



Resettlement Monitoring Report

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Prepared by Guangxi University of Finance and Economics

For Nanning Xinxujiang River Environmental Comprehensive Upgrading Subproject

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**GUANGXI NANNING URBAN
ENVIRONMENTAL UPGRADING PROJECT
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**NANNING XINXUJIANG RIVER ENVIRONMENTAL
COMPREHENSIVE UPGRADING SUBPROJECT**

**RESETTLEMENT EXTERNAL
MONITORING AND EVALUATION REPORT**

(NO.4)

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1 Brief Introduction

1.1 Brief Introduction to Project

Nanning Xinxujiang River Environmental Comprehensive Upgrading Project a subproject of Guangxi Nanning Urban Infrastructure Development Project financed by Asian Development Bank (ADB). The range of Nanning Xinxujiang River Environmental Comprehensive Upgrading Project is: in the north, the upstream east tributary starts from the planned No.3 road, while the upstream north tributary starts from the planned No.1 road; in the south, the downstream ends at the overflow dam to the east of Xinxujiang pumping station of the west dyke of northern bank of Yongjiang river, while both east and west edges are the urban planned road. The total length of the main rivercourse is 3.8km, with a total treatment area of 4.06 km². This project is composed of five subprojects including Xinxujiang flood and waterlogging control and water course treatment project, sewerage interception project, flush water project, and environmental and ecological rehabilitation project.

According to the updated *Xinxujiang River Environmental Comprehensive Upgrading Project Resettlement Plan* (hereinafter short for the *Resettlement Plan*) approved by ADB (updated in October, 2007 and approved by ADB in November, 2007), five villages under Shangyao sub-district office, Anji sub-district office and Xinxu sub-district office are affected by this project. 1, 286 households, covering 4, 325 people, are directly affected by this project. The project will totally acquire 2, 128 mu of rural collective land, affecting 941 rural permanent households and 2, 931 people. In addition, the project construction will temporarily occupy 45 mu of collective land. 26, 524 m² of rural houses and 11, 118 m² of temporary constructions are demolished. 166 households and 565 people are affected by house demolition. The total floating population affected by the project covers 277 households, including 1, 121 people. Of which, 166 households are affected by land acquisition, covering 730 people; 220 households are affected by house demolition, covering 801 people; 109 households are affected by both land acquisition and house demolition, covering 410 people. The detailed figures of land acquisition and demolition and their impacts are shown in Table 1-1 and Table 1-2.

Table 1-1 Acquisition of Rural Collective Land and Its Impacts

Affected village	Types of land (mu)					Affected population	
	Vegetable land	Fish pond	Wasteland	Residential site	Total	Household	Population
Chendong village	130	20	18	/	168	120	416
Shangyao village	458	69	/	13	540	445	1157
Hede village	530	88	152	/	770	235	846
Weizilu village	310	188	25	/	498	123	431
Tunlu village	58	65	/	4	152	18	81
Total	1486	430	195	17	2128	941	2931

Table 1-2 Demolition of Rural Houses and Its Impacts

Affected village	Demolition area (m ²)					Affected population	
	Frame structure	Brick concrete	Brick and wood	Simple structure	Total	Household	Population
Shangyao village	1845	11090			12935	82	253
Weizilu village	4480	2930	5310	869	13589	86	312
Total	6325	14020	5310	869	26524	168	565

1.2 Brief Introduction to Resettlement Implementation

By December 31, 2008, the project has acquired 1, 759.693 mu of rural collective land, accounting for 82.69% of the total planned collective land to be acquired in the *Resettlement Plan*. It increased by 212.78 mu as compared to that during the second monitoring, and all the increased land were vegetable land and fish pond in Chendong village. A total of 911 households are affected by land acquisition, covering 2, 855 persons. A total of RMB 229.7548 million compensation capitals has been actually paid for land acquisition, accounting for 107.72% of the total planned RMB 213.281 million in the *Resettlement Plan*, which increased by RMB 30.6150 million as compared to that during the third monitoring. All the compensation capitals have been fully paid.

So far, a small proportion of land acquisition for this project has not completed, and the demolition has not started. The main reasons are as follows: 1. There are changes of land acquisition and resettlement policies. A new compensation measure for land acquisition and house demotion in document No. [2008] 15 came into effect from March 2008, in which the compensation standards have been increased, and it requires a certain period of time to make the new policy consistent with the old one. 2. The resettlement community is still under construction in Xixiangtang district, and the demolition

won't start until the completion of resettlement in their new houses. 3. There are some historical issues left over from the past. During the construction of municipal facilities before this project, there were some unsettled issues among the villagers in the village. Therefore, it takes more time than what is expected to reach a consensus on land acquisition negotiations.

1.3 Project Implementation Progress

By December 31, 2008, the winner of bidding invitation for watercourse treatment contract package China Construction Fifth Engineering Division has started the construction, which mainly carried out part of desilting and surface cleaning, with an actual investment of RMB 1.3 million. The watercourse treatment contract package and have totally completed 255, 000 m³ of watercourse surface cleaning, 319, 000 m³ of watercourse desilting, 1.637 million m³ of earthwork excavation, 951, 000 m³ of earthwork backfilling, with an actual investment volume of about RMB 53.10 million, accounting for 52% of the total contract capital. The details of the watercourse treatment are shown in Figure 1-1 and Figure 1-2. The ecological rehabilitation and landscaping engineering have started. The bidding invitation notice for *Xinxujiang River Environmental Comprehensive Upgrading Project Ecological Rehabilitation and Landscaping Engineering* has been released on the website.



Figure 1-1 Construction Site of Xinxujiang Watercourse Treatment (North Daxue Road)



Figure 1-2 Construction Site of Xinxujiang Watercourse Treatment (South Daxue Road)

1.4 Brief Introduction to External Monitoring and Evaluation

To monitor and evaluate the resettlement implementation and to ensure a better living standard for the affected groups, Guangxi University of Finance and Economics is entrusted by Nanning ADB Project Management Office to carry out the resettlement external monitoring and evaluation for Nanning Xinxujiang environmental comprehensive upgrading project. Through checking and monitoring resettlement schedule, capital management, land acquisition and demolition implementation, production and living restoration for affected

groups, and the change of their living standards, the external monitoring and evaluation agency points out some existing and potential problems and proposes suggestions to resolve those problems.

1.4.1 Monitoring and Evaluation Work Plan and Arrangement

To ensure the smooth progress of monitoring and evaluation as well as the mutual cooperation, and on the basis of full survey on project construction, land acquisition and resettlement schedule, and according to the *Resettlement Plan* as well as the “*Guidelines for Resettlement External Monitoring and Evaluation*”, Guangxi University of Finance and Economics prepared the *Resettlement External Monitoring and Evaluation Work Plan for Nanning Urban Infrastructure Development Project with ADB Loans (scheme)* in May, 2007. The work plan defines the work objective, scope and task, major work contents, survey methods and work schedule of external monitoring and evaluation. The work plan has received attention and support from the project construction units and the local resettlement institution at various levels.

According to the requirements of the *Guidelines for Resettlement External Monitoring and Evaluation*, the external monitoring and evaluation agency conducted the fourth monitoring and evaluation on land acquisition, house demolition and resettlement for this project from July to December 2008. The monitoring and evaluation work mainly includes:

(1) To follow up survey on the production and living situations of villages and villagers affected by land acquisition and demolition in order to understand the impacts of land acquisition and demolition as well as the restoration situations;

(2) To understand the implementation schedule and the resettlement compensation so as to ensure whether they move forward according to the *Resettlement Plan*.

(3) To collect opinions from the affected groups; their opinions are collected through visiting and interviewing the villagers, the land acquisition, demolition and resettlement institution, and the affected people with complaint and grievance. The external monitoring and evaluation agency also reports the individual's and the collective's opinions and suggestions to the land acquisition, demolition and resettlement office, and proposes suggestions to ensure a smoother and more effective resettlement.

1.4.2 Monitoring and Evaluation Procedures

- (1) Compiling resettlement monitoring and evaluation guidelines and work plan (scheme);
- (2) Designing the sampling plan;
- (3) Sampling survey;

- (4) Follow-up survey;
- (5) Information collection and analyses;
- (6) Compiling monitoring and evaluation report.

1.4.3 Monitoring and Evaluation Contents

According to the project implementation, the monitoring and evaluation contents mainly include the followings:

- (1) Land acquisition and demolition schedule, capital allocation, compensation standards and house reconstruction;
- (2) Restoration for affected villages and stores;
- (3) Restoration for vulnerable groups;
- (4) Infrastructure restoration;
- (5) Affected households' income and expense analyses;
- (6) Public participation;
- (7) Complaints and grievance.

1.4.4 Monitoring and Evaluation Methods

(1) Sampling survey: the monitoring and evaluation agency prepares the sampling plan and questionnaire. The random sampling method is adopted for different affected groups, and the monitoring and evaluation agency conducts in-depth house-to-house survey with well-prepared questionnaires. The survey contents include family population information, income and expense structure, land acquisition and demolition, resettlement satisfaction etc. The follow-up survey will be conducted to these affected households until their income restoration.

