100
Toilets	m ²	120
Wells	unit	1,000
Ovens	unit	400
Fences	m	80
Doors	m ²	600
Telephones	unit	108
Cable connection	unit	380
cellarage	m ²	200
yard	m ²	50
Fruit Trees	unit	1,000
Numbing Paper Trees	unit	100
Other trees	unit	15

Note: the compensation rate of the attachments is according to the market price.

(iv) Provision of Infrastructure at the Replacement Housing Compound

The project developer will be responsible for the provision of infrastructure at the host site, including site leveling, connection of water, electricity and road to public utilities. The budget for those provisions is estimated as detailed as following:

- Site levelling, RMB 200/person;
- The host site is situated in an area where water and electricity supply exists, but not connected to the house plots for replacement housing. RMB 300 and RMB 200 per person will therefore be needed for connection of water and electricity; and
- A compensation of RMB 350 per person will be needed for widening and concreting of the access road from the site to the provincial road.

It should be noted that no cash compensation of the above rates will be paid to the PAPs directly. It is a budget for the project developer to provide infrastructures to the affected. Failure to estimate this cost may result in insufficient provision of infrastructures in the replacement housing compound.

(v) Moving Allowance and Transition Compensation for Ancient Street

The restoration of the Ancient Street will renovate along the street which requires temporary displacement of the house owners/tenants for about eight months.

Compensation will be paid in cash to the property (house/shop) owners. Compensation for temporary displacement includes a transition and moving allowance, which is RMB $48/m^2$ for eight months (RMB $6/m^2$ per month). Should the construction period be longer than eight months, the compensation rate will be RMB $8/m^2$ per month starting the ninth month and continuing thereafter.

(vi) Compensation for Small Business

The restoration of Ancient Street will affect the small businesses along the street during the construction period which is about eight months as planed.

Compensation will be paid in cash to the shop owners/tenants. The total compensation is RMB40/m² for eight months (RMB5/m² per month, and the project period will be 8 months). Should the construction take longer time, the compensation rate will be RMB 6 /m² per month starting the ninth month and continuing thereafter. Compensation for loss of business and moving allowance will be paid according to the policy described in *Table 7.6*.

Table 0.7 summarizes the compensation rates for small businesses:

Table 0.7Compensation for Small Businesses

Compensation Items	PAPs	Compensation Standard (RMB/month)	Months	Total amount of compensation (RMB/month)	Overtime compensati on (RMB/mon th)
Transition allowance/Tenan cy standard	The owners of the houses	RMB 6/ m ²	8	48 / m ²	8 / m ²
Loss of business	Business owners	RMB 5 / m^2	8	$40 / m^2$	6 / m ²
Moving allowance	Business people	RMB 6/ m ²			

(vii) Compensation for the Police Station

A police station will be affected by the project and will need to be relocated. The Project Developer has reached an agreement with the Police Station that a package of RMB 1.09 million cash will be given to the police station plus 2mu land for relocation. The package includes compensation for demolition of old buildings, and moving allowance. A new police station will be built in the 2 mu of replacement land. After the completion of construction, the police station will then move out of the old location to the new building. No transition allowance will be required nor has been provided. The project developer will be responsible for provision of infrastructures, including site leveling, connection of water, electricity and road to the new police station public utilities.

(viii) Additional Payment to Vulnerable Households

Two vulnerable households are identified in the project of Lutusi. Through consultation with the household heads, the following mitigation measures are proposed by the project developer:

- Mr Qu Xianfeng, suffering from secondary displacement from the project, will be provided with RMB3000 as an additional allowance; and,
- Mr. Sunruowen, the elderly couple with no direct support from their children, will be provided with RMB2000 for help.

Both allowances will be provided as one-off compensation.

3 Qingcheng

(i) Compensation for Permanent Land Acquisition and Standing Crops

People that will lose land permanently will be compensated in cash for their land and standing crops. The land is the categorised as the third grade, based on which compensation rates are developed as shown in *Table 0.8*.

Table 0.8Qingcheng: Rates of Compensation for Loss of Land and Crops

Compensation i	tems	Output value of farmland in previous 3 years (RMB/mu)	Multiplier	Sum total (RMB/mu)
Compensation for land	Class I Farmland (Vegetable)	4,500	8	36,000
	Class II Farmland (Wheat)	2,800	8	22,400
	Class III Farmland (Corn)	1,800	8	14,400
	Barren land	600	2	1,200
Resettlement Allowance	Class I Farmland	4,500	11	49,500
	Class II Farmland	2,800	11	30,800
	Class III Farmland	1,800	11	19,800
Compensation for standing crops	Vegetable	3,000	1	3,000
	Wheat	1,000	1	1,000
	Corn	1,200	1	1,200

Temporary land take is total 6mu within 7 villages due to construction of the road and bridge. Compensation rate is RMB1100/mu. It shall be no more than 3 month's occupation. Compensation rates are presented in *Table 0.9*

Table 0.9 Compensation Rate for Temporary Land Take in Qingcheng

Village Name	Village Group	Temporary Land Take Area (mu)	Type of Land	Compensation Rate (RMB)
Qingcheng	No.4	0.8	Barren Land	880
Chenghe	No.2	0.6	Barren Land	660
Shangping	No.1	0.6	Barren Land	660
Xiaping	No.4	1	Barren Land	1,100
	No.2	0.6	Barren Land	660
Dongtan	No.7	1	Barren Land	1,100
Jianting	No.3	0.8	Barren Land	880
Dayuanzi	No.1	0.6	Barren Land	660
Total		6		6,600

(ii) Temporary Displacement of Households Affected By Wall Reconstruction

The reconstruction will include one wall facing the street. People who live in the houses attached to the wall to be reconstructed will not be displaced. The structure of the houses will not be affected, and no compensation will be made.

(iv) Compensation to Loss of Business

Twenty-nine households with small businesses along Qingcheng Ancient Street will be affected by the reconstruction of the street. The affected people are happy with the local government's action. Compensation will be paid for the loss of their businesses during the construction period. Compensation rates are based on the annual net income of their business.

Table 0.10 indicates their annual income, as confirmed by the affected units. Compensation shall be paid according to the areas of the affected houses, detailed in *Section 5.2.4*.

In addition, the local government will assist businesses through the period of disruption through waiving taxes and management fees.

Table 0.10Compensation Rates for Temporary Disruption to Businesses

Name	Family members	Properties	Net income (RMB/year)	Compensation (RMB)
Zhang Youwen	4		2,810	3,480
Di Shengqiang	5		3,210	4,147
Zhang Zihai	5		3,980	5,040
Yang Wenming	4		2,584	3,312
Zhang Zhongfu	2		Closed down	0
Luo Zhengjia	3	Small	1,460	1,680
Li Junhong	5	business	4,666	5,688
Jin Xueyou	3		2,970	3,960
Yang Guojun	5		2,824	2,832
Li Qingling	1		3,620	4,560
Gao Jialin and Gao Jiayong	7		5,800	7,200
Building of Land tax institution		Institution	Closed down	0
Liu Zhengfu	2	Collective house	3,634	4,464
Wu Mingyong	5		2,216	2,673
Luo Shaorong	4		2,416	2,673
Zeng Yinman	4		2,316	2,673
Zhang Shengrong	6	Small business	2,516	2,673
Liu Zijun	5	busiliess	1,910	2,160
Xiao Ziwen	3		Closed down	2,256
Han Shengbao	2		3,518	4,464
Zhang Yicheng	2		Closed down	2,300
Zhang Jianping	1	Private house	4,485	5,160
Yang Wenkui	4		2,038	2,448
Zeng Xiaocheng	4		6,480	7,680
Zhang Qingzheng	3	Small business	2,613	3,048
Zhang Zhongrong	5	1000	1,682	1,872
Wei Zhibing	3		4,600	4,800
Small business of business institution		Collective house	45,634	50,064

Total	105		127,527	177,390
Telecom Station		Collective house		4,800
He Anyong	3	busilless	2,416	2,673
Li Lingxia	3	Small business	2,416	2,673
Wu Mingzhi	2		2,416	2,673
Credit institution				10,704
Building of business institution				10,560

(v) Compensation Rates for Infrastructure

Public infrastructures such as roads, toilets, rubbish boxes and greening, may be affected by the project. All these will be replaced by the project developer. Meanwhile, the Project Developer will try to protect the facilities which are difficult to rebuild.

3 Public Utilities

No public utilities will be affected as estimated to date. If there is any, the PMO will restore the utilities after the completion of civil works. Compensation for the disruption of public utilities (communications infrastructure, electricity distribution network, etc) will be paid by cash to the owners according to an assessment by a qualified agency.

LIVELIHOOD RESTORATION MEASURES AND SITE SELECTION

According to World Bank Guidelines, LPMO should provide opportunities to PAPs to restore or improve their livelihoods. For agriculturally based PAPs, these should be farm-based where possible, and involve improved production techniques thereby addressing any impacts to income. Alternatively, off-farm opportunities and training should be offered to PAPs that experience some loss of livelihood, where farm-related opportunities cannot be offered.

3 Lutusi

(i) Livelihood and Production Restoration Measures

The project developer will try to help the PAPs restore their livelihood at least no worse than prior to resettlement. The following states the main measures:

- Provide training to the project affected households or individual. Invite professional experts as conductors for development of tourism or relevant industry, such as tourism service, skills for making tourism products, development of local food and restaurants and providing entertainment. The training fee will provide by project developer as listed of the training budget in feasible study report; and,
- The PAPs will be provided with preferential job opportunities during the construction of the project, mainly including those low-skilled civil works, such as earth/stone moving, trenching, porters and so on. The PAPs who lost land and physical resettled as a result of the project have the priorities for the job opportunities provided by the project developer.

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(ii) Site Selection and Site Preparation

The project developer has followed the following policy during the period of site selection and site preparation:

- Be convenient for commercial business;
- Be conducive to investment;
- Be located in an environment which is convenient, safe and comfortable;
- Be suitable for relocated people to make a living and/or engage in productive activities;
- Be convenient for communities' facilities management;
- Make efficient use of land area;
- Encompass sufficient land for the growth of the population at the site;
- Incorporate buildings that have good light, ventilation, health and scenery; and,
- Incorporate buildings that have been designed in consultation with the affected people.

Based on the above policy and consultation with the PAPs, the current replacement compound has been selected.

(iii) Integration with Host Populations

The replacement housing compound for the PAPs affected by the parking lot neighbors the Liancheng government hall. The distance from the old houses to the new area is less than 500 meters. Both sites belong to Liancheng No 11 Village Group. At present, two households live in this compound. They are also residents of the same Village Group, and know the affected 8 households very well.

Liancheng Police Station also will be relocated at the replacement compound within close proximity of the previous location.

(iiii) Restoration Measures with the Small Businesses at the Parking Lot

Small businesses affect by the parking lot construction, will be compensated by a special allowance for their transition period, which is RMB $2/m^2/m$ onth for the owners and also RMB $2/m^2/m$ onth for the renters. This compensation will be paid for three years after the completion of construction. This measure will guarantee that the income of the project affected people will not be lower than prior to resettlement. *Table 7.10* summarizes the rates used.

Table 0.11 Compensation Standards for the Small Businesses' Restoration at the Parking Lot

Compensators	Standards	Period	Scope	
House owner	RMB 2/m ² /month	3 years	RMB 72/m ² /month	
Business owner	RMB 2/m ² /month	5 years	KWD /2/III/III0IIuI	

People living in Lutusi Ancient Street will go back their original place after the new houses are completed. They will temporarily live in other places during the transition period. It is anticipated their housing infrastructure will be better than their present condition.

As such, the project resettlement is not expected to result in any significant issues considering integration with the host population.

③ Qingcheng

Livelihood Restoration Measures

Fourteen households will be affected by the land acquisition. It should be noted that no more than 0.3mu will be acquired for each household. Comparing the average farmland allocation of 0.75mu per capita, and a family total of 3- 4mu, the impact to their livelihood is considered minor. In addition to this, a preferential employment policy for the PAPs will be adopted by the project developer which helps them to obtain some economic benefits from the project.

Shop owners/tenants in the Qingcheng Ancient Street will be compensated with cash for their loss of business. In addition the new Ancient Street will attract more tourism, which is expected to increase their income and assist livelihood restoration.

Organisational Responsibilities

This chapter set out the organizational responsibilities for resettlement.

RESETTLEMENT PROCEDURES

The resettlement procedures in the project areas have been developed in accordance with the framework established by national, provincial and local government resettlement laws and regulations (see *Section 0*). The Land Resettlement Office (LRO) of Local PMO is leading the land acquisition, resettlement, and compensation procedures by negotiating with local governments in different administrative divisions at township or village levels. The LRO, which involves representatives from Local Land Resource Administration Bureaus, are the main authorities involved in resettlement, and are responsible for managing the resettlement and associated compensation processes.

The primary compensation method for resettlement adopted for this project is cash payment, although the physical resettlement arrangements for Lutusi differ.

After confirming land to be acquired with the relevant local government authorities, the Local PMO, its contractors and the local government are obliged to meet all necessary legal procedures for resettlement, as summarised in *Chapter 0* and detailed in *Annex B*. The LRO are responsible for undertaking the actual resettlement and associated compensation processes. The LRO are the holders of the project resettlement licence ⁽⁶⁾ and are therefore legally responsible for managing the resettlement and associated compensation process in accordance with relevant laws.

⁽⁶⁾ A resettlement licence developed by a licensed agency is required for urban resettlement. Each city has its own requirement. Gansu project involves two sites therefore theoretically it needs two resettlement licences. However, in Lutusi and Qingcheng the town government is conducting the resettlement so licenses are not needed in Lutusi and Qingcheng.

- 1. Resettlement Agreement signed between Local PMO and Local Government;
- 2. Public notification of resettlement arrangements and compensation undertaken by local government;
- 3. Asset Compensation Survey undertaken by the Local Resettlement Office to determine the basis for compensation with the relevant standards;
- 4. Resettlement and compensation; and,
- 5. Monitoring and evaluation.

ORGANISATIONAL FRAMEWORK

A network of organizations from higher to lower governmental levels is involved in the planning, coordination, and monitoring of resettlement activities. The following institutions are involved in land acquisition and resettlement of the project.

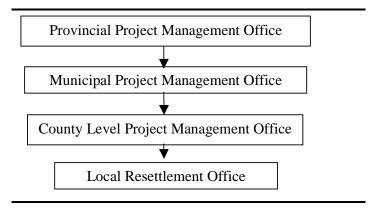
- Provincial Project Management Office (PPMO);
- Local Governments;
- Local Project Management Office (PMO);
- Local Resettlement Offices (LRO) at the municipality and township level;
- Project design institute and construction contractors; and,
- Local village committees and sub-village groups.

Details of these organizations are listed below.

Project Developer

The PPMO is responsible for the overall project management and Local PMOs (Municipal Project Management Office and County Level Project Management Office) are responsible for individual site projects.

Box 0.2 Project Management Framework



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Local Government

Local authorities that are involved in the resettlement process are listed in *Table 0.1*.

Site	Municipal	County	Town
Lutusi	Lanzhou Municipal	Yongdeng County	Liancheng Town
	Government	Government	Government
Qingcheng	Lanzhou Municipal	Yuzhong County	Qingcheng Town
	Government	Government	Government

Local Resettlement Offices

The Local Resettlement Offices (LRO) of Local PMO are responsible for land acquisition, and resettlement and compensation procedures. The LRO reports to the Local PMO directly.

Implementation of the RAP is the key work scope for LRO and will be written into the contract between the project developer (Local PMO) and LRO. The content of the RAP will be considered as the key performance and monitoring indicators for LRO.

Three levels of resettlement office are responsible for implementing the resettlement:

- The Gansu Provincial Land Resources Bureau (LRB);
- Municipal resettlement offices under municipal LRBs; and,
- Town resettlement offices under town land administration sub-bureaus.

Design Institutes and Construction Contractor

Design institutes and the construction contractors are not confirmed for Lutusi and Qingcheng project at this stage and they will be invited in public by PPMO in project design period and before construction work.

Local Village Committee and Village Group

Local village committees and village groups within the project area are actively involved in the resettlement process.

INSTITUTIONAL ROLES AND IMPLEMENTING RESPONSIBILITIES

This section provides an overview of the organizations and their responsibilities in the planning, management, implementation and supervision of the resettlement.

Project Developer

The Local PMO is built up by different departments of local government and responsible for implementing the project. Specific responsibilities include the execution and coordination of land acquisition, compensation and resettlement. Local PMO will sign compensation agreements with land users. Local PMO endeavours to ensure that the compensation standards are transparent to the public. Specific responsibilities include:

* Compiling resettlement policies for land acquisition;

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- * Negotiating the compensation rates with land users;
- Undertaking land surveys together with construction contractors, resettlement implementation agencies and local communities;
- # Endorsing property rights;
- * Signing compensation agreements with communities and/or resettled households;
- * Coordinating the compensation payments with the financial department;
- * Supervising the implementation of the resettlement carried out by local government or resettlement agencies; and,
- * Reporting the resettlement and land acquisition process to PPMO.

Local Governments

Local governments are responsible for:

- * Coordinating the land acquisition and resettlement negotiation among Local PMO, resettlement agencies and local communities;
- Defining the compensation rates for land acquisition and temporary land acquisition;
- * Disclosing project information to communities, including regulations, compensation rates, and entitlements;
- * Distributing compensation to village committees; and,
- * Reflecting opinions and suggestions to Local PMO.

Resettlement Implementation Office

The Local PMO has set up an individual resettlement implementation office as the administrator and coordinator of all resettlement issues. Its responsibilities include:

- * Compiling overall land acquisition and resettlement policies;
- * Defining guiding compensation rates and resettlement guidelines;
- * Supporting Local PMO to coordinate various levels of land administration authorities;
- * Coordinating Local PMO for land acquisition approvals; and
- Coordinating overall resettlement procedures among Local PMO, local government, and Local Village Committees.

The resettlement implementation office (part of the Local PMO) is responsible for the:

- * Executing of the resettlement policies for land acquisition;
- ***** Defining of property rights; and
- * Managing and monitoring of the payment and use of resettlement compensation.

Project Design Institutes and Construction Contractors

The project designing institutes and construction contractors will participate in and apply their knowledge of the designing and construction process.

Local Village Committees and Village Groups

Local village committees and village groups are responsible for:

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- * Negotiating with Local PMO for compensation on behalf of affected households and residents;
- * Witnessing and endorsing compensation agreements;
- ***** Distributing compensation;
- * Collecting grievances and reflecting to Local PMO; and,
- * Executing grievances responses.

Costs and Budgets

The recently updated budget for Lutusi and Qingcheng is presented in *Error! Reference source not found.* and *Table 0.2.*



Impact Item		Unites	Amount	Standards or compensation rate per unit (RMB)	Total(RMB)
Permanent land	Compensation for land	Mu	8.42	14,940	125,795
acquisition	Resettlement Allowance		7.42	18,260	135,489
	Compensation for standing crops			1660	12,317
Temporary land occupation		Mu	0	Resettlement Allowance	0
Police Office		Unit	1	Compensation package	1,090,000
Small business at parking lot	Transition allowance/Tenancy standard to the owners of the houses	m ²	199	48	9,552
	Loss of business to business owners	m²		40	7,960
	Moving allowance to business people	RMB6/m ²			1,194
	Recovering compensation to house owner	RMB 2/m ² /month	199	RMB 72/m2	14,328