(2) Consulting meeting: the monitoring and evaluation agency has visited and interviewed the project land acquisition and demolition implementing institutions, related sub-district offices, villager's committees and households in order to understand the land acquisition and demolition statues.

(3) Referring to document information: the monitoring and evaluation agency refers to and verifies related documents, agreements, and statistics regarding to land acquisition and demolition.

(4) Interviewing some key information releasers, such as director of land acquisition and demolition office, village director, affected householder, women and senior villagers etc.

2 Public Participation, Complaints and Grievance

2.1 Public Participation

After the implementation of *Compensation and Resettlement Methods for Acquisition of Collective Land and House Demolition in Nanning City* (No. [2008]15), the land acquisition, demolition and resettlement office in Xixiangtang district, Gaoxin district and the project implementing agency went to the affected villages to publicize and explain the compensation policy, compensation standard, resettlement policy and resettlement standards in the second half of the 2008, which made the new compensation policy better understood by the affected persons.

From July to November of 2008, the land acquisition, demolition and resettlement offices in Xixiangtang district have visited the affected Chendong village and Shangyao village to hold public consulting meetings with affected villagers and villager's committees regarding land acquisition, demolition and resettlement. The Xinxujiang environmental upgrading project and the new policies for resettlement are publicized to the affected villagers to let them informed their rights and obligations. They also do coordination work and resolve the reasonable requirements proposed by affected villagers.

Since the start of land acquisition and demolition, the land acquisition, demolition and resettlement office in Xixiangtang district and Gaoxin district as well as other related government departments took part in the villagers' voting conference for land acquisition in various affected villages. Since a lot of thorough work had been completed by the land acquisition, demolition and resettlement office in advance, the voting for land acquisition was successfully passed.

From August to December of 2008, the external monitoring and evaluation agency conducted interview surveys on affected villages and affected households, in which the Xinxujiang environmental upgrading project has been further understood by the affected villagers.

2.2 Information Release

With the company of related persons in the Construction Committee of the city, the party secretary Che Rongfu and the vice mayor Qian Xueming of Nanning city visited the construction site of Xinxujiang environmental upgrading project to understand the current construction progress on August 1, 2008, they asked for smooth demolition and speeding up project construction.

From September to October of 2008, *Nanning Evening Newspaper* launched a series of featured reports on habitation in green city and opened a hotline. After the appearance of the first featured report *Steady Progress of Xinxujiang River Comprehensive Upgrading*, many citizens further focused on the project and many of them called the hotline to consult more about the Xinxujiang River Comprehensive Upgrading project. As for some questions proposed by the readers and Internet users, *Nanning Evening Newspaper* interviewed related principals of Nanning Steering Office for Inland River Comprehensive Treatment, Nanning Investment and Development Company, the Courtyard Planning Institute of Guangxi Hualan Design & Consulting Group to answer the questions in which the public are interested.

On October 11, 2008, *Nanning Evening Newspaper* released the effect drawing of Xinxujiang River in the report *Xinxujiang to Be an Investment Hot Spot in Gaoxin District* to introduce various investment benefits in Gaoxin district due to the implementation of Xinxujiang river comprehensive upgrading project. In addition, with environment as its selling point, the information handbook *Cradle of Entrepreneurs* was distributed to visitors during the 10th China International High-tech Fair in Shenzhen, Guangdong province on October 12, 2008. The Xinxujiang upgrading project will create better investment environment and habitation environment in Gaoxin district, which will be a trump card for Gaoxin district in its investment promotion campaign.

The ground breaking ceremony of Xinxujiang Bridge on Kede road in Gaoxin district started on October 17, 2008. As a landscape bridge, the 200-meter bridge connects Kede Road in the west and the extended line of Luban Road. The construction of this river-crossing bridge, together with the landscaping of Xinxujiang Park, will steadily speed up the Xinxujiang upgrading project.

The project implementing agency announced the bidding invitation notice for *Xinxujiang River Environmental Comprehensive Upgrading Project Ecological Restoration and Landscaping Engineering* on China Landscape Architecture (www.chla.com.cn) on December 4, 2008.

2.3 Survey on Public Satisfaction

To understand the affected groups' opinions on compensation standards for land acquisition, demolition and resettlement, the external monitoring and evaluation agency went to affected villages such as Chendong village, Shangyao village, Hede village, Weizilu village and Tunlu village to conduct sampling surveys from November to December of 2008. The survey results shows that, among the 75 villagers surveyed, 68 villagers (90.7%) know the new compensation policy for land acquisition in Nanning in 2008 (No. [2008]15), which shows the effectiveness of publicity campaign on the new policy by the government; 55 villagers (73.4%) are satisfied with the compensation policies on land acquisition, demolition and resettlement, showing a 10% increase in satisfaction rate over the previous policy(No. [2005]141). However, 10 villagers (13.3%) are not satisfied with the compensation policies. They expect to increase the compensation standards for land acquisition or "compensate them with land for land acquisition" so as to ensure their living security in the future. 58 villagers (77.3%) are satisfied with their living standards after land acquisition and demolition. 8 villagers (10.6%) are not very satisfied with the implementation of land acquisition policies, though they receive the compensation capitals, they do not know how to invest the money. They also lose their land and have not yet covered in the endowment insurance system, so they are not very certain to their future living. The survey results are shown in Table 3-2.

Table 3-2 Survey Results on Public Opinions

Questions	Answers	Survey results analyses									
		(1)		(2)		(3)		(4)		(5)	
		Persons	Ratio (%)	Persons	Ratio (%)	Persons	Ratio (%)	Persons	Ratio (%)	Persons	Ratio (%)
(1) Are you familiar with the new compensation policy (No. [2008]15)?	Yes Partly yes Not familiar No	23	30.7	45	60.0	7	9.3	0	0	-	-
(2) Are you satisfied with the compensation policies for Xinxujiang project?	Very satisfied Satisfied Average Not satisfied Very unsatisfied	8	10.7	47	62.7	9	12.0	10	13.3	0	0
(3) Are you satisfied with the living standards after land acquisition for Xinxujiang project?	Very satisfied Satisfied Average Not satisfied Very unsatisfied	9	12.0	49	65.3	9	12.0	8	10.6	0	0

Notes: Since the demolition for this demolition has not started, question (3) refers to the living standards after land acquisition.

2.4 Complaint and Grievance

During the resettlement implementation, according to the requirements of the *Resettlement Plan*, a transparent and effective channel for complaint and grievance has been established. Complaint and grievance are accepted by Nanning ADB Project Management Office, the project management office in Xixiangtang district and Gaoxin district, the district land supervision department, and the independent supervisor. The hotline for complaint and grievance is 0771-3219047. If they have any unresolved problems or complaint, the affected villagers can report grievance to Nanning ADB Project Management Office, the land acquisition, demolition and resettlement office, and the project implementing agency, or even appeal to the court. The land acquisition, demolition and resettlement office in Shangyao village has been set up for receiving complaints and grievance for Xinxujiang project, as shown in Figure 2-2.



Figure 2-2 Land Acquisition, Demolition and Resettlement Office in Shangyao Village

If both parties fail to reach an agreement during resettlement implementation, the Xixiangtang district government and the project office in Gaoxin district will be responsible for explaining and coordinating with related authorities so as to help affected villagers resolve their problems.

Thanks to smooth and thorough information release, the government's compensation policies on land acquisition, demolition and resettlement are understood and supported by the affected villagers. Those with different opinions on this project and its compensation policies usually achieve consensus in public consulting meetings, and their problems have been properly settled within reasonable scopes of the policy. For example,Chendong village and Shangyao village requested “ no demolition until land acquisition ” during the previous monitoring survey, which accords with the principle of “ no demolition until the resettlement to the new houses ” in the new policy (No. [2008]15). Therefore, by the end of December 31, 2008, the demolition has not yet started in affected villages because the new houses for resettlement are still under construction.

3 Resettlement Compensation Policy Framework and Procedures

3.1 Compensation Policy for Land Acquisition, House Demolition and Resettlement

To ensure the progress of land acquisition, demolition and resettlement for smooth implementation of Xinxujiang environmental upgrading project, and also to protect the legal rights of land-using units and related citizens, as well as to settle properly the endowment insurance, medical insurance and minimum subsistence allowance for affected villagers to ensure their long term living, and in accordance with the updated *Resettlement Plan* approved by Asian Development Bank, the new *Compensation and Resettlement Methods for Acquisition of Collective Land and House Demolition in Nanning City* (No. [2008]15) (hereinafter short for the *New Methods*) became effective since March 1, 2008.