Poultry house m^2 12 100 1,200 Toilet m^2 22.7 120 2,724 Well Unit 1 1,000 1,000 Bowl and pots Unit 9 400 3,600 Walls M 165 80 13,200 Gate m^2 34.2 600 20,520 Telephone Set 6 108 648 Cable TV Set 2 380 760 Cellar m^2 19.8 200 3,960 House-base m^2 751 50 37,350 Fruit trees unit 37 1,000 37,000 Bunge prickly-ash tree unit 102 100 10,200 Other trees unit 249 15 3,735 Fruit trees unit 102 100 12,320 Construction Simple m^2 61.6 200 12,320	Small business at Ancient street	Transition allowance/Tenancy standard to the owners of the houses	RMB/m ²	1370.05(areas of the 5 private households was subtracted from the 24 households)	48	65,762.4
Poultry house m^2 12 100 1,200 Toilet m^2 22.7 120 2,724 Well Unit 1 1,000 1,000 Bowl and pots Unit 9 400 3,600 Walls M 165 80 13,200 Gate m^2 34.2 600 20,520 Telephone Set 6 108 648 Cable TV Set 2 380 760 Cellar m^2 19.8 200 3,960 House-base m^2 751 50 37,550 Frait trees unit 37 1,000 37,000 Bunge prickly-ash tree unit 102 100 10,200 Other trees unit 249 15 3,735 House Soil-wood m^2 208.76 300 62,628 Simple m^2 61.6 200 12,320 200 <					40	54,802
Toilet m^3 22.7 120 2.724 Well Unit 1 1,000 1.000 Bowl and pots Unit 9 400 3,600 Walls M 165 80 13,200 Gate m^2 34.2 600 20,520 Telephone Set 6 108 648 Cable TV Set 2 380 760 Cellar m^2 19.8 200 3,960 House-base m^3 751 50 37,550 Fruit trees unit 37 1,000 37,000 Bunge prickly-ash tree unit 102 100 10,200 Other trees unit 249 15 3,735 House Soil-wood m^2 61.6 200 12,320 Construction fee simple m^2 61.6 200 12,320 Construction fee Small business at 199 <	Attachments	Livestock house	m ²	14.3	100	1,430
Well Unit 1 1,000 1,000 Bowl and pots Unit 9 400 3,600 Walls M 165 80 13,200 Gate m ² 34.2 600 20,520 Telephone Set 6 108 648 Cable TV Set 2 380 760 Cellar m ² 19.8 200 3,960 House-base m ² 751 50 37,550 Fruit trees unit 37 1,000 37,000 Bunge prickly-ash tree unit 102 100 10,200 Other trees unit 249 15 3,735 House Soil-wood m ² 208.76 300 62,628 parking lot Simple m ² 61.6 200 12,320 Construction fee Small business at parking lot 199 650 129,350 Accent street Second floor compensation at Ancient street <td></td> <td>Poultry house</td> <td>m²</td> <td>12</td> <td>100</td> <td>1,200</td>		Poultry house	m ²	12	100	1,200
Bowl and pots Unit 9 400 3,600 Walls M 165 80 13,200 Gate m² 34.2 600 20,520 Telephone Set 6 108 648 Cable TV Set 2 380 760 Cellar m² 19.8 200 3,960 House-base m² 751 50 37,550 Fruit trees unit 37 1,000 37,000 Bunge prickly-ash tree unit 102 100 10,200 House Soil-wood m² 473.05 365 172,663 construction Freik-wood m² 208.76 300 62,628 Simple m² 61.6 200 12,320 Construction Small business at parking lot 199 650 129,350 fee parking lot 450 91.9 41,355 Allowance for vulnerable group Kecond floor compensation at An		Toilet	m ²	22.7	120	2,724
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fee at the parking lotSoil-wood m^2 208.7630062,628Simple m^2 61.620012,320Construction feeSmall business at parking lot199650129,350Ancient street8001497.181,197,744Second compensation at Ancient street45091.941,355Allowance for yulnerable groupQu Xianfeng Sun Ruowenhousehold3,0003,000	House	Brick-wood	m ²	473.05	365	172,663
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Second compensation at Ancient street45091.941,355Allowance for vulnerable groupQu Xianfeng Sun Ruowenhousehold3,0003,000	Construction fee	Small business at		199	650	129,350
Second compensation at Ancient street45091.941,355Allowance for vulnerable groupQu Xianfeng Sun Ruowenhousehold3,0003,000Sun Ruowenhousehold2,0002,000		Ancient street		800	1497.18	1,197,744
vulnerable group Sun Ruowen household 2,000 2,000		Second floor compensation at Ancient		450	91.9	41,355
Sun Ruowen nousenoid 2,000 2,000	vulnerable	Qu Xianfeng	household		3,000	3,000
Moving allowance m^2 743.41 6 4.461	group	Sun Ruowen	household		2,000	2,000
	Moving allowan	ice	m ²	743.41	6	4,461

Infrastructure co	398,400.00				
Demolition fee for old	House at parking lot	45	33,453.45		
building	Small business at parking lot	199	45	8,955.00	
	Ancient street	1497.18	45	67,373.10	
	Fee for Planting recovering				
Sub Total				3,814,457	

Impact Item			Unites	Numbers	Standards	Total(RMB)
	Compensation for land	Class I			36,000	72,000
	Resettlement Allowance	Irrigated	mu	2	3,000	6,000
	Compensation for standing crops	Land		-	49,500	99,000
	Compensation for land	Class II			22,400	134,400
Permanent	Resettlement Allowance	Irrigated	mu	6	1,200	7,200
land acquisition	Compensation for standing crops Compensation for land Resettlement Allowance Compensation for standing crops	Land	mu	0	30,800	184,800
acquisition		Class III Irrigated Land	ated mu	0.5	14,400	7,200
					1,200	600
					19,800	9,900
	Compensation for land	Barren land	mu	5	1,200	6,000
Temporary lar	nd occupation		mu	6	1,100	6,600
Compensation construction	to loss of business for Ancie	ent Street	unit	34		177,400
Tax for land a	cquisition					8,440
Sub Total						719,540

Consultation and Participation

This chapter describes the activities undertaken to date to consult with project-affected people.

CONSULTATION AND PARTICIPATION PROGRAMME

The basis for this RAP is that PPMO and Local PMOs are committed to providing open dialogue and consultation with local communities and their representatives, non-governmental organisations, and government at all levels, to ensure that potential issues arising from project operations are identified and social risks are addressed.

Formal requirements for notification of project affected people and hearing of public comments are prescribed in the national *Law of Land Administration* (1998) and in the *Gansu Implementing Regulation on the Law of Land Administration* (1999). At the village and village unit levels, regular village meetings, during which villagers are advised of resettlement policies and procedures and updated on project developments are required. Such meetings are also intended to provide an opportunity for villagers to air concerns or grievances.

The following activities have been undertaken during the public consultation programme for Lutusi and Qingcheng project.

INTERVIEWS AND MEETINGS WITH GOVERNMENTS AND COMMUNITIES

Government and community consultation was undertaken with local government departments and communities jointly by staff from Lanzhou University and the Local PMO in 2006 and early 2007, as part of the consultation and participation programme.

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Consultation with government departments and communities was undertaken through meetings and interviews.

The objectives of the government interviews were to:

- Explain and disseminate information about the Gansu project to local government;
- Discuss the roles and responsibilities of the government in relation to the Gansu project; and
- Identify issues, concerns and needs of the government.

In general, government representatives felt that the positive effects of the project outweighed potential negative impacts.

The Local PMO has a representative of the Local Resettlement Office (LRO) from each project site of Lutusi and Qingcheng to coordinate the land acquisition process, with support from the local community (usually village committee leaders). Some community consultation has been undertaken through meetings with village committee representatives. In this process, village committees report concerns and issues raised by the community to LRO and the representative of LRO gives a response or feedback to the village committee. Concerns raised included the assessment of the area of land to be acquired, queries about compensation rates, payment terms, and timeframe for receiving of payments and acquisition of land.

HOUSEHOLD SURVEY

Direct community consultation was undertaken through household surveys in February and June 2006 for Lutusi and Qingcheng. These not only sought to understand the local socio-economic status of project area, but also the opinions and views on the project of the PAPs. In total, 41 households were surveyed in Lutusi and 91 in Qingcheng. The household surveys results were described in *Section ().o.*

CONSULTATION ACTIVITIES IN LUTUSI

Table 0.1 presents the consultation and participation meetings in Lutusi during the project preparation period.

Table 0.1Consultation Activities in Lutusi

Time	Location	Content	Measure	Participation	Results
2006.2.23	Liancheng Government	Introduce project name, scale, potential impacts, initial resettlement action plan	Meeting	Government officials, staff of RAP preparation institutes, representatives of PAPs	Agreed on Resettlement Action Policy
2006.4.20	Project Area	Concerns about compensation rate, resettlement plan and land acquisition of the project	Interview	Local Resettlement Office representatives, staff of RAP preparation institutes and representatives of PAPs	Confirmed on compensation rate, resettlement and land acquisition policy

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Time	Location	Content	Measure	Participation	Results
2007.3.21	Ancient Street	Reconstruction plan for Ancient Street	Interview	Local Resettlement Office representatives, staff of RAP preparation institutes and representatives of PAPs	Confirmed on reconstruction plan on Ancient Street and give comments on compensation rate
2007.3.26	Parking Lot	Resettlement agreement	Meeting	Local Resettlement Office representatives, PAPs affected by Parking Lot	Sign resettlement agreement
2007.3.27	Ancient Street	Reconstruction agreement	Meeting	Local Resettlement Office representatives, PAPs affected by Ancient Street	Sign reconstruction agreement

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CONSULTATION ACTIVITIES IN QINGCHENG

Table 0.2 presents the consultation and participation activities in Qingcheng during the project preparation period.

Table 0.2Consultation Activities in Qingcheng

Time	Location	Content	Measure	Participation	Results
2006.2.10	Town Government Office	Introduce project name, scale, potential impacts, initial resettlement action plan	Meeting	Qingcheng Government officials, staff of RAP preparation institutes and representatives of PAPs	Town Government request village committees to provide corporation on the RAP
2006.3.20	Project affect villages: 5 villages and 8 units	compensation rate,	Interview	Local Resettlement Office representatives, staff of RAP preparation institutes and representatives of PAPs	Publish national, Gansu, Lanzhou Municipality and Yuzhong County policy document, to PAPs
2006.6.15	Project affect village	Discussion on the draft of RAP	Meeting	Local Resettlement Office representatives, staff of RAP preparation institutes and representatives of PAPs	Agreed on the common notes for Gansu Project ([2006]No.2 of Yuzhong County)
2006.10.10	Town Government Office	Discussion on how to mitigate land acquisition and resettlement based on Aide Memoirs 1to 4	Meeting	Qingcheng Government officials, staff of RAP preparation institutes and representatives of PAPs	Town Government decide to change the project component and reduce land acquisition and resettlement; revise the feasible study report
2006.12.26	Project affect village	Land acquisition and resettlement agreement	Interview	Local Resettlement Office representatives and representatives of PAPs	Agreed on construction component related to land acquisition and resettlement, sign resettlement agreement
2007.3.1	Project affect village	Resettlement agreement of Qingcheng Ancient Street reconstruction	Meeting	Qingcheng Government officials, Local Resettlement Office representatives and PAPs	The PAPs agreed on the plan and sign reconstruction agreement

INFORMATION DISCLOSURE IN LUTUSI AND QINGCHENG

As part of the consultation and participation process, the main objective of information disclosure is to introduce and note the contractors and local communities of project construction areas about the Gansu project regarding

the area of land to be acquired, compensation rates, payment terms, and timeframe for receiving of payments and acquisition of land.

Information disclosure to date in Lutusi and Qingcheng is described in *Table* 0.3.

What	Where	Measures	Lutusi	Qingcheng
Introduction of project resettlement	Project area	Meeting and Notification	2006.2	2006.2
Resettlement policy of municipal and county level	Project area	Meeting	2006.4	2006.4
Notification on Resettlement Action Plan preparation	Project area	Notification	2006.4	2006.4
Publication on	Project area	Meeting and	Two month before	Two month before
Resettlement Action Plan	-	Notification	resettlement	resettlement
Revise of the RAP	Project area	Notification	Implementation period of resettlement	Implementation period of resettlement

Table 0.3Information Disclosure Activities in Lutusi and Qingcheng

RESULT OF PUBLIC CONSULTATION

Lutusi

As a result of the household survey in Lutusi, of the total 41 questionnaires, 92.7% of the interviewee gave positive feedback on the project. They think it will bring the improvement of infrastructure facilities and increase the income of both government and local people. For physical displacement issues, 89.2% of the interviewee think it is just the temporary impact and would like to support the project.

The people near the project area think it has positive impact for them as the public facilities will be improved by the project developer and the development of tourism can bring great job opportunities in the future.

The only concern raised is that they would be fairly compensated.

Qingcheng

Of the 90 effective questionnaires, 46.9% of the interviewees believe that local farmers will benefit from the project's construction of infrastructure, especially from water pipeline construction. They believe the project construction will bring job opportunities for to people and increase their income. The project will also bring great opportunities for investment in the long term future.

FURTHER CONSULTATION AND DISCLOSURE

In the event that other sites will require any land acquisition and resettlement, consultation and disclosure activities will follow the same procedure as followed for Lutusi and Qingcheng.

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Grievances and Dispute Procedures

This chapter set out the grievances and dispute procedures for the project.

oINTRODUCTIONIt is recommended that Local Project Management Office (LPMO) implement
grievance mechanisms to address concerns of PAPs regarding the effects of
land acquisition, construction and other activities for the project
construction. By implementing a workable grievance and dispute
mechanism, the risk of work stoppage, protest, or other activities that could
have a negative impact on all parties is minimised.Implementation of grievance and dispute procedures aims to address the
concerns of the community and reduce risks from real or perceived loss or
deterioration of livelihood due to the project. Grievance redress procedures
are required to ensure that affected people can lodge complaints or concerns,
without cost, and with increased likelihood of a timely and satisfactory
resolution of the issue. The procedures also ensure that livelihoods can be
effectively restored if necessary due to hardship caused by the Project.

0	The Grievance Mechanism		
3	Grievance Procedures		

The Local Resettlement Office (LRO) is responsible for administering the grievance procedure, including logging of complaints, coordinating dispute resolution meetings and recording resolutions.

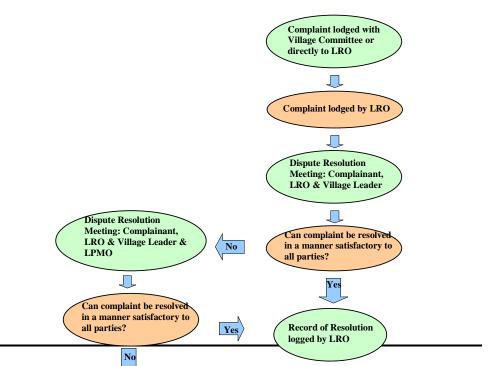
The contact information about LRO and LPMO is presented in Table 0.1.

Table 0.1Contact Information

Site	Name	Address	Telephone Number
	Lutusi Resettlement Office	Liancheng Government	0931-6564395
Lutusi	Lutusi PMO	Yongdeng Tourism Bureau	0931-6414208
	Song Yu, Qingcheng PMO	Qingcheng Government	0931-3707369
Qingcheng	An Hailiang, Qingcheng Resettlement Office	Qingcheng Government	0931-5681100

Under the grievance procedure, priority should be given to resolution through facilitation rather than arbitration, focussing on "win-win" resolutions for both the complainant and LPMO. Direct cash payments (other than compensation payments applicable under Chinese law) will be avoided as far as possible as they may encourage further complaints from local villagers. Instead, resolution will focus on provision of job re-training, employment assistance (either through direct employment at project sites, indirectly through the provision of services to the tourist or assistance in finding employment elsewhere) or community development projects that will benefit both the complainant and LPMO.

The proposed grievance mechanism is detailed in Figure 0.1.



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It should be noted that grievances from vulnerable persons will receive special attention, and assistance with the grievance process will be provided when required. The response time to the grievance should be faster and a resolution should be reached quickly. The resolution should also take into consideration the circumstances of the vulnerable person.

Dispute arbitration shall be accessible to all affected land users and landowners and shall be free of charge.

If the above options fail, this process in no way interferes with PAPs right under Chinese law to pursue legal redress.

Monitoring and Evaluation

This chapter set out the monitoring and evaluation for the project.

INTRODUCTION

It is important that those affected by Gansu Cultural and Natural Heritage Protection and Development Project be tracked and monitored to ensure that their livelihoods have been restored to pre-displacement levels or assistance can be given for restoration if necessary. As such, it is recommended that a

combined internal and external monitoring scheme is developed and implemented as appropriate.

The aim of resettlement monitoring is to ensure:

- Timely and effective completion of physical resettlement;
- Disbursement of compensation in accordance with agreements;
- That pre-project living standards and income levels are sustainably restored;
- That project affected workers are successfully re-employed where necessary;
- That grievances expressed by project affected people are followed up and, where necessary, corrective action is implemented; and,
- Cases of hardship are identified and, where necessary, additional support is provided.

This section of a RAP should include the key monitoring indicators derived from a baseline survey. Some broad monitoring indicators for internal and external monitoring are presented in *Sections* ().o and ().o, respectively.

MONITORING FRAMEWORK

The monitoring framework for the Gansu Project involves three tiers:

- Monitoring the implementation status of resettlement agencies; this is conducted mainly through supervision of municipal and township land resources management departments of local government,
- Internal monitoring through PMO Internal Monitoring Team, and
- Third party external monitoring supported by PMO.

The following sections sets out the detailed requirements for internal and external monitoring.

INTERNAL MONITORING

Local PMO will establish Resettlement Office to manage resettlement issues with the local government and communities. The office is headed by staff from local PMO and supported by staff from the Land Resources Administration Bureau. Each member handles different project areas and reports to the Office leader.

Personnel

An Internal Monitoring Team (IMT) will be set up, including personnel from the Resettlement Office, and other departments as appropriate.

The IMT will responsible for internal monitoring activities, with support from other departments if necessary. The IMT will collect information regarding people being resettled for the project from the departments concerned once every three months and fill the information in relevant tables. Using this information, the database set up by the Resettlement Office for monitoring the condition of people being resettled will be renewed every three months.

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Methodology and Procedure

The IMT will:

- Identify or give input to the identification of the major indicators to be monitored, and populate the corresponding database for the IMT every month or season;
- Ensure sampling of the project affected sites to verify the accuracy of the database;
- Convene regular meetings to report on the progress of the resettlement and supervise the progress of implementation of solutions;
- Visit PAPs to appraise the progress of compensation distribution; and,
- Set up a system to regularly report the resettlement situation.

Indicators to be monitored

These are:

- Payment of compensation to PAPs and affected organisations distributed by Local PMO directly;
- Payment of compensation to PAPs and affected organisations distributed by local government and resettlement implementation agencies; and,
- Progress of livelihood restoration schemes.

Report

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Internal monitoring reports will be prepared every six months according to the data and information obtained from the survey tables. The reports will summarise progress and compare the results against targets. The reports will also outline: any issues and agreed related actions; the schedule of grievance resolutions; and a summary of village head and villager consultations. The reports will be submitted to the Director of PPMO.

The Director of PPMO will identify any issues in the report where the implementation of the resettlement does not comply with objectives and set aside necessary resources to ensure corrective action is developed and implemented.

The Director of PPMO will submit the internal monitoring reports to the World Bank once every six months.

EXTERNAL MONITORING

Independent monitoring and evaluation of the land acquisition and livelihood restoration will be needed to ensure livelihoods are restored. PMO may engage an independent monitoring agency to undertake six monthly reviews of project resettlement.

Activities that would be undertaken by the third party include:

• Review of internal monitoring procedures and reporting to ascertain compliance with objectives;

- Review of internal monitoring records as a basis for identifying any areas of non-compliance, any recurrent problems, or potentially disadvantaged villages or households;
- Review of grievance records for evidence of non-compliance or recurrent poor performance in resettlement implementation;
- Discussions with officers from IMT to review progress and identify critical issues;
- Consultation and surveying via questionnaire with communities and visual conditions assessment and cross-checking to determine whether livelihoods of project affected people have been restored or enhanced as a result of the project and to assess progress against indicators;
- Assess overall compliance with the Resettlement Action Plan and World Bank policies; and,
- Summarize compliance with the Resettlement Action Plan and World Bank policies in a report. Particular issues would include resettlement progress, issues arising and corrective action that may be required.

Objective

By broadly monitoring the overall implementation of the resettlement longterm, the agency undertaking independent monitoring will evaluate whether the goals of the resettlement are achieved. Specifically it will:

- Verify that the resettlement is compliant with the Resettlement Action Plan and with World Bank standards.
- Verify that measures to restore or enhance project affected peoples' quality of life and livelihood are proving effective; and
- Assess the extent to which the quality of life and livelihoods of affected communities have been restored.

Responsibilities

- During the implementation of the RAP, the independent monitoring agency will monitor the progress of the RAP and raise suggestions on improving its implementation; and
- After the RAP is implemented, the independent monitoring agency will survey and evaluate the socio-economic impacts of the Project.

Indicators to be monitored

In addition to the above-mentioned indicators, the independent monitoring and evaluation institute will also monitor and evaluate the following indicators:

- Payment of compensation to PAPs and affected organisations by PMO, local government and the local resettlement implementation agencies according to the compensation rates described in the RAP. It will highlight any discrepancies or lack of transparency in the compensation standards;
- Progress of livelihood restoration: including; employment and income, social welfare provisions, transfer of house ownership and household

registration (hukou) status (if any), rehabilitation of social and cultural facilities, duration of transition period, and support to vulnerable groups;

- Degree of satisfaction of PAPs; and opinions on various aspects of the resettlement program;
- The mechanism and speed of handling conflicts and grievances; and,
- Living standards of PAPs: a survey of the living standards of the PAPs will be completed after compensation is paid for land acquisition. The socio-economic survey should combine stratum sampling and group random sampling to identify and report potential problems in rehabilitation of living standards. The aim is to record the living standards and conditions of PAPs to evaluate the impacts of the RAP on the living standards of the PAPs.

Methodology

Questionnaires, in depth interviews and observational methods will be employed in the survey. The investigating staff will talk with PAPs to identify problems. In this way, the monitoring and evaluation of the Project will consider various viewpoints. The local township, village committees, and a suitable percentage of affected households will be investigated during the survey.

Data and information will be collected by the following methods:

- Household survey (with questionnaires);
- Visiting affected people and facilities; and
- Focus groups to identify common problems.

The collected data and information will be analysed statistically.

Reporting

An external monitoring report will be prepared by the independent monitoring agency at appropriate intervals. The report will be submitted to the Director of PPMO and World Bank.

The report will contain the following sections:

- Verification of the implementation of the RAP;
- A review of whether the compensation and livelihood restoration have met the major objectives of the RAP;
- A report on the participation and satisfaction of the PAPs about the resettlement arrangements; and,
- Identification of any problems facing the implementation of the RAP.

Recommendations will be provided to improve the overall efficiency of the resettlement program; and a report on the actions taken by the responsible departments as suggested above.

Director of PPMO and local PMO will jointly decide solutions on the problems identified in the independent monitoring report immediately after it is submitted.

SUBMISSION OF THE MONITORING REPORTS

The monitoring reports will be conducted according to Table 0.1.