3.1.1 Compensation for Rural Collective Land

In accordance with the updated *Resettlement Plan* approved by Asian Development Bank, the compensation policy for this project is based on the document No.[2005]141. Since March 1, 2008, the new document No. [2008]15 applied to the land acquisition, demolition and resettlement for this project. The two documents are different with regard to the different types of land. The average price of land in different sections in the new document increases RMB 10, 000~ RMB 50, 000 per mu, and the compensation standards for collective land also increase. The comparisons of the average land price and the compensation standards in the two documents are shown in details in Table 3-1 and Table 3-2. The compensation standards for crops in the two documents are the same, as shown in details in Table 3-3.

Table 3-1 Average Land Price in Different Sections

Types of Land	Compensation Standard (RMB/mu)			
	Section 1		Section2	
	Document No.[2005]141	Document No. [2008]15	Document No.[2005]141	Document No. [2008]15
Paddy land	50000	90000	45000	78000
Vegetable land	80000		70000	
Fish pond	60000		53000	
Dry land	40000		35000	
Orchard	40000		36000	
Forest land				
Facility agricultural land		50000		40000
Construction land	20000	40000		30000
Undeveloped land		40000		30000

Notes: (1) According to the document No. [2005]141, various types of land are divided into two types, and the second coefficient is applied in this table. However, according to the document No. [2008]15, there is no division on the same type of land. (2) In the document No. [2008]15, “forest land, facility agricultural land and undeveloped land” are newly added, and “paddy land, vegetable land, fish pond, dry land, orchard, forest land and facility agricultural land” are all called agricultural land.

Table 3-2 Comparisons of Compensation Standards for Collective Land

Types of Land	Compensation Standard (RMB/mu)			
	Section 1		Section 12	
	Document No.[2005]141	Document No. [2008]15	Document No.[2005]141	Document No. [2008]15
Paddy land	13500	34000	12150	30000
Vegetable land	36000		32400	
Fish pond	24000		21600	
Dry land	10500		9450	
Orchard	10500		9450	
Forest land				
Facility agricultural land		20000		16000
Construction land	20000	40000		30000
Undeveloped land		40000		30000

Notes: (1) According to the document No. [2005]141, various types of land are divided into two types, and the second coefficient applied in this table. However, according to the document No. [2008]15, there is no division on the same type of land. (2) In the document No. [2008]15, “forest land, facility agricultural land and undeveloped land” are newly added, and “paddy land, vegetable land, fish pond, dry land, orchard, forest land and facility agricultural land” are all called agricultural land.

Table 3-3 Compensation Standards for Crops on Collective Land

Types of Land	Compensation Standard (RMB/mu)
Paddy land	1800
Vegetable land	3500
Fish pond	3000
Dry land/forest land	1500
Orchard	800 ~ 4000

Notes: The compensation standards are based on the coefficient of the second type of land. The compensation standards for orchard vary according to different coefficients for different planting time. Forest land is added in the the document No. [2008]15.

3.1.2 Compensation Standards for Demolition of Rural Houses

Monetary compensation, property exchange or residential site resettlement apply to the demolition of legal residential houses on collective land. Temporary transitional subsidy, resettlement subsidy and work delay compensation are paid for house demolition. The compensation standards for demolition of collective residential houses in document No. [2008]15 are

slightly higher than those in document No. [2005]141, as shown in Table 3-4. The compensation standards for demolition of non-residential houses and utility houses and the house demolition subsidy remain unchanged, as shown in Table 3-5.

Table 3-4 Compensation Standards for Demolition of Collective Residential Houses

Building Structure	Compensation Standards (RMB/m ²)	
	Document No. [2005]141	Document No. [2008]15
Frame structure	1480 ~ 2320	1680 ~ 2630
Brick-concrete structure	1410 ~ 2160	1600 ~ 2440
Brick-wood structure	1270 ~ 1860	1440 ~ 2100
Simple structure	1030 ~ 1520	1170 ~ 1720

Notes: The land is categorized into 5 types. The compensation standards vary according to different types of buildings on different types of land.

Table 3-5 Compensation Standards for Demolition of Collective Non-residential Houses

Purposes of Building	Building Structure		
	Frame structure	Brick-concrete structure	Brick-wood structure
Hotels	2160	1960	1666
Office buildings	1980	1760	1496
Industry	1380	1270	1170

Unit: RMB/ m²

Notes: The compensation standards are based on the coefficient of the fourth type of land.

The *New Methods* also prescribes: the self-employment subsidy will be applied if there is indeed no land reserved for commercial development or no subsidy in kind. The standard for self-employment subsidy increases to RMB 50, 000 per person from the previous RMB 25, 000 per person. A small portion of affected people plan to choose the self-employment subsidy in the project area.

3.2 Procedures for Land Acquisition, House Demolition and Resettlement

3.2.1 Procedures for Land Acquisition

(1) On December 28, 2006, Nanning Land and Resource Bureau released the land acquisition pre-announcement for Xinxujiang environmental comprehensive upgrading project, which stipulates that the construction of all permanent buildings within the project area should be stopped, and that the types of land and landforms should not be changed.

(2) From March to August of 2007, the boundary of affected villages (to be verified by the village, the group and the household), the type, ownership and area of land, as well as the land-attached constructions on the land were measured and verified. The verification of land area and land-attached constructions was conducted twice and the verification results were released

to the public.

(3) Starting from August 2007, both parties negotiated to reach and sign compensation agreements on land acquisition and resettlement;

(4) Starting from October 2007, the compensation capital has been paid for land acquisition and resettlement to affected villages that have signed the agreements within the prescribed time. After the compensation was paid, the affected villages have transferred the land to the land acquiring party.

3.2.2 House Demolition Procedures

Only the collective and private houses in Shangyao village and Weizilu village are to be demolished within this project, and the houses have not been demolished. The house demolition procedures are as follows:

(1) Basing on the land acquisition scopes, the notice was released to affected groups regarding houses demolition (including temporary buildings) in June 2007;

(2) Starting from July 2007, the construction areas of houses and temporary buildings to be demolished were verified. Up to date, only partial temporary constructions have been verified, and the house demolition has not started.

(3) The compensation agreement on house demolition and resettlement are signed;

(4) After the payment of compensation capital for house resettlement, the demolition company starts the demolition.

3.3 Evaluation

With the development of social economy, to better safeguard the legal rights and interests of affected groups during acquisition of collective land and house demolition, Nanning municipal government has updated the compensation policy for land acquisition and house demolition and prepared new social security policy for land-losing villagers, which greatly promotes the construction progress for this project. The new policies are consistent with the fundamental principles of the *Resettlement Plan* approved by Asian Development Bank, but the compensation standards have been raised.

Nanning ADB Project Management Office strictly adopts the compensable use policies as defined in the updated *Resettlement Plan* for rural collective land in affected villages. As for affected residential houses and non-residential houses, Nanning ADB Project Management Office fully considers the affected villagers' desire and offers different types of resettlement compensation options for them to choose. The monitoring and evaluation agency believes that, the resettlement policies of this project not only adapt to the Chinese laws, regulations and policies on land acquisition, demolition and resettlement, they are but also highly transparent. In addition, they are consistent with the policies in the updated *Resettlement Plan* approved by Asian Development Bank, and they also are consistent with ADB policies on involuntary resettlement.

4 Resettlement Implementation Monitoring and Evaluation

4.1 Resettlement Schedule

By December 31, 2008, a total 1, 759.693 mu of rural collective land has been acquired from Shangyao village, Hede village, Weizilu village and Tunlu village for Xinxujiang environmental comprehensive upgrading project, accounting for 82.69% of the total in the *Resettlement Plan*, increasing by 212.78 mu over the third monitoring and evaluation. The compensation capitals for land acquisition have been fully paid. Since the house demolition has not started yet, the house demolition resettlement has not yet started.

To smoothly complete the resettlement work in Nanning city, Nanning municipal government decided to build 5 resettlement residential communities. The construction of the resettlement residential communities has been listed by the municipal government as one of the key useful things to be done for the general public in the city. Located in the west of Luban Road, the Xixiangtang resettlement community covers 254.84 mu of land, with a total construction area of 310, 000 m² and a total investment of RMB 800 million. The capital sources are from government budget and financed by the project implementing agency itself. In the beginning of 2008, Guangxi Jinshui Construction Development Co., Ltd. won the bidding invitation as the construction contractor. The land use and the overall planning scheme for the new residential community have been approved by Nanning Planning Bureau. Up to date, about 80 mu of land has been acquired for the community and parts of the houses have been demolished. The construction contractor Guangxi Jinshui Construction Development Co., Ltd. has started the construction, and the new community is scheduled to complete within 2009. The land acquired for the community mainly includes the state-owned land of Nanning United Processing Plant for Meat and part of collective land in Shangyao village. The monetary compensation is mainly applied for land acquisition. After its completion, the habitation for over 3, 200 affected households and the medium and low-income households in Xixiangtang district including the affected households for this project will be resolved.