Table 0.1	Suggested Schedu	le for Conducting	of Monitoring
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Monitoring	Reporter	Reported to	Frequency / times
Internal monitoring	IMT	Director of PPMO	Once every three months
External monitoring	Independent Monitoring agency	Director of PPMO World Bank	Once every six months

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RESETTLEMENT COMPLETION

A key objective of the Resettlement Action Plan is that resettlement actions and mitigation measures will lead to sustainable restoration or enhancement of the living standards and incomes of the affected community with respect to their pre-project level. The resettlement process is complete at such time as that the quality of life and livelihood of the PAPs can be demonstrated to have been sustainable restored.

A recommended approach is as follows:

- Practical completion of resettlement shall be achieved at such time as the External Monitor indicates that full livelihood restoration has been completed. At this time, the PPMO shall appoint an auditor to independently confirm whether sustainable livelihood restoration has been achieved, or to identify any corrective actions that need to be undertaken; and
- Final completion of resettlement shall occur when the Auditor is satisfied that all necessary corrective actions to achieve livelihood restoration have been undertaken. At this point, project developer shall be deemed to have met all obligations with respect to the resettlement process.

Schedule for Implementation

This chapter outlines the chronological steps for implementing the RAP. The following *Table 0.1* sets out the schedule for resettlement at Lutusi and Qingcheng.

Implementation stages	Tasks	Lutusi	Qingcheng
	Impact definition	2006.3	2006.3
	Impact investigation in detail	2006.3	2006.3
	Social economy investigation	2006.3	2006.3
Preparation stage	Negotiation for the resettlement arrangement	2006.3-2007.3	2006.3-2007.2
	RAP report compiling	2006.4-2007.4	2006.5-2007.4
	RAP and information disclosure	2007.6	2007.6
	RAP report permission	2007.8	2007.8
Implementation stage	Related procedures for land acquisition	2007.9	2007.9
	Mobilization meeting	2007.10	2007.10
	Acquisition and demolition bulletin	2007.10	2007.10
Implementation	Contract signature of the resettlement compensation	2007.11	2007.11
1	Commodities and installation movement	2008.10	2008.10
	Production delivery	2008.11	2008.12
	Resettlement houses construction	2008.3-2008.8	
	People ingoing	2008.10	
	Living and production recovering	2008.10	
]	Monitoring & Evaluation	2007.7	

Table 0.1Implementation Schedule

Policy Framework

This chapter set out a policy framework to guide provincial and local PMOs to assess and mitigate impacts of additional, unforeseen land acquisition during the implementation of this project. For example the siting of infrastructure at Yellow River Stone Forest Park and Maijishan Scenic Area are still under consideration and not confirmed at the time of preparing this RAP.

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PRINCIPLES OF THE RESETTLEMENT POLICY FRAMEWORK

During its design, all sub-projects under the Gansu project will take full consideration to avoid or minimize permanent and/or temporary occupancy of land that would result in involuntary resettlement. Should resettlement be identified unavoidable, the project developer should follow the following principles:

a) Involuntary resettlement and land acquisition will be avoided/minimized as much as possible;

- b) If resettlement and land acquisition cannot be avoided, RAPs will be prepared for compensation and rehabilitation of the affected people;
- c) Adequate funds will be provided in a timely manner for implementing such RAPs;
- d) Preparation and implementation of such action plans will be conducted in consultation with the local governments and the affected people, on all the components related to resettlement and compensation;
- e) Compensation will be paid at replacement costs without depreciation; and such payments will be made prior to the move and acquisition of land;
- f) The affected people will be assisted during relocation and in their livelihood rehabilitation activities;
- g) The living standards of the affected people will be either restored or improved, after resettlement activities;
- h) Absence of legal or formal title will not be an obstacle for the affected to get compensation and assistance during the resettlement implementation;
- i) All the costs related to land acquisition and structure demolition will be included in the project cost estimates;
- j) Adequate supervision and monitoring should be conducted of resettlement management in order to timely identify the potential issues related to the land usage and resettlement;
- k) Resettlement organizations and their responsibilities at the project preparation stage will be made clear; and
- The action plans of sub-projects in which PPMO will invest will be reviewed and be accepted by the World Bank before the relevant civil engineering work.

LAWS AND REGULATIONS FOR RESETTLEMENT AND LAND USE

Land acquisition and leasing will exactly follow the laws and regulations of China, such as:

- Land Administration Law of the Peoples Republic of China, (1998)
- Management Regulation on Dismantlement of Urban Houses (2001)
- Land Resources Hearing Regulation (2004)
- Regulation on Land Restoration, (1988)
- Guideline on Compensation and Resettlement Policy as for Land Acquisition (approved by Ministry of Land Resource on November 2004)
- Gansu Provincial Implementation Measure of the State Land Management Law
- Gansu Provincial Land Acquisition Measures for Infrastructure Construction
- Gansu Province Infrastructure Construction Land Acquisition Measures
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PREPARATION AND PLANNING OF RESETTLEMENT ACTION PLAN

All activities involving land acquisition and resettlement will formulate a plan for land acquisition and resettlement and implementation, which will serve as the basis for initiation of the activities.

Where less than 200 people are affected, an abbreviated plan would be prepared including:

a) A census survey of displaced persons and valuation of assets;

- b) Description of compensation and other resettlement assistance to be provided;
- c) Consultations with displaced people about acceptable alternatives;
- d) Institutional responsibility for implementation and procedures for grievance redress;
- e) Arrangements for monitoring and implementation; and
- f) A timetable and budget.

If more than 200 people are affected, a full plan would be prepared. A basic outline of a full land acquisition and resettlement plan would include:

- a) The objective for land acquisition and its location and scope;
- b) The principles for the land acquisition and relevant policy and law;
- c) Social and economic investigation of the scope of land acquisition;
- d) Impact of land acquisition and compensation standard;
- e) Measures for restoring of livelihood and production of affected people;
- f) Cost estimates and fund management for land acquisition;
- g) Implementation schedule;
- h) Establishment of land acquisition institution and personnel allocation;
- i) Public participation;
- j) What impact will land acquisition bring to farmers and community;
- k) Complains and grievance;
- 1) Monitoring & evaluation and report system;
- m) Annex, maps and tables.

The RAPs will be reviewed and approved by the PPMO, and by the World Bank for final approval.

INFORMATION DISSEMINATION AND PUBLIC CONSULTATION

- The RAP must describe measures taken, or to be taken, to consult with PAPs regarding proposed resettlement arrangements, and to foster their participation in activities essential to improvement or restoration of incomes and living standards. To ensure that opinions and preferences of displaced persons are considered, consultations should begin prior to finalization of project designs and mitigation measures. Consultations should continue throughout the period in which the RAP is implemented through external monitoring arrangements;
- 2. The dissemination of resettlement information booklet is required. The issuance of these information booklets will be of paramount importance in ensuring awareness of all project affected people, enhancing transparency, and increasing the efficiency of resettlement operations; and,
- 3. Public consultation will be conducted throughout the entire stages of the resettlement till monitoring results show that the livelihood of PAPs is fully restored.

IMPACTS AND MITIGATION MEASURES

Mitigation measures will be developed and compensation rates will be agreed by PAPs for each item of impacts. It is very important that the compensation rates should not be lower than standards set by national and local laws and regulations.

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In addition the compensation rate defined in regulation will be changed as time being. The compensation rate determined in the RAP will be no lower than changed compensation rate. If the changed compensation rate of the regulation is higher than confirmed in the RAP, it will implement the compensation rate of changed higher compensation rate as defined in the regulation.

GRIEVANCE REDRESS MECHANISM

During project resettlement planning, the affected people and units' rights will be fully recognized, maintained, and protected. In addition to some adequate compensation, opportunities and rights for further development will be made available for them. The mechanism of claiming will be regulated and set up in the action plan of the land acquisition and resettlement. In particular, if any project affected person has justified grievances during implementation, they will have an adequate channel to report to and make claims to the departments concerned. Such claims must be found in conformity with the plan and policy to be settled quickly.

MONITORING AND EVALUATION

- 1. PPMO will prepare consolidated internal monitoring reports based on the Resettlement Progress and Monitoring Reports submitted by each subproject owner, and field verification. For each subproject involving land acquisition and resettlement, LPMO will employ an independent third party to be responsible for external monitoring and evaluation of the land acquisition, resettlement and compensation.
- 2. Monitoring and evaluation personnel should regularly check and visit the site to assess progress and identify problems, and ask the PMO at each level to take measures to solve problems, if any.
- 3. Main monitoring indicators would include:
 - Signing land acquisition agreement;
 - Payment of compensation expenses;
 - Time to raise compensation funds and its disbursement period;
 - Changes in the affected household economic situation;
 - Implementation of the planned measures;
 - Usage of the occupied land; and
 - Usage of the temporarily acquired land and re-cultivation time.

INITIAL DATA ON YELLOW RIVER STONE FOREST

During appraisal, consideration of the exact nature and siting of the river embankment suggests that 3.45mu land will be taken, affecting 13 households' crops, and 64 persons. The land is state-owned. Farmers growing crops on this land will be compensated for their standing crop, at the rate of 1000 RMB per mu of land farmed.

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Conclusion

The Gansu Project will directly and indirectly affect the livelihoods of residents within or around the project area. In line with World Bank Policy and Chinese legal requirements, PPMO has prepared the RAP and will pay the compensation for land take, and put in-place organizational arrangements to complete the project accordingly, with special focus on livelihood restoration measures for those affected.

Community consultation has been conducted, and PAPs are believed to have been given an understanding of the resettlement process, their rights and obligations. The affected communities have generally expressed support for the project proceeding.

In addition, if any land acquisition and resettlement happened for other components of the project in future, the procedure and process defined in this RAP Report will be followed as defined in *Chapter 0*.

Annex A

Questionnaires of Lutusi and Qingcheng

Questionnaire of Lutusi

Supplementary Household Visit Table on Lutusi Social Impact Assessment

Household owner : survey time: surveyer:

I. Family situation

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Q1. the Hukou of your family is : \Box 1. rural \Box 2. urban

Q2. your nationality? _____.

Q3. How many are there in your family ? _____, and how many key labor members?

Members	Owner			
Age				
Duration of				
education				

Q4. Farmland area of the family (mu)

Q5. Rough annual income of your family

Y1000,	Y1,001-	Y3,001-	Y5,001-	Y10,001-	Above 20,000
below	3,000	5,000	10,000	20,000	

Q6. What is the main income source of your family?

Planting	Shops	House renting	Salary	Business	Other

Q7. Annual expenditure of your family :

Food	Education	Medical	Production	Clothes	Other	Total

Q8. Does your family own the following equipment ? 1.washing machine2.TV 3. refrigerator 4.fixed phone 5.mobile phone 6.car or pick-up van7.truck 8.farm transport automobile 9. motor cycle 10.other durables

Q9. What kind of fuel is your family using?