The winner of bidding invitation for watercourse treatment contract package China Construction Fifth Engineering Division has started the construction, with an actual investment of RMB 1.3 million. The watercourse treatment contract package and have completed RMB 53.10 million in investment, accounting for 52% of the total contracted capital. The details of the resettlement schedule are shown in Table4-1.

Table 4-1 Project Resettlement Schedule

Earthwork Construction schedule	Start time of resettlement	Resettlement during this monitoring period
Watercourse treatment contract package : RMB 1.3 million Watercourse treatment contract package and : RMB 53.10 million	May, 2007	The compensation capitals for land acquisition during this monitoring period have been fully paid. The house demolition and resettlement have not started yet.

4.2 Acquisition of Collective Land

4.2.1 Comparative Analyses on Acquisition of Collective Land

By December 31, 2008, a total area of 1, 759.693 mu of rural collective land has been acquired from Shangyao village, Hede village, Weizilu village and Tunlu village for this project, covering 911 households and 2, 855 villagers. Compared with the figures in the *Resettlement Plan*, 82.69% of the total land has been acquired, increasing by 212.78 mu over the third monitoring and evaluation, all being the vegetable land and fish ponds in Chendong village. Up to date, the acquisition of collective land in Hede village and Weizilu village has been basically finished (completed during the second monitoring period); 87.71% and 26.78% of the planned collective land has been acquired respectively in Tunlu village and Shangyao village. The acquisition of collective land in Chendong village has been fully completed, all being acquired during this monitoring period. The actually accumulated acquisition of rural collective land during this monitoring period is shown in Table 4-2.

Table 4-2 Comparison on Acquisition of Rural Collective Land in Project Area
(By the end of December 31, 2008)

Affected village	Acquisition of rural collective land (mu)												Affected population			
	Resettlement Plan					Actual					Actual percentage%	Difference	Resettlement Plan		Actual	
	Vegetable land	Fish pond	Waste land	House site	Total	Vegetable land	Fish pond	Waste land	House site	Total			House holds	Pers ons	House holds	Pers ons
Chendong village	130	20	18	/	168	152	60.78	/	/	212.78	126.65	44.78	120	416	116	401
Shangyao village	458	69	/	13	540	111.66	32.97	/	/	144.63	26.78	-395.37	445	1157	420	1098
Hede village	530	88	152	/	770	765.647	/	/	5.359	771.006	100.13	1.006	235	846	235	846
Weizilu village	310	188	/	/	498	477.954	10	/	10	497.954	99.99	-0.046	123	431	123	431
Tunlu village	58	65	25	4	152	127.152	3.175	/	2.996	133.323	87.71	-18.677	18	81	17	79
Total	1486	430	195	17	2128	1634.413	106.925	/	18.355	1759.693	82.69	-581.087	941	2931	911	2855

4.2.2 Compensation Standards for Land Acquisition

As stated in Section 3.1.1 in this report, since March 1, 2008, the compensation standards for land acquisition, demolition and resettlement are implemented on the basis of the *Compensation and Resettlement Methods for Acquisition of Collective Land and House Demolition in Nanning City* (No. [2008]15). The average land price in various sections increases by RMB 10, 000 ~ RMB 50, 000 per mu. And the compensation standards for land acquisition, resettlement subsidy and crops are higher than those in the *Resettlement Plan*. According to the compensation estimates in the *Resettlement Plan*, the compensation standards for crops are calculated basing on the second type standards for various types of land; however, in actual implementation, for the benefits of affected households and considering the price increases, the compensations for crops are calculated according to the first type standards for various types of land. The specific compensation standards for acquisition of rural collective land are shown in Table 4-3.

Table 4-3 Comparative Compensation Standards for Acquisition of Rural Collective Land

Types of land	Compensation Standards for Acquisition of Rural Collective Land (RMB/mu)						
	<i>Resettlement Plan</i>		Actual (Before March 1, 2008)			Actual (After March 1, 2008)	
	Land acquisition and resettlement subsidy	Crops	Land acquisition and resettlement subsidy	Crops compensation		Land acquisition and resettlement subsidy	Crops
				Type 1	Type 2		
Vegetable land	112000	3500	123200	5000	3500	126000	5000
Fish pond	84000	3000	94000	4000	3000	126000	5000
Waste land	20000	-	20000	-	-	-	-
House Site	20000	-	20000	-	-	-	-

4.2.3 Payment and Use of Compensation Capital for Land Acquisition

By December 31, 2008, the actual compensation capital for acquisition of rural collective land for this project is RMB 229.7548 million, accounting for 107.72% of the total RMB 213.2810 million in the *Resettlement Plan*, showing an actual increase of RMB 16.4738 million over that in the *Resettlement Plan* and increasing by RMB 30.6150 million over the third monitoring and evaluation. So far, the land acquisition in Hede village, Weizilu village and Chendong village for this project has completed or overfulfilled, and the compensation capital for these three villages has been increased respectively by RMB 24.6164 million (36.73%), RMB 13.3452 million (25.58%) and RMB 13.50 million (78.87%). The reasons for increased compensation capital are as follows: 1) The average land price in various sections in document No. [2008]15 increased by RMB 10, 000 ~ RMB 50, 000 per mu compared to that in the *Resettlement Plan* (based on document No. [2005]141). 2) The compensation capital for crops increases; 3) The compensation standard for

the same type of land has changed and applies to a higher compensation standard. The increased compensation capital for affected villages and households makes it much easier for them in production and living restoration. The compensation capital for acquisition of rural collective land is shown in Table 4-4.

Table 4-4 Comparative Compensation Capitals for Acquisition of Rural Collective Land

Affected vilalge	Compensation Capital for Acquisition of Rural Collective Land (RMB 10, 000)							
	<i>Resettle ment Plan</i>	Actually accumulated					Actual percent age %	Differen ce
		Land acquisition	Resettle ment subsidy	Crops	Land- attached construction	Subtotal		
Chendon g village	1711.5	723.50	1957.76	98.64	281.60	3061.50	178.87	1350.00
Shangya o village	5916.2	578.52	1203.31	72.31	112.81	1966.95	33.25	-3949.25
Hede village	7191.0	2921.50	6097.03	382.82	251.29	9652.64	136.73	2461.64
Weizilu village	5216.0	1963.82	4035.58	242.98	308.14	6550.52	125.58	1334.52
Tunlu village	1293.4	478.11	992.40	64.85	208.51	1743.87	134.83	450.47
Total	21328.1	6665.45	14286.08	861.60	1162.35	22975.48	107.72	1647.38

Notes: Since the compensation capital for land-attached constructions is small in the estimate in the *Resettlement Plan* (the compensation capital for “railway” in Tunlu village is RMB 8 million, and the compensation capital for land-attached constructions in other villages ranges from RMB 1, 000 to RMB 31, 000) and is therefore not shown in the Table.

According to field survey by the monitoring and evaluation agency, among the land having been acquired, after the land acquisition agreement is signed and verified by related land resource supervision department, then the compensation capital is fully paid to the affected villagers through villager’ s committee within two weeks by the project implementing agency. The compensation capital has been paid basing on the benchmark of compensation standard defined in the *Resettlement Plan*, which ensures the smooth and complete compensation for resettlement. The sources of capital are all from financial allocation or are raised by the project implementing agency.

4.3 Demolition of Houses and Buildings

According to the *Resettlement Plan*, the total demolition area of rural houses is 26, 524 m², involving in Shangyao village and Weizilu village. Based on the project construction schedule, the house demolition has not started yet, neither does the resettlement start.

5 Income Restoration for Affected Villages and Affected Households

The external monitoring and evaluation agency conducted the follow-up survey on five affected villages from July to December of 2008. This survey mainly focused on the income restoration in various affected villages. According to the impacts of this project, the resettlement will be mainly in Shangyao village, Weizilu village and Hede village. The external monitoring and evaluation agency conducted sampling surveys on various affected villages and interviewed the affected households. The distribution and use of compensation capital, acquisition and development of commercial land in various affected villages are shown in Table 5-1 and Table 5-2.

Table 5-1 Distribution and Use of Compensation Capital in Affected Villages

Affected villages	<i>Resettlement Plan</i> (RMB10, 000)	Actually accumulated (RMB10, 000)	Distribution and use of compensation capital
Chendong village	1711.50	3061.50	The compensation capital is evenly distributed to the permanent villagers after deducting the collective reserve in the affected villagers' group, with each receiving RMB 10, 000~ RMB 40, 000.
Shangyao village	1289.67	1966.95	The compensation capital acquired in 2007 is evenly distributed to the permanent villagers after deducting the collective reserve, with each receiving RMB 30, 000~ RMB 60, 000. The increased compensation capital in 2008 is evenly distributed to the current population, with each receiving RMB 600.
Weizilu village	5216.00	6550.52	The compensation capital is evenly distributed to permanent villagers and about RMB 600, 000 is collectively reserved in the village.
Hede village	7191.00	9652.64	The compensation capital is evenly distributed to permanent villagers, with each receiving RMB 20, 000~ RMB 70, 000.
Tunlu village	1134.80	1743.87	The compensation capital is evenly distributed to permanent villagers, each receiving RMB 102, 000, and RMB 1 million is reserved in the collective village.

Table 5-2 Acquisition and Development of Commercial Land in Affected Villages

Affected villages	<i>Resettlement Plan</i> (mu)	Actual (mu)	Difference (mu)	Progress of commercial land unsettled	Development of actually acquired commercial land
Chendong village	114	0	114	Under negotiation	Because of the new compensation standards for land acquisition in Nanning, it is to be decided whether to choose commercial land or self-employment compensations.
Shangyao village	180	54	126	In process	Self-build a commercial building and lease the land as agricultural products market.
Weizilu village	35	22.8	12.2	In process	Lease the land as agricultural products market or supermarket
Hede village	231	49	182	In process	Lease the land as car market
Tunlu village	48	20.8	27.2	In process	Lease the land as steel products market and storehouses

Starting from December, 2007, the five affected villages, including Shangyao village, Weizilu village, Hede village, Tunlu village and Chendong village, have participated in the new type of rural cooperative medicare system. With the household as its basic unit, every person pays RMB 10 per year. Of which, the villagers in Shangyao village pay RMB 10 by themselves; the villagers in Hede village pay RMB 2 by themselves and the collective village pay the other RMB 8; other three affected villages pay RMB 10 for the villagers. Meanwhile, the government subsidizes RMB 40 for every participating villager in the new type of rural cooperative medicare system. The cleaning costs in all affected villages are borne by the village collective without costing the affected villagers.

5.1 Restoration in Shangyao Village

According to the *Resettlement Plan*, 540 mu of rural collective land is to be acquired in Shangyao village. By the end of December 31, 2008, a total of 144.63 mu of land has been actually acquired in the village, accounting for 26.78% of the total planned land acquisition. RMB 19.6695 million compensation capitals have been actually paid for land acquisition in the

village, accounting for 93.37% of that in the *Resettlement Plan*. There is no new land acquisition and demolition during this monitoring period.

(1) Distribution and use of compensation capital: As for the “compensation capital for land acquisition has not been distributed due to different opinions over distribution plan among affected villagers” in the third monitoring and evaluation plan, a consensus has been achieved through several rounds of group discussion meetings organized by the villager’s committee as follows: As for the 22 villagers who were employed in the neighbouring steel plant due to land acquisition, according to the agreements signed in around 1990 with the villagers’ committee that they would not participate in any distribution of interests in the village, they are not entitled to the distribution of the compensation capitals for land acquisition. However, since the registered permanent residence of their wives has been transferred to the village, their wives are entitled to the distribution of compensation capitals for land acquisition as the same with other villagers. The compensation capitals for land acquisition are not reserved by the villager’s committee, all being distributed to various affected villager’s groups. Of which, no compensation capital is reserved in the villager’s group No. 4, and each permanent villager receives RMB 43, 980. About RMB 100, 000 is reserved in the villager’s group No. 5 to be used for developing collective industry and welfare, and each permanent villager receives RMB 58, 800. RMB 1, 000, 000 is reserved in the villager’s group No. 7 to be used for developing collective industry and welfare, and each permanent villager receives RMB 37, 800. The reserved compensation capitals in various villager’s groups are under the uniform management of the financial group with its members as the villagers. The use of the reserved capitals must be verified and approved by the financial group, and any large investment in commercial project development or collective welfare must acquire the consensus from all the villagers in the villager’s group.

(2) Development of commercial land: Based on its population, the village should acquire more than 180 mu of commercial land. Currently, 54 mu of land, located in Luban road, is under development. 1) A 9-story commercial building, with an investment of over RMB 19.50 million, has been built, as shown in Figure 5-1. The building has passed inspection acceptance and has leased as a whole to a private business (Jimin Tianxia Limited Company). Up to date, the private business has taken over the commercial building (its actual operation having not started) and has paid RMB 300, 000 deposit to Shangyao village. According to the leasing agreement, the leasing term is 20 years, and the annual rental is RMB 2.08 million, with an increase rate of 5% after every 5 years. The first rental is expected to be paid on January 1, 2009, and its distribution plan is to be discussed in the villager’s conference after the payment is made. 2) RMB 6 million is invested to build 2 complex buildings, as shown in Figure 5-2. The complex building has been completed and is

waiting for acceptance inspection. Shangyao village plans to lease out the building as stores (the lease notice has been publicized in the media). Based on the month rental of RMB 18 per square meter, the annual rental is expected to be over RMB 1.2 million. 3) The other 10 mu of land is leased out as agricultural products market, from which the annual rental is RMB 400, 000. The development of the above commercial buildings, together with the incomes from other previous industries, ensures a steady source of income for affected villagers, and their per capita income increased by over 20% as compared with that before land acquisition. According to the introduction by the villager's committee, regarding the rentals from the collective commercial buildings, 40% will be reserved by the collective village as development fund, and the remaining 60% will be evenly distributed to the permanent villagers as their living subsidy and endowment insurance costs. The per capita per month is expected to be about RMB 1, 200.

(3) Trainings and employment: In 2007, the district government organized employment training program for young and middle-aged villagers in affected villages. About 120 villagers, including 52 women, took part in the training program. The training contents cover hotel management, property management, and computer skills etc. According to the leasing agreement, after the operations of these commercial buildings, some trainees will get the priority to work in the service industry in the village since January 2009.

(4) Production and living retrations: Due to different opinions among the affected villagers, the compensation capitals for land acquisition in Shangyao village was not distributed until December 2008. Up to date, most villagers save their compensation capitals in the bank, and some villagers use the the compensation capitals in upgrading or decorating their houses. The sources of income for the villagers mainly include: 1) Rentals from the land and houses; 2) Incomes from animal breeding and growing on their cultivating land (or leasing out to floating population for operation); 3) Income from employment. 4) Divident from the collective village. Up to date, only 144 mu of land has been acquired from the village, accouting for 26% of the total planned land acqirsition in the *Resettlement Plan*. The house demolition has not yet started. The compensation capitals from land acquisition generally make up for the incomes from animal breeding and growing on their cultivating land. Together with the annual dividends from collective village or villager's group, there is no fundamental income difference before and after land acquisition. Thus, the project has so far no big impacts on the production and living in the village.



Figure 5-1 Furaio Building---Built on the commercial land in Shangyao village



Figure 5-2 Complex building built on the commercial land in Shangyao village

5.2 Restoration in Weizilu Village

According to the *Resettlement Plan*, 498 mu of rural collective land is to be acquired in Weizilu village. Currently, 497.954 mu of land has been acquired in the village, with the total planned land being fully acquired. RMB 65.5052 million compensation capital has been actually paid for land acquisition in the village, increasing by RMB 13.34 million (25.58%) over that in the *Resettlement Plan*. There was no land acquisition and demolition during this monitoring period.

(1) Development of commercial land: Based on its population, the village should acquire about 35 mu of commercial land. Currently, 5 mu of commercial land has been leased out as an agricultural products market, and the overall drawing design plan of a 20, 000-m² commercial building is in the process. The commercial building to be built by the collective village is a complex building, which is scheduled to be mainly leased out for rental. Together with the normal incomes of the collective village and the villagers, the annual net income of the villagers will increase to RMB 3, 500 ~ RMB 3, 700 from RMB 3, 000 ~ RMB 3, 200 in 2006, a big rise compared to that before project construction.

(2) Trainings and employment: Starting from 2008, more than 30 villagers, including 14 women, took part in the employment training program organized by the district government. The training contents cover hotel management, property management, and computer skills etc. Most of the trainees successfully found their employment such as in property management. In addition, some villagers took part in the training program and improve their living quality, and those who run their own store also improve to certain extent their capacity in business operation.

(3) Production and living restoration: After land acquisition for this project, the per capita distribution of the compensation capital is high thanks to the less population in the village. A family of four member can acquire RMB 500, 000~RMB 600, 000 in compensation capital. Based on the field survey and interview, the compensation capitals are mainly used for: 1) The compensation

capital is used to build new houses or to decorate existing houses, of which their rentals from better houses will be higher than that before land acquisition. At present, the average rental from the upgraded houses increases by RMB 100 ~RMB 600 compared to that before house decoration. 2) They use the compensation capital to buy the shares of the local rural credit cooperatives, with an annual revenue of 6%~ 7%, which is a steady income for them. Up to date, most of the villagers have invested part of their compensation capitals in buying such shares. 3) They use the compensation capital as initial capital to do business, such as running stores. In addition, part of the compensation capitals is reserved in the collective village to be used for developing collective industry, which will not only increase the dividends from the villagers but also create more employment opportunities for them. Based on the interview surveys by the external monitoring and evaluation agency, more than 70% of the villagers believe that their incomes will be increased and their living standards will be improved after project implementation thanks to favorable factors such as upgraded environment and advantageous location in Nanning suburb.