1.pipeline gas 2.liquid gas container 3.coal or alveolate coal 4.wood5.straw 6.biogass

Q10. Where does your family collect water ? \Box 1. public well \Box 2.public pumped water \Box 3.private well \Box 4.public water \Box 5. other

Q11. How many years have your family lived in this town?(select one) \Box 1. below 1 \Box 2. 1-4 \Box 3. 5-10 \Box 4. 11-20 \Box 5. 21 and above

II. Willingness of affected residents

Q12. How do you think of the necessity and urgency of this project ? \Box 1.not necessary \Box 2.don't care \Box 3.necessary \Box 4.very necessary

Q13. Are you willing to be relocated and resettled ? 1.very willing 2. willing 3.do not know 4.not willing

Q14. Is there any impact of this relocation and resettlement on your family : 1.no impact 2.temporary impact 3.long-term impact

Q15. Are you satisfied with the resettlement and relocation plan? 1.very satisfied 2. satisfied 3.don't know 4.not satisfied

Q16. What are your requirements and recommendations to the proposed relocation and resettlement ?

Questionnaire of Qingcheng

QUESTIONNAIRE OUTLINE OF THE VISIT

I. Basic situation of the project village (township)

1. population information amount, gender, nationality, religion, farming and non-farming population and ratio

2. main agriculture and agricultural crops

3. main mine products, land, forest resources and utilization

II. Socio-economic situation of the village (village group)

4. total GDP in 2006

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5. average per capital income

6. Is it a rich or poor village compared to other villages

7. What do you think are the main reasons of your village poverty situation 8. gender percentage and labor division

9. How many women in the village management

10. Is there any collective economy (township enterprises)? What are their main products? Where is the market for these products?

11. How many cars, trucks, motor cycles, bicycles and farming automobiles in the village

12. How many clinics and doctors in the village

13. How many primary schools and students in the village

14. Are there drop-out children The reasons for dropping out? Are there more female drop-outs or male drop-outs

15. How many migrant workers in this village?

16. How many projects in the village

17. How many historical and cultural heritage in the village? What is the attitude of the villagers on cultural heritage?

18. How many water channels in the village? Is the drinking water tube water, well water or river water

19. Is the village connected with phone? When was it connected? How many families have installed telephone set

20. Is there any dominated family power in the village? How does it play its function in the village

III. Your view on the proposed project

21. From your point of view, what will be the benefits to be generated from this proposed project?

22. How is your village going to cooperate with the government to implement this proposed project

23. What are the difficulties do you think there still exists when you cooperate with the government to implement this proposed project?

24. Do you think there will be improvement to the current ecological environment of your village after the implementation of this project25. What is your view as who will benefit the most from this project

QUESTIONNAIRE ON SURVEY TO THE VILLAGERS

1. Do you think your village a rich one or a poor one compared to other villages in your county? If your village is a poor village, what are the reasons to this situation? What measures do you think the government should take in addition to your own efforts

2. What are the values of the existing heritage in your village

3. What is the main income source of your family

4. Are you aware of the Heritage Protection Law

5 Are you aware that somebody is preparing a plan for building relics (ancient residential houses) for your village? Are you aware the content of the plan

6. Have you heard of Qingcheng's application for the World Bank loan for heritage project? How about the attitude of you, your family, friends and neighbours towards this event?

7. In order to satisfy the visitors to your village, what kind of food, accommodation and entertainment you should provide to them?

8. What do you think are the possible benefits that this project will bring to you? What impact on the villagers will the project bring (positive? Negative)?

9. During the project implementation, will the project affect your life and production? How are you planning to solve it? What help will you need?

10. How are you planning to cooperate to implement this project? provide labor; provide raw materials etc.)

11. What is the per capital farmland of your family? How much farmland will be acquired from your family for project implementation? Will the land to be acquired from your family cropland, dry land or hilly land?

12. If your shop is included in the scope pseudo-classic improvement, are you willing to allow the government to do this for your shops? During the improvement activities, the operation of your shops will need to be terminated for 12 months. How much compensation you would expect for this?

13. Do you know the compensation standard for occupation of farmland? Are you satisfied with the resettlement conditions to be used? What do you expect

the compensation will be? How long do you wish the fund should be paid to you? How do you plan to use the compensation fund?

14. What will the appropriate way to be used in land acquisition and resettlement?

15. The proposed Qingcheng project has been revised for four times based on the suggestions from the villagers. Finally it is decided that the land acquisition area will be 13.5 mu; 34 shops and institutions will be included as pseudo-classic improvement; 3 new roads and 2 bridges will be built. Do you think this is consistent with the actual situation in Qingcheng? Are you satisfied with these revisions?

16. Who will benefit the most from the proposed project?

17. Will this project bring more opportunities for economy development of your village? Will the project help to improve your personal and your family's economic situation?

18. Do you think it is worthwhile to spend such a huge amount of money for cultural heritage protection (mainly your old houses where you are now living)

19. What impact on the existing village natural environment (tail exhaust, noise pollution etc.) will the proposed project bring with? And the impact on the culture, historical heritage and religion and the tourist sites?

20. What impact will the project implementation have on the production and life of women? What are your suggestions and recommendations on the project? (interview with women only)

21. What are you plans after the tourism of Qingcheng is improved and developed?

22. Do you prefer to have more visitors or less visitors to Qingcheng?

23. If there are tourism companies in Qingcheng in the future, what do you wish to do in those companies? (tour guide, sanitation worker, security guard)

Annex B

Legislation

Legislation

NATIONAL LAWS

Land Administration Law of the Peoples Republic of

China, (1998)

The Land Administration Law of the Peoples Republic of China (1998) and *Publication Rules on Land Acquisition (2003)* are the two laws governing land acquisition and compensation in China. The Land Administration Law covers the approval procedure for land acquisition, compensation measures, and resettlement management. The Publication Rules on Land Acquisition require that a Land Acquisition Plan and Resettlement Compensation Plan be submitted to the town/village government if rural land is to be acquired.

Article 47 stipulates that where land acquisition is necessary, compensation shall be paid in accordance with the original usage of the acquired land, which shall include a land compensation fee, a resettlement subsidy and a compensation fee for land "attachments" (e.g. trees, houses) and standing crops. The land compensation fee for cultivated land is 6-10 times the average annual output value (AAOV) of the land in the previous three years preceding land acquisition. The resettlement subsidy of acquired farmland shall be calculated according to the agricultural population to be resettled. The population to be resettled is calculated by the area of farmland divided by the average area of farmland per person within the acquired unit. The resettlement subsidy for displaced farmers shall be 4-6 times the AAOV in the previous three years. However, the resettlement subsidy for farmland shall not exceed 15 times the AAOV. In the case of Gansu Project, relevant compensation standards for land "attachments" and standing crops are determined by the Gansu Provincial Government.

Should the land compensation fee and resettlement subsidy be insufficient to restore the original standard of living for displaced persons, the resettlement subsidy may be increased with the approval of the relevant Provincial Government. However, the sum of land compensation and resettlement subsidies shall not exceed 30 times the AAOV for the three-years preceding acquisition. The State Council can raise the land compensation fee and resettlement subsidy under special circumstances according to the social and economic development level of the Project Area.

In the "Land Administration Law of the Peoples Republic of China" (2004), Article 48 states that the relevant local government shall publicise the resettlement plan and hear the comments from the agricultural collective economic organisation and the rural workers to be resettled.

Article 50 states that government authorities at all levels shall support rural collective economic organizations and rural residents in their efforts toward development and operations or in starting up enterprises.

Article 57 requires that where land owned by the State or by rural residents collectives needs to be used temporarily for construction of projects, the matter shall be subject to approval by the land administration departments of governments at or above the county level. However, if the land to be temporarily used is located in the area covered by urban planning, the matter

0 ③ shall be subject to agreement by the urban planning administration department concerned before it is submitted for approval. The land user shall, depending on who owns the land and who has the land-use right, enter into a contract for the temporary use of the land with the land administration department concerned, the rural collective economic organization, or the villager's committee and pay compensation for it in accordance with the provisions of the contract.

The temporary land user shall use the land for the purposes stipulated in the contract for temporary use of the land and may not build permanent structures on it.

Generally, the period for temporary use of land shall not exceed two years.

Management Regulation on Dismantlement of Urban

Houses (2001)

The Management Regulation on the Dismantlement of Urban Houses was issued by the State Council and became effective in 1 November 2001. This regulation is applied to resettlement occurring on stated owned land within an urban-planning zone.

Article 6 requires that resettlement may only be conducted after the project developer obtains a resettlement permit.

Article 8 requires that the residential resettlement administrative department shall publicise, by public notification, the resettlement information stipulated on the resettlement license⁽⁷⁾ simultaneously when it issues the license, including: the resettlement proponent, scope and timeframe of the resettlement, etc. The housing resettlement administrative department and resettlement proponent shall undertake information disclosure and notification to households to be displayed in a timely manner.

Article 13 requires that the project developer and households to be displaced shall sign a resettlement agreement that specifies the compensation amount and method of payment, construction space and location of the new house, timeframe of displacement, transitional mode and time limit etc.

Based on this regulation, provincial and municipal regulations can be developed that apply to the local situation.

Land Resources Hearing Regulation (2004)

The State Ministry of Land and Resources (MOLAR) issued the Land Resources Hearing Regulation that became effective on 1 May 2004. The Regulation includes a number of provisions to protect the rights of farmland owners, improve the transparency of compensation procedures, and promote the accountability of local officials. The provisions include that:

• Landowners must be informed of the relevant laws and compensation standards to be applied and their right to a dispute hearing;

⁽⁷⁾ A resettlement licence developed by a licensed agency is required for urban resettlement. Each city has its own requirement. Gansu Project involves two cities therefore theoretically it needs two resettlement licences.

- Agreement must be reached with affected land users prior to the land being requisitioned;
- Access to public dispute hearings should be free of charge to affected landowners; and
- The requirement for local Government to consult with communities prior to introducing or amending compensation standards;

Regulation on Land Restoration, (1988)

The Regulation on Land Restoration issued by the State Council has been in effect since 8 November 1988. It applies to the activities that are taken to restore land, which has been damaged during the project development period due to excavation, dredging, subsidence, and compaction/consolidation etc., to a state that is capable of being utilized again. This regulation applies to any company and individual that damages land due to their project development activities.

Article 4 stipulates that land restoration shall follow the principle that whoever causes the damage is responsible for restoration.

Article 12 requires that a company (excluding village collective organisations and village private companies) that cause damage on collectively owned land during development should follow specific requirements in line with the following different circumstances:

- For land that cannot be recovered or needs to be used for state development projects, land acquisition should be conducted;
- For land that has been restored but is not able to be recovered for original usage, and if the original collective economic organisation is willing to keep the land, land acquisition is not compulsory;
- Land that has been restored and is able to be recovered for original usage, and which is not needed further for state development, should not be acquired.

Article 13 states that land damaged by development activities can be restored by the company, the individual, or by other organised or individual contractors that are capable of land restoration.

Article 14 requires that enterprises and individuals that damage state-owned or collectively owned land that is not to be acquired, should pay compensation for loss of land use to the appropriate land owner and shall bear responsibility for its restoration.