Interview with the villager (the same interviewee in the third monitoring): Mr. Chen, 44-year old, has a family of four, including two children, with one studying in high school and the other waiting for employment at home. The family is living in a 400-m² house, besides a part being used by the family; the remaining is used for lease. After the acquisition of 1.2 mu of our contracted land, the family receives about RMB 600, 000 compensation capital from the collective village. Part of the compensation capital is used to buy the shares of the local rural credit cooperative. In 2008, the family bought new home appliance and furniture and decorated the house with the compensation capital so as to improve our living environment, and the house rental has been increased by RMB 100 per month. In addition, we bought a car of RMB 100, 000. In 2008, all the family members took part in the new type of rural cooperative medicare system, with an annual rate of RMB 10 per person, all being paid by the collective village; at the same time, the government subsidizes RMB 40 per person per year for the villagers participating in the the new type of rural cooperative medicare system. The Xinxujiang environmental upgrading will improve their living environment. In addition, as more and more floating people come to lease their houses, there will be more opportunities for them to make money.

5.3 Restoration in Hede Village

According to the *Resettlement Plan*, 770 mu of rural collective land is to be acquired in Hede village. So far, 771.006 mu has been actually acquired in the village, with the total planned land being fully acquired in 2007. RMB 96.5264 million compensation capital has been actually paid for land

acquisition in the village, increasing by RMB 24.61 million (36.73%) as compared with that in the *Resettlement Plan*. There was no land acquisition and house demolition during this monitoring period.

(1) Development of commercial land: Based on its current population, the village should acquire about 231 mu of commercial land. Currently, 49 mu of land has got complete land use procedures. A commercial building has been built on this land and is leased as automobile stores, from which the rental is evenly distributed to the permanent villagers, and the per capita dividend from the rental only is about RMB 1, 000 per month, showing an increase as compared with that before land acquisition. In addition, the village has another 182 mu of commercial land, of which the procedures are waiting for related governmental departments for approval.

(2) Trainings and employment: The district government has organized employment training programs since 2007. The training contents cover hotel management, property management, and computer skills etc. Some of the trainees have found their suitable employment, such as cleaners, hotel waitress and housekeepers etc. More than 60 villagers took part in the training programs in cooking and repairing oprganized by the district government, and some trainees have been employed with an monthly income of RMB 800 ~ RMB 1, 400.

(3) Production and living restoration: Since the village is located in the suburb of Nanning city and has advantageous geographical location. The main sources of income for the villagers are from house rentals and incomes from planting and cultivation. Based on the surveys and interviews, the monthly rental from the houses being upgraded or decorated with the compensation capitals also icrease, with an income of RMB 1, 500~ RMB 2, 000 per month. The per capita income from migrant employment is RMB 800, and the per capita annual dividend from the collective village is RMB 1, 200.

Interview with the villager 1 (the same interviewee in the third monitoring): Mr. Liu, 44-year old, has a family of four, including two labor forces and two children who are studying in middle schools. The family incomes include RMB 5, 000 from doing business, RMB 10, 000 from house rentals and RMB 10, 000 from migrant employment. We get RMB 280, 000 from land acquisition, of which RMB 32, 000 is used to repay the debts, and RMB 40, 000 is used on the daily living expenses, durable furniture, home appliances, education and medical expenses. RMB 53, 000 was used for house upgrading and decoration in the second half of 2008, from which the rental increases by RMB 650 per month. He believes the implementation of Kelijiang and Xinxujiang upgrading projects not only improves their living environment but laso brings them with favorable economic benefits in rentals and running business. All the family members have taken part in the new type of rural cooperative medicare system. They expect to be covered in the endowment insurance system at an early date.

5.4 Restoration in Tunlu Village

According to the *Resettlement Plan*, it is planned that 152 mu of rural collective land should be acquired in Tunlu village. Currently, 133.323 mu of land has been actually acquired in the village, accounting for 87.71% of the total planned land acquisition. RMB17.4387 million compensation capital has been actually paid for land acquisition in the village, which is RMB 4.5 million more than that in the *Resettlement Plan*. There is no land acquisition and house demolition in this village during this monitoring period.

(1) Development of commercial land: Based on its existing population, the village acquired about 20.8 mu of commercial land in 2007, of which 11 mu has been leased as steel product market, and 9.8 mu is leased as warehouse. The annual rentals from the above two pieces of land are about RMB 300, 000. Part of the rentals from leasing the commercial land are reserved by the collective village (village group) for development of collective industry and collective welfare, and the remaining rentals are evenly distributed to the permanent villagers. In addition, the village has another 27 mu of commercial land, of which the procedures are waiting for related governmental departments for approval.

(2) Trainings and employment: Since 2007, the district government has organized employment training programs for young and middle-aged villagers in the affected village. More than 50 villagers took part in the training programs. The training contents cover hotel management, property management, and computer skills etc. Some of the trainees have found their employment in the service industry in the surrounding Gaoxin development zone or Guangxi University, such as cleaner, with a month income of RMB 800 ~RMB1, 000.

(3) Production and living restoration: In 2008, the per capita annual dividend from the rentals from leasing the land (as warehouse and factory) in this village was RMB 3, 500, together with the per capita RMB 100, 000 of compensation capital acquired in 2007 as well as original incomes such as leasing the land and houses, which ensure the production and living restoration for affected villagers. Based on the field survey and interview, their compensation capital is mainly used for the following purposes: 1) The compensation capital is expected to be used to build new houses or to decorate existing houses, from which their rentals from better houses will be higher than that before land acquisition. On the basis of survey, the house rental in this area has increased by RMB 150 per room thanks to the implementation of this project. 2) They use the compensation capital as initial capital to do business, such as operating a store or investing in the original industry. After project implementation, their incomes will be increased and their living standards will be improved thanks to favorable factors such as upgraded environment, good geographical location next to Nanning express ring way, as

well as convenient transportation.

Interview with the villager (the same interviewee in the third monitoring): Mr. Su, 42-year old, has a family of three, all being labor forces. The family is living in a 120-m² house, with the first floor as a grocery store and the second floor for living. After land acquisition, 1.2 mu of their contracted land has been fully acquired, and they receive RMB 306, 000 compensation capital for land acquisition from the collective village (village group). At present, most compensation capital is saved in the bank, and a small part of it is used as the floating capital to operate the family grocery store. The incomes from the v store in 2008 are similar to that in the previous year. The whole family spent over RMB 10, 000 in tour traveling in 2008. But for the compensation from land acquisition, the family should not have extra money in tour traveling. Their living standard is much better compared to the past thanks to better environment and more income. They hope that the government can set up some related consulting agencies to help them manage their money.

5.5 Restoration in Chendong Village

According to the *Resettlement Plan*, 168 mu of rural collective land is to be acquired in Chendong village. Currently, 212.78 mu of land has been actually acquired in the village, overfulfilling 26.65% (44.78 mu) of the total planned land acquisition. RMB 30.6150 million compensation capitals have been actually paid for land acquisition, increasing by RMB 13.50 million (78.87%) over that in the *Resettlement Plan*. There is no land acquisition and house demolition involved in this village.

(1) Distribution and use of compensation capital: The compensation capital for land acquisition is not distributed until discussed and agreed by the villager's committee and the village groups, as well as with the consensus from the villager's conference. The land acquisition during this monitoring period only covered 3 villager's groups including villager's group No.1, villager's group No.2 and villager's group No.3. The compensation capitals are evenly distributed to the permanent villagers in affected villager's groups. After the distribution plan is determined, every villager's group shall keep the public informed for 5 days regarding the people entitled to distribution of compensation capital in every family. If there is no different opinion on the distribution, the compensation capital is then distributed (the distribution of annual dividend in various villager's committee and villager's groups should be carried out in the same way). The public notice on the participants for compensation distribution is shown in Figure 5-3. The per capita distribution in villager's group No.1 is RMB 12, 000. The per capita distribution in villager's group No.4 is RMB 11, 500. The per capita distribution in villager's group No.2 is RMB 36, 000 after RMB 805, 600 is paid to affected villagers for land-attached constructions. Based on the field surveys by the external monitoring agency, the above compensation capitals

have been fully paid to the affected villagers.

(2) Development of commercial land: Based on its existing population, Chendong village should acquire more than 100 mu of commercial land. Since the compensation for self-employment increases to RMB 50, 000 per person according to the new compensation policy, the village is still discussing whether to choose commercial land or self-employment compensation. The commercial land to be acquired for the village is expected to be located in Daxue road. With good geographical location, the revenues from commercial building or residential building are good. In addition, the village has acquired and operated some other commercial land before this project. For example, the annual rentals from Chendong vegetable market and the wholesale market for eggs, as well as the 8-story complex building that is leased to Guangxi Medical University as a clinic building are about RMB 5 million. The perproperties on the commercial land is shown in Figure 5-4. The distribution of collective revenues must be discussed and approved by the villagers' committee and villagers' conference. Any big investment with the collective reveunue must also approved by the villagers' conference.

(3) Trainings and employment: Since 2007, the district government has organized employment training programs for the villagers in the affected village. The training contents cover hotel management, property management, and computer skills etc.. More than 50 villagers took part in the training programs. In December 2008, Shangyao sub-district office organized training in Chinese cooking in Chendong village. Over 50 villagers (including more than 20 women) took part in this training program, as shown in Figure 5-5. Up to date, some of the trainees have found their employment in the hotels in Nanning city, with a monthly income of about RMB 1, 100.

(4) Production and living restoration: Before the implementation of this project, the collective village and various villager's groups own some properties, such as Chendong vegetable market and the clinic building leased to Guangxi Medical University. The annual per capita dividend from the collective village and various villager's groups is over RMB 4, 000. In addition, since the village is located next to Daxue road, a large number of floating population come here. There is already a commercial street in the village. The main source of income for over 60% villagers are from house rentals or self-operating store in the first floor, as shown in Figure 5-6. Therefore, most villagers have steady income. In addition, no demolition is involved in the village and the per capita land being acquired in the village is small; their income from their cultivating land is also low. Thus, there are few impacts of the land acquisition for the project on Chendong village. As for the compensation capitals acquired from the villager' groups, most villagers invest in upgrading their houses or running stores, while a small proportion of villagers spend in their living expenses.

Interview with the villager: Mr. Chen, 48year old, has a family of six,

including two seniors, a child studying the middle school, and the other three being work force. They are living in a 3-story building with an area of 260 m². The second the third floors are used for living by the family and the first first floor is used as a store operated by the wife, with a monthly income of RMB 3, 000~RMB 4, 000. The daughter and the father go out for employment, with a monthly income of RMB 1, 200 ~ RMB 1, 500. After land acquisition for this project, the family acquired RMB 216, 000 in compensation from the acquisition of the family's 1.4 mu of land. Up to date, except for a small proportion being used as floating capital for running the store, most the compensation capitals are saved in the bank. The family plans to use part of the compensation capital to decorate their houses. The land acquisition does not have many impacts on the family. They expect the project implementation will bring them with more opportunities to make money.



Figure 5-3 Public Notice on Participants for Compensation Distribution in Chendong Village



Figure 5-4 The Commercial Street of Chendong village



Figure 5-5 Cooking Training Class in Chendong Village Organized by Shangyao Sub-district Office



Figure 5-6 Commercial and Residential Houses Built by the Villagers

5.6 Resettlement of Vulnerable Groups

According to the *Resettlement Plan*, the vulnerable groups affected by this project include 825 people, of whom 730 are floating population affected by

land acquisition, and 95 are the poor or the disabled.

(1) Resettlement of floating population

The floating population affected by land acquisition is mainly engaged in planting and animal breeding. According to the survey, by December 31, 2008, the affected villages such as Shangyao village, Weizilu village, Hede village and Tunlu village have paid the compensation capital for crops to about 700 affected floating population according to the agreements, with each receiving RMB 700 ~ RMB 31, 000. The compensation capital for land-attached constructions has also been paid to the leaseholders according to the agreements or contracts. The affected floating population mainly rent the houses and lived in Chendong village, Shangyao village and Weizilu village. Located in the suburbs of Nanning city, these affected villages enjoy convenient transportation and relatively good living environment, and the house rentals are much lower than those in the city, which provide convenience for the floating population in their employment and living.

(2) Resettlement of the poor and the disabled

There are fewer impacts on the vulnerable groups such as the poor, the disabled and single senior citizens in the project area. With the financial support from the government, particularly with compensation capital for land acquisition, some poor people have been lifted from poverty, such as the poor population in Weizilu village and Hede village.

The financial supports for the vulnerable groups from local government mainly include: 1) Poverty subsidy: the *Guarantee Methods of Subsistence Allowances for Poor Rural Residents in Nanning City* (Nanning government document No. [2006]99) became effective for the villagers in Nanning area from October 2006. According to this policy, the district civil affair department will include the affected poor population who are entitled to the subsistence allowance and pay them RMB 650 subsistence allowance per person per year. On March 26, 2008, Nanning municipal government promulgated the *Circular of the Nanning Municipal Government to Improve Minimum Subsistence Allowances for Urban and Rural Residents* (No. [2008]19, Nanning government), which states that the minimum subsistence allowance for urban citizens in various districts (including various development zones) in Nanning city increases to RMB 260 per month from RMB 220 per month. The minimum subsistence allowance standard for urban citizens in various counties is to be determined by the local people's government. The minimum subsistence allowance for rural population in the whole city increases to RMB 700 per year from existing RMB 650 per year. According to interviews with villagers, the low-income families in various affected villages have received the subsistence allowance on the monthly or quarterly basis, and the disabled receive RMB 150~RMB 430 allowance per person per month. In addition, the civil affair department usually provides rice and edible oil for the disabled on the quarterly basis. 2) Medicaid: According to the *Implementation Methods for Rural Medicaid in Nanning City*, the low-income family can apply for Medicaid from

the civil affair department. According to survey, the affected households applying for the medicaid decreased to 6 households from 10 households in 2007, and 4 households are no longer entitled to the allowance thanks to their increased income. The poverty-stricken households applied for the medicaid, with every household receiving RMB 3, 000. 3) New type of rural cooperative medicare system: At present, all the poor households in project area have participated in the new type of rural cooperative medicare system in Xixiangtang district, Nanning city. The annual per capita cost is RMB 10, which is paid by the collective village.

6 Involuntary Resettlement Sampling Survey and Result Analyses

From November 15, 2008 to December 15, 2008, the external monitoring and evaluation agency conducted surveys on the implementing schedule, compensation, demolition and resettlement for Xinxujiang project. The surveys focused on the incomes and expenses of affected villagers and their distribution and use of compensation capitals from July to December of 2008.

6.1 Survey Methods

The main survey methods adopted by the external monitoring and evaluation agency include interview survey and sampling questionnaire survey. The external monitoring and evaluation agency organized interview meetings in the five affected villages such as Shangyao vilalge, Weizilu village, Hede village, Tunlu village and Chendong village, and the village cadres and the representatives of villagers took part in those meetings. The monitoring and evaluation agency has also interviewed the land acquisition, demolition and resettlement office and the project implementing agency, so as to understand the implementation schedule of resettlement, the implementation of resettlement policies, the use of compensation capitals, complaint and grievance, and public participation.

To understand the impacts on affected villagers by the project, their production restoration and their use of compensation capitals, the external monitoring and evaluation agency conducted sampling surveys on the affected households in the affected villages. The distribution of the sampling are shown in Table 6-1.

Table 6-1 The Sampling in Affected Villages

Affected Villages	Households surveyed	Persons surveyed
Shangyao village	22	87
Weizilu village	15	57
Tunlu village	3	14
Hede village	18	78
Chendong village	12	46
Total	70	282

6.2 Family Annual Incomes and Expenses

The survey results show that the per capita income of affected villagers from July to December of 2008 is RMB 2, 662.80. Of which, the agricultural income (RMB 806.12) is the highest, accounting for 30.27% of the total income,

and then followed by RMB 762.20 from salary income and RMB 546.69 from house rentals and property revenue, respectively accounting for 28.62% and 20.53% of their total income. These show that the main income source for the villagers is from agriculture, and their house rentals and property revenue increase compared to those during the third monitoring period. However, their salary income decreases. The main source of income for the villagers after project completion should be house rentals, property revenue and salary income. As for expenses, the per capita expense was RMB 2, 612.45, including RMB 1, 967.28 (75.30%) for living expenses and RMB 381.56 (14.61%) for family production and operation expenses. Currently, the main expenses for the villagers are their daily living expenses. The income and expenses of the villagers are shown in Table 6-2.

Table 6-2 Income and Expense Analyses on Sampling Survey

Item	June 2008		December 2008	
	Total (RMB)	Ratio (%)	Total (RMB)	Ratio (%)
. Incomes	2344.15	100.00	2662.80	100.00
1. Salary income	747.27	31.88	762.20	28.62
2. Agricultural income	856.12	36.52	806.12	30.27
3. Income from service industry	410.68	17.52	480.45	18.05
4. Rental and property-related income	276.02	11.77	546.69	20.53
5. Others	54.06	2.31	67.34	2.53
. Expenses	2557.90	100.00	2612.45	100.00
() Production and operation expenses	365.40	11.35	381.56	14.61
1. Agricultural production expenses	121.85	4.76	167.80	6.43
2. Service industry operation expenses	243.55	9.52	213.76	8.18
() Living expenses	1979.73	77.40	1967.28	75.30
1. Food	816.75	31.93	800.87	30.66
2. Clothing	173.06	6.77	183.67	7.03
3. Living	298.37	11.66	317.44	12.15
4. Home appliance and daily necessities	162.68	6.36	159.64	6.12
5. Transportation and communication	198.15	7.75	190.12	7.24
6. Culture and education	169.16	6.61	175.18	6.72
7. Medical care	136.42	5.33	125.22	4.80
8. Others	25.15	0.98	15.14	0.58
() Other expenses	287.77	11.25	263.61	10.09

6.3 Use of Compensation Capital

According to the survey results, the compensation capitals acquired is mainly saved (or to be saved) in the bank, accounting for over 60%, and then it is used for house upgrading or decoration, accounting for 13.4%, and only 6.16% is used in production operation. This shows that a low effectiveness in the use of their compensation capital. The villagers do not have many options to invest their compensation capitals. Related government departments can provide necessary guidance in financial management in suitable time. The uses of compensation capitals are shown in Table 6-3.