Compensation for acquired land is categorised into three major types: compensation for acquired farmland, forestland, and other land. Compensation for farmland is calculated according to the average annual output value of the previous three years (AAOV) before the actual damage. The company and individual should pay the yearly compensation according to the losses incurred by the actual damage. If the collective economic organisation is contracted to restore the land, the compensation period should be identified according to the civil work period stated in the contract. The above principle also applies to compensation for other types of land loss. Provinces, autonomous regions, and municipalities directly under the central government shall regulate compensation standards for the attachments to the land (standing crops and structures etc).

Article 15 states that detailed compensation amounts for land loss should be agreed between the company or the individual damaging the land and the land owner, according to the rules stipulated in *Article 14*. Where agreement between the parties cannot be reached, the local land administrative department together with other relevant industrial administrative departments shall make binding decisions.

Article 17 requires that land damaged by development activities and restored afterwards shall be reused by the original collective economic organisation.

Guideline on Compensation and Resettlement Policy as for Land Acquisition (approved by Ministry of Land Resource on November 2004)

Article One Land Acquisition Compensation Standards, Clause Two Determine the standard annual agricultural production value multiplier. The standard multiplier for land acquisition and compensation base on annual agricultural production value should be determined according to relevant regulations so that the living standards of affected communities are no less than prior to land acquisition and resettlement.

Where the standard compensation multiplier does not provide sufficient level of compensation for livelihood restoration or social welfare coverage, the multiplier should be increased with approval from provincial level government.

When land acquisition and resettlement compensation multiplier is 30 and still not sufficient to ensure livelihood restoration, respective local government should distribute additional subsidiary from revenue generated from lease of state owned land.

Where acquisition of basic farmland is approved, the highest compensation standards publicized by local government should be applied.

Clause Three

Determine the general land value for proposed land acquisition areas. Where possible, provincial land resource bureau should work with other relevant department to determine regional or municipal/county level land price, and subject to approval by provincial people's government. Land price should be determined base on consideration of type, productivity, location, nature of the land, as well as average farmland available per capita, supply and demand of land, local economic development status, and local minimum living standards, etc.

Article Two Replacement Mechanisms for Farmers Affected by Land Acquisition

Clause Five: Land Replacement

Land replacement for acquisition of collectively owned land in rural areas should be realized through the following mechanisms:

- Utilization of mobile collectively owned farmland;
- Reclaim of contracted land with voluntary agreement from contractor;

- Transfer of contracted land;
- Reclamation.

Land replacement for those affected by land acquisition should be prioritized in order to enable restoration of agricultural production activities.

Clause Six: Employment

Free skills training and employment should be proactively provided to farmers affected by land acquisition. They should be prioritized for employment if conditions are the same. When the acquired collectively owned land is within planned urban areas, affected land-loss farmers are entitled to be included in the municipal employment system and social benefits.

Clause Seven: Shareholder and Bonus System

When the land acquisition is carried out for long-term projects with stable revenue, collective representative organization should negotiate with developer about becoming shareholders of the project using resettlement compensation or approved land use rights, given agreed by affected individuals. Village collective representative organization and individuals are entitled to bonus through contracted preference bond.

Clause Eight: Migration Resettlement

When it is impossible to achieve livelihood restoration for individuals affected by land acquisition at local areas, migration resettlement could be carried out with overall management by government, given agreed by affected collective representative organizations and individuals.

Article Three Land Acquisition Work Procedures Clause Nine: Information Disclosure

Local land resource bureau should inform affected collective representative organizations and individuals about the purpose, location, compensation standards, resettlement mechanisms in written before submit land acquisition application for approval. Additional attachments on proposed land for acquisition (including crop, vegetation, houses, etc.) will not be compensated post disclosure of the information.

Clause Ten: Finalize Land and Attachment Survey

Results of surveys conducted by local land resource bureau regarding ownership, nature, size/amount of land and its attachments should be confirmed by affected collective representative organizations and individuals.

Clause Eleven: Stakeholder Hearing

Prior to submission of application for land acquisition, local land resource bureau should inform affected collective representative organizations and individuals their rights to apply for stakeholder hearing with respect to proposed compensation standards and resettlement mechanisms. Applicants for stakeholder hearing should follow procedures and relevant requirement stated in the *State Land Resource Hearing Stipulation*.

Gansu Provincial Implementation Measure of the State Land Management Law

Article 22 If the acquiring land is basic farmland or other farmland over 35hectares or other types of land over 70hectares, it should be approved by the State Council. Land acquisition application for land with areas below the states sizes, should be approved at provincial level and report to the State Council for record.

Article 24 Compensation for farmland acquisition and resettlement should be distributed according to standards stated in Article 47 of the *Land Management Law*. For other types of land, compensation for land acquisition and resettlement, and attachments and standing crops should be distributed according to the following standards:

- 1. Land compensation: Acquisition of land previously used by townshipvillage enterprises, village public infrastructures or public welfare facilities should be compensated with two to four times of the average annual production value for the previous three years. Acquisition of land previously utilized for residential purposes should be compensated with three to five times of the average annual production value for the previous three years. Acquisition of wasteland, abandoned land and abandoned farmland (for over four years and less than ten years) should be compensated with two times of the average annual production value for the previous three years.
- 2. Resettlement Compensation: Resettlement Allowance will be calculated base on the number of people resettled as result of acquisition of land previously used by township-village enterprises, village public infrastructures, and public welfare facilities or for residential purposes. Number of people is calculated by total size of land acquisition divided by the average land owned per head before. Compensation for individual should be two to three times of the average production value of the land in the previous three years. However, resettlement compensation for per hectare of land acquired should not be higher than seven times of the average production value of land and abandoned farmland will not be compensated.
- 3. Compensation for land attachments: Values of buildings and structures on the acquired land will be calculated base on original price and replacement price, of which public welfare facilities will be compensated with replacement prices. Fruit trees not yet in fructiferous period and not fully grown timber woods should compensated with four times of the price of equivalent trees; fructiferous fruit trees should be compensated with four to six times of the average production value of the past three years; and fully grown timber. Agriculture land with sand surface should be compensated with three times of the average production value of the past three years. When farmland is acquired for collective construction purposes, developer is obligate to *Farmland Occupation Tax* and *Reclaim Fee of Cultivated Land*.

*Article 26*Land acquisition management fee is applicable when acquiring collectively owned land.

Infrastructure Construction

Article 8 When the acquisition of farmland is for the purpose of infrastructure construction, the following compensation standards apply:

Gansu Provincial Land Acquisition Measures for

- 1. When average farmland owner per capita is greater than 1*mu*, the land compensation per *mu* is six to eight times of the average annual output of the land for the past three years; and resettlement compensation should be four to six times of that.
- 2. When average farmland owner per capita is less than 1*mu* and greater than 0.4*mu*, the land compensation per *mu* is eight to ten times of the average annual output for the past three years; and resettlement compensation should be six to eight times of that.
- 3. When average farmland owner per capita is less than 0.4*mu*, the total compensation (land and resettlement) per *mu* should not exceed 25 times of the average annual output for the past three years.

Gansu Province Infrastructure Construction Land

Acquisition Measures

The *Gansu Province Infrastructure Construction Land Acquisition Measures* was approved on 30 March 2002, relevant articles include:

Article Four House dismantlement in urban areas should accord with approve city plans, redevelopment of the old part of the city, improve land use efficiency and living standards, as well as cultural heritage protection.

Article Seven County and above level local government should enhance supervision of urban house dismantlement. Planning, urban construction, land resource, public security and industrial & commercial departments should also corporate.

Article 13 When the dismantlement scope is finalized, organization and individuals within the scope are prohibited from the following activities:

- 1. Construct, expand or renovate houses;
- 2. Alter purpose of house and land;
- 3. Rent or lease houses.

Article 17 If no written agreement is achieved between the developer and the affected parties within the required dismantlement period, the case will be ruled by administrative department which has approved the dismantlement. When the affected party is the administrative department, the case will be ruled by equivalent level people's government. When not convinced with the ruling, one could submit application for appeal within three months upon receival of the decision paper. If replacements or temporary housing are provided to affected parties during the period of the administrative lawsuit, dismantlement will not be suspended. Compulsory dismantlement will be carried out according to *Article 17* of the *Urban House Dismantlement Management Regulation* published by the State Council.

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Article 23 Compensation could be in forms of currency or replacement housing. Currency compensation will be determined base on details of the dismantled house stated on the property right papers (building area, location, purpose) and market price.

Article 24 Dismantlement for houses and attachments used for public welfares, developer should rebuild the structure according to its original characteristics and size. Where reconstruction is not possible, currency compensation should apply with approval from administration body, or according to plans produced by local government according to overall planning.

Article 25 Dismantlement or damage of public buildings, communication cables, power supply cables, pipelines and other public infrastructures, and greenbelts should be compensated or restored according to relevant municipal and forestry standards.

MUNICIPAL REQUIREMENTS

Lanzhou Municipal Urban House Dismantlement and Resettlement Compensation Regulation (Provisional)

The Regulation is applicable to all house dismantlement involving compensation and resettlement within the administrative boundary of the city.

Administrative body for house dismantlement should publicize information regarding the dismantlement while approving the house dismantlement permit. Information should include stakeholders, dismantlement scope, time frame, compensation mechanism, and other implication of the dismantlement project.

Resettlement agreement should be established between the developer and the affected households; if rented house is subject to dismantlement, developer should also establish resettlement agreement with the leaser. The agreement should include details regard compensation mechanism, amount, replacement house size, location, resettlement time frame, transition mechanism and time frame, payment methods and liabilities; when arbitration is included in the agreement, location of arbitration should also be stated. When residential house is subject to dismantlement, house moving compensation should also be included. Other cost induced as result of the dismantlement, such as telephone, cable TV, gas, should also be compensated at cost. Removal, installation, storage and transportation cost of communication, power, gas, equipment, cargo, production and office stationeries as result of dismantlement of non-residential houses should be covered by developer as well at cost.

Interior decorations materials should be evaluated and compensated at cost, additional 30% of the cost should also be compensated as cost of labour. Interior decorations over five years are subject to a depreciation rate of 20%, those less than one year old will be counted as one year; those over five years old will not be compensated.

0 (3)

World Bank Involuntary Resettlement Policy

The World Bank first set out its official requirements for involuntary resettlement in 1990 in the *World Bank Guidelines OD 4.30, Involuntary Resettlement.* In December 2001, this Guideline was replaced with *World Bank Operational Policy 4.12* and *World Bank Procedure 4.12* for all projects after 1 January 2002. The overall objectives of the *World Bank's OP* and *BP 4.12 Involuntary Resettlement* are the following:

- Involuntary resettlement should be avoided where feasible, or minimised, exploring all viable alternative project designs.
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Local regulations do not address this, however, article 50 of China's Land Administration Law (1998) states: "Local people's governments at all levels shall support rural collective economic organizations and peasants in their efforts toward development and operations or in starting up enterprises." However, this is the only mention of any form of development beyond basic compensation.
- Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

World Bank Operational Policy 4.12 contains a number of "Required Measures" that are relevant to the Gansu Cultural and Natural Heritage Protection and Development Project, as follows:

Article 6 Requires that a Resettlement Action Plan (RAP) be developed in order to address socio-economic impacts as a result of displacement. The RAP must include measures to ensure that the displaced persons are:

- Informed about their options and rights pertaining to resettlement;
- Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
- Are provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

Where physical relocation is unavoidable, the RAP includes measures to ensure that the displaced persons are:

- Provided assistance (such as moving allowances) during relocation this is not specified in local regulations; and
- Provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, location

advantages, and other factors at least equivalent to the advantages of the old site.