Table 6-3 Uses of the Compensation Capitals

Use or intentional use of compensation capital	Proportion (%)
1. Saving in the bank	64.12
2. Daily living expenses	2.10
3. Buying durable goods	1.55
4. Production and operation expenses	2.32
5. Operational expenses (processing and sale costs)	6.16
6. House upgrading and decoration	13.41
7. Education	1.19
8. Medical care	0.11
9. Buying vehicle	1.08
10. Buying phones	0.01
11. Repaying debts	1.70
12. Others	6.25
Total	100.00

7 Social Action Plan Monitoring and Evaluation

According to requirements of the *Vulnerable Groups Social Development Action Plan* prepared by Nanning ADB Project Management Office in 2005, the external monitoring and evaluation agency conducted the monitoring and evaluation on the social development action for this project. The monitoring and evaluation contents included employment opportunity for vulnerable groups by or during project construction, income restoration for affected individuals, reduction or exemption of cleaning charges for poor population, minimum subsistence allowance for poor population, education on public environment and health, as well as construction safety education etc.

The external monitoring and evaluation agency, through telephone interview, visiting interview and household survey, has communicated with related government departments, project implementing agency, villager's committee and villagers so as to know the implementation of social development action plan for vulnerable groups.

7.1 Government's Supporting Policies for Vulnerable Groups

On August 27, 2008, Nanning municipal government promulgated the *Circular of Nanning Municipal Government on Further Improving and Accelerating Employment* (No.[2008]55) in which the government drew special attention to the poverty-stricken groups and instructed departments concerned to give assistance to the straitened to find jobs. The document called for the rural and urban employment services to work together as an organic whole, to perfect its service and management systems, as well as to build up a robust pre-job training mechanism

On October 7, 2008, Nanning municipal government promulgated the *Suggestions on Implementing Housing Allowance to Urban Low-Income Families* (No.[2008] 68), giving specific guiding suggestions to resolve the housing difficulties of urban low-income families in Nanning. The *Suggestions* also gave explicit guidance on housing solutions for migrant workers from the countryside and improving their living conditions.

7.2 Social Security and Assistance

So far, all 5 villages affected by this project have participated in the new type of rural cooperative medicare system. Based on the household survey, the villagers told the the external monitoring agency they had benefited from the medicare system. Aiming to give those newly joined villagers more real benefits, the medical department will utilize this year's surplus funds from the system to offer a second-time compensation to the heavily-ill. Villagers whose

individual hospital bill exceeds RMB 10, 000 can apply for such an extra benefit at the local office of the rural cooperative medicare system.

As an appropriate solution to basic subsistence and long term livelihood problems of villagers affected by this project, Nanning City Labour and Social Security Bureau issued a *Circular on Provision of Endowment Insurance for Land-losing Villagers in Nanning City and the Related Problems*. By this *Circular*, which was approved and distributed by Nanning municipal government on June 22, 2008, the government demanded all departments concerned to speedily arrange endowment insurance for land-losing villagers. Currently, the administrative villages affected by this project are processing their villagers' endowment insurance matters.

7.3 Creating Employment Opportunity

The project construction and the project operation after completion will provide more direct or indirect employment for Nanning residents, which will create employment opportunity for women (20%), floating population (10%), ethnic minority labor force (10%) and poor population (30%) and increase the employment in Nanning. By December 31, 2008, the project construction has provided 1, 386 employment positions, with an increase of 83 employment positions from the third monitoring, including the villagers in project area and other Nanning residents. Of whom, 451 employments are for women, 439 for poor population, 164 for floating population and 103 for ethnic minorities. The employment positions mainly include cleaner, housekeeper, landscape worker or other temporary employment positions related to this project.

7.4 Reduction or Exemption of Cleaning Charges for Poor Population

After the approval from the Price Control Administration of Guangxi Zhuang Autonomous Region, the wastewater treatment fee increase to RMB 0.8 per ton from the original RMB 0.5 per ton in Nanning city. The reduction and exemption policies apply to low-income groups, and the wastewater treatment fee for the households enjoying the five guarantees (childless and infirm old persons who are guaranteed food, clothing, medical care, housing and burial expenses) remains as RMB 0.25 per ton. The urban households entitled to the minimum subsistence allowance are exempt from 50% of the wastewater treatment fee. The waste treatment fee is RMB 7 per month, and the urban households entitled to the minimum subsistence allowance are exempt from the waste treatment fee. The waste treatment fee is paid by the collective village, and the villagers do not need to pay for wastewater treatment fee.

The waste treatment fee and the wastewater treatment fee will increase

after project completion. The government will conduct full survey and listen to opinions from the general public and the poor population through public price hearing and set a reasonable price or promulgate corresponding preferable policies.

8 Conclusions and Suggestions

8.1 Conclusions

According to the requirements of the *Guidelines for Resettlement External Monitoring and Evaluation*, the external monitoring and evaluation agency conducted the fourth monitoring and evaluation (No.4) on land acquisition, demolition and resettlement during project implementation from July to December of 2008.

By the end of December 31, 2008, a total of 1, 759.693 mu of rural collective land has been acquired for this project, accounting for 82.69% of the total in the *Resettlement Plan*. A total of RMB 229.7548 million compensation capitals have been paid for land acquisition, increasing by RMB 16.4738 million and accounting for 107.72% as compared to those in the *Resettlement Plan*, which increases by RMB 30.6150 million from the third monitoring. The compensation standards for this project are based on the *Compensation and Resettlement Methods for Acquisition of Collective Land and House Demolition in Nanning City* (No. [2008]15), which are higher than the standards of the *Resettlement Plan*. The compensation policies are also consistent with the requirements of China, Guangxi and Asian Development Bank. The project's land acquisition procedures are being implemented lawfully and in conformity with the *Resettlement Plan*. The resettlement and the project's engineering work are both on schedule and are basically progressing in unison, which can satisfy the project engineering schedule.

The information is disclosed through public media, and the professional research institutions are invited to give lectures and conduct questionnaire survey during public participation. According to the requirements of the *Resettlement Plan*, an effective channel has been established for complaint and grievance during land acquisition and resettlement. By December 31, 2008, the reasonable requirements of some affected villagers have been properly settled, and no complaint and grievance has been received from affected groups.

8.2 Suggestions

(1) Accelerate the approval procedures for commercial land in affected villages to protect the villagers' best interests.

The approval procedures for other commercial land in all the five affected villages have not been finalized. It is hoped that related governmental departments should accelerate the approval procedures so as to shorten the transitional periods for the affected villages. In addition, since the compensation standard for "self-employment" resettlement is greatly improved to be RMB 50, 000 per mu from the previous RMB 25, 000 per mu, quite a few affected villagers are willing to choose "self-employment" resettlement later on. Various implementing institutions should take this change into consideration and make corresponding countermeasures to avoid and reduce complaints from the affected households.

(2) Speed up processing the endowment insurance of the land-losing villagers in order to relieve them of family worries.

Since the *Specific Rules for Implementation of Social Security Methods for Land-losing Villagers in Guangxi* is under discussion and has not been

implemented to the affected villages so far. Nanning labor and security department, together with the land acquisition, demolition and resettlement office in various districts and the Nanning Finance Bureau, are making specific implementation rules in an orderly and effective manner, but the specific date for its promulgation is so far uncertain. It is suggested the government should make effective and feasible regulations as soon as possible, which is also the urgent desire of land-losing villagers.

(3) Further strengthen the trainings on work skills for land-losing villagers to improve their competitiveness in employment.

Since most villagers are not well-educated, they are so far only qualified for the jobs that require less work skills and their payments are low. Therefore, it is suggested that the government departments should strengthen the trainings on work skills for land-losing villagers, such as providing formal education or short-term trainings on work skills for young villagers in evening schools, so as to shorten their transitional periods to integrate into the city.

(4) Accelerate the construction of the resettlement community so as to promote land acquisition and demolition for this project.

At present, the construction of the resettlement residential community in Xixiangtang district covering the affected households of this project has started, and the land acquisition and house demolition has partially completed. It is suggested that related governmental departments should accelerate their work progress to finish constructing the resettlement residential community at an early date, so as to resettle the affected households and promote land acquisition and demolition for this project.