Where necessary to achieve the objectives of the policy, the RAP will include measures to ensure that displaced persons are:

- Offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living, and
- Provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

Article 8 states that particular attention must be paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, sick, handicapped, women-headed households or other displaced persons who may not be protected through national land compensation legislation.

Article 10 indicates that the implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement does not occur before necessary measures for resettlement are in place. These measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.

Article 11 states that preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Whenever replacement land is offered, displaced persons should be provided with land for which a combination of productive potential, location advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and any other assets lost.

Article 12 states that payment of cash compensation for lost assets may be appropriate where livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

Article 13 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. Appropriate and accessible grievance mechanisms are established for these groups.

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.

Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).

Patterns of community organization appropriate to the new circumstances are based on choices made by those to be resettled. To the extent possible, the existing social and cultural institutions of those to be resettled and any host communities are preserved and the resettlers' preferences are honoured with respect to relocating in pre-existing communities and groups.

Article 14 indicates that a census should be carried out to identify those that will be affected by the proposed project, and to discourage the inflow of those ineligible for assistance. A procedure should be developed for determining the criteria for eligibility, which includes provisions for meaningful consultation with PAPs and specifies grievance mechanisms (however, grievance mechanisms are not clearly laid out).

Article 16 states that PAPs with formal legal rights to the land that they occupy and those with claims to the land that are recognized under Chinese law be compensated in accordance with Article 6 (above). Importantly, Article 16 also states that those who have no recognizable legal right or claim to the land they are occupying are provided resettlement assistance in lieu of compensation for the land that they occupy, as necessary, in order to meet the objectives of the Policy. Resettlement assistance may consist of land, other assets, cash, employment, and so on, as appropriate.

Article 19 indicates that in preparing the RAP, the project developer should draw on appropriate social, technical, and legal expertise and on relevant community-based organizations and NGOs. The project developer should inform potentially displaced persons at an early stage about the resettlement aspects of the project and consider their views in project design.

Article 21 states that the RAP must include arrangements for the monitoring of resettlement activities by the implementing agent, supplemented by independent auditors as considered appropriate.

Article 24 states that the project developer is responsible for adequate monitoring and evaluation of the activities set forth in the RAP local regulations and law. Upon completion of the project, the project developer undertakes an assessment to determine whether the objectives of the RAP have been achieved. The assessment takes into account the baseline conditions and the results of resettlement monitoring. If the assessment reveals that these objectives may not be realized, the project developer should propose follow-up measures.

Annex C

Land Use Tables

2 Land Use Tables of the Project

The land use tables of the project are lay out as follows:

Table 2.1	Land Use of Shi	i Chuan Ancient Pear Orchard Site	

- Table 2.2Land Use of Suoyang Town Site
- Table 2.3Land Use of Yellow River Stone Forest Park Site
- Table 2.4Land Use of Yardang National Geological Park Site
- Table 2.5Land Use of Xiliang King Tomb/Jiuquan Museum site
- Table 2.6Land Use of Mati Temple Scenic Park
- Table 2.7Land Use of Wei Jin Folk Culture Park Site
- Table 2.8Land Use of Jiayuguan Great Wall Site
- Table 2.9Land Use of Maijishan Scenic Area Site

Table 2.1Land Use of Shi Chuan Ancient Pear Orchard Site

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Road	91,989	State-owned	Town Government	Existing Road	No
2	Draining system	3,989	State-owned	Hedong Village	Road	No
3	Channel construction	11,140	State-owned	Hedong Village	Channel	No
4	Protection station	320	State-owned	Town Government	Barren Land	No
5	Service center	500	State-owned	Town Government	Barren Land	No
6	Land fill	7,500	State-owned	Town Government	Barren Land	No

Table 2.2Land Use of Suoyang Town Site

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Parking lot	2,000	State-owned	Jinluan Company	none	no
2	Water pool	100	State-owned	Jinluan Company	none	no
3	Service center	500	State-owned	Jinluan Company	none	no
4	Relics management center	90	State-owned	Jinluan Company	none	no
5	Museum and exhibition room	3,460	State-owned	Jinluan Company	none	no
6	Septic tanks	100	State-owned	Jinluan Company	none	no
7	Toilets	360	State-owned	Jinluan Company	none	no

Table 2.3Land Use of Yellow River Stone Forest Park Site

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Walking road	4,185	State-owned	Yellow River Stone Forest Committee	Barren hill/drainage	No
2	Parking lot	2,000	State-owned	Yellow River Stone Forest Committee	Bank land	No
3	The Environmental improvement of Nanwan area	10,000	State-owned	Yellow River Stone Forest Committee	Barren land	No
4	Exhibition room	4,000	State-owned	Yellow River Stone Forest Committee	Barren land	No
5	Wastewater treatment	1,000	State-owned	Yellow River Stone Forest Committee	Bank land	No

Table 2.4Land Use of Yardang National Geological Park Site

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Circular road within Scenic Area	153,320	State-owned	Yadan Scenic Area	None	No
2	Connection road within Scenic Area	37,080	State-owned	Yadan Scenic Area	None	No
3	Parking lot	10,900	State-owned	Yadan Scenic Area	None	No
4	Service Center	800	State-owned	Yadan Scenic Area	None	No
5	Water pool	150	State-owned	Yadan Scenic Area	None	No
6	Toilets	200	State-owned	Yadan Scenic Area	None	No
7	Environmental monitoring station	100	State-owned	Yadan Scenic Area	None	No
8	Septic tanks	80	State-owned	Yadan Scenic Area	None	No
9	Land fill	500	State-owned	Yadan Scenic Area	None	No
10	Parking station	2,500	State-owned	Yadan Scenic Area	None	No

Table 2.5

Land Use of Xiliang King Tomb/Jiuquan Museum site

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Museum	9,600	State-owned	Jiuquan Museum	None	No
2	Road improvement and landscape	4,919	State-owned	Jiuquan Museum	None	No
3	Parking lot	3,000	State-owned	Jiuquan Museum	None	No
4	Boiler room	80	State-owned	Jiuquan Museum	None	No

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	New road	15,000	State-owned	Mati Temple Scenic Area Administration Committee	None	No
2	Road improvement	12,000	State-owned	Mati Temple Scenic Area Administration Committee	None	No
3	Water pipeline reconstruction	6,750	State-owned	Mati Temple Scenic Area Administration Committee	None	No
4	Water pipeline reconstruction from Qianfu cave to Dashanmen	750	State-owned	Mati Temple Scenic Area Administration Committee	None	No
5	Underground cable	15,000	State-owned	Mati Temple Scenic Area Administration Committee	None	No
6	Service centers	400	State-owned	Mati Temple Scenic Area Administration Committee	None	No
7	Welcome door	40	State-owned	Mati Temple Scenic Area Administration Committee	None	No
8	Yugu folk culture exhibition center	2,000	State-owned	Mati Temple Scenic Area Administration Committee	None	No
9	Beisi relics management room	140	State-owned	Mati Temple Scenic Area Administration Committee	None	No
10	Five environmental toilets	160	State-owned	Mati Temple Scenic Area Administration Committee	None	No
11	Land fill	1,000	State-owned	Mati Temple Scenic Area Administration Committee	None	No

Table 2.7Land Use of Wei Jin Folk Culture Park Site

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Parking Lot	2,000	State-owned	Management committee	Barren Land	No
2	Road for sightseeing	4,000	State-owned	Management committee	Barren Land	No
3	Exhibition room	2,500	State-owned	Management committee	Grassland	No
4	Service center and management room	800	State-owned	Management committee	Concrete ground	No

Table 2.8Land Use of Jiayuguan Great Wall Site

	Project Activities	Land Use Area (m ²)	Land Ownership	Land User	Attachments	Resettlement
1	Storage room of relics	600	State-owned	Scenic Area Committee	Concrete ground	No
2	Training center	2,000	State-owned	Scenic Area Committee	Concrete ground	No
3	Extension of underground room	1,200	State-owned	Scenic Area Committee	Barren Land	No
4	Road beside Xuanya	2,000	State-owned	Scenic Area Committee	Barren Land	No
5	River bank	470m	State-owned	Scenic Area Committee	River bank	No
6	Parking lot	2,000	State-owned	Scenic Area Committee	Barren Land	No

Table 2.9

Land Use of Maijishan Scenic Area Site

	Project Activities	Land Use Area	Land Ownership	Land User	Attachments	Resettlement
1	Road improvement from Maijishan to Quxi	30km	State-owned	Xiaolongshan Forest Buearu	Existing road	None
2	Road improvement from Yuandian to Wenquan	10km	State-owned	Maijishan Scenic Area Administration Bureau	Existing road	None
3	Road improvement from Wenquan to Yingyue lake	13km	State-owned	Maijishan Scenic Area Administration Bureau	Existing road	None
4	Road improvement from Tanzi to Hongmenzi	6km	State-owned	Maijishan Scenic Area Administration Bureau	Existing road	None
5	Walking road within Maijishan	6.5km	State-owned	Maijishan Scenic Area Administration Bureau	Bush	
6	Walking road within Xianrenya	3km	State-owned	Maijishan Scenic Area Administration Bureau	Existing road	None
7	Walking road within Simen	15km	State-owned	Maijishan Scenic Area Administration Bureau	Bush	None
8	Water taking, cleaning and transferring at Simen		State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
9	Water taking, cleaning and transferring at Xianrenya		State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
10	Wastewater collection and treatment pool at Simen		State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
11	Wastewater collection and treatment pool at Xianrenya		State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
12	Wastewater collection and treatment pool at Wenquan		State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None

	Project Activities	Land Use Area	Land Ownership	Land User	Attachments	Resettlement
13	Management room at Simen	6,00m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
14	Two parking lots at Simen	4,000m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
15	Service center at Simen	410m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
16	Sightseeing platform at Simen	60m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
17	Entrance and tourism products research center	1,500m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
18	Sightseeing platform at Maijishan	60m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
19	Management room at Xianren	680m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
20	Parking lots at Xianren	4,500m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
21	Service center of Xianren	500m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
22	Training center of Xianren	1,500m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None
23	Two transformers	60m ²	State-owned	Maijishan Scenic Area Administration Bureau	Barren Land	None