



# Resettlement Monitoring Report

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## PRC: Guangxi Nanning Urban Environmental Upgrading

Prepared by Guangxi University of Finance and Economics

For Nanning Qingxiushan Mountain Ecological Protection Subproject

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**Asian Development Bank**

**GUANGXI NANNING URBAN  
ENVIRONMENTAL UPGRADING PROJECT  
Loan No.: 2239-PRC**

**NANNING QINGXIUSHAN MOUNTAIN  
ECOLOGICAL PROTECTION SUBPROJECT**

**RESETTLEMENT EXTERNAL  
MONITORING AND EVALUATION REPORT**

(NO.4)

Guangxi University of Finance and Economics

Nanning, P.R. China

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# 1 Brief Introduction to Resettlement Implementation

## 1.1 Compensation for Land Acquisition and House Demolition

By the end of May 31, 2009, the resettlement for Qingxiushan mountain ecological protection subproject had been completed. A total of 1198.9 mu of land has been acquired, accounting for 100% of planned land acquisition. 600 m<sup>2</sup> of rural residential houses and 1506 m<sup>2</sup> of temporary simple-structure houses have been demolished, accounting for 100% of planned house demolition. A total of RMB 76.002 million for land acquisition and house demolition has been paid to the affected villagers (as shown in Table 1-1).

Table 1-1 Summary Table of Compensations for Land Acquisition (Occupation) and House Demolition

(By the end of May 31, 2009)

Farm Name	Compensations for land acquisition (occupation) (RMB 10, 000)	Compensations for house demolition (RMB 10, 000)	Subtotal(RMB 10, 000)
Fengling Horticulture Farm	6216.71	357.47	6574.18
Dongfeng Horticulture Farm	930.79	95.23	1026.02
Total	7147.5	452.7	7600.2

## 1.2 Residential Resettlement

Three households are affected by the house demolition. On the basis on the surveys, 3 households (including 11 people) are affected by the demolition in Fengling Horticulture Farm. Since the new resettlement residential community—Fengling New Village is under construction, the affected villagers remain living in their original houses after receiving the compensation capitals. At the same time, the affected households lease their spare houses to the project implementing agency as temporary project management office, as shown in Picture 1-1.



Picture 1-1 The leased spare houses by affected villagers

The ground breaking ceremony for the construction of Fengling New village started on March 21, 2009. With a total estimated investment of RMB 250 million, the new village occupies 86 mu of land area. The total construction area is 135500 m<sup>2</sup>, including fifteen 11-story buildings for 1320 households. Supporting facilities such as commerce, agricultural market, kindergarten and entertainment center will also be constructed. The project is expected to complete in November 2010. *Nanning Life Daily* launched feature report on the new village on March 22, 2009. The construction progress of the residential community is shown in Picture 1-2.



Picture 1-2 Fengling New Village under construction

### 1.3 Production Restoration

Based on the survey, the 21-story commercial building—Fengling Mansion built on the commercial land had been completed by the end of May 30, 2009, as shown in Picture 1-3. At present, the lessee Guangxi Zhongjian Fengyu Real Estate Development Co., Ltd. (hereinafter short for Zhongjian Company) is carrying out interior decoration according to the contracted agreement. The RMB 6.005 rental has been transferred to the account of the Horticulture Farm, of which the distribution plan had been discussed and passed in the villagers' conference according the regulations in the village. The rental has been distributed to all the related villagers whose living standards are markedly improved.

At the same time, the *Master Plan of Nanning Qingxiushan Mountain Forest Park (2009~2016)* has been passed by an expert review panel. According to the master plan, by the year 2016, Qingxiushan forest park will be built into a large-scale, first-rate and unique south Asian tropical forest park integrating diverse plant species, splendid landscape, beautiful environment as well as large water surface area. During the construction process toward this goal, local villagers (including all affected villagers) can make full use of their horticultural skills to engage in seedling cultivation and gardening in the park. According to initial estimates, 100~200 temporary jobs may be arranged in the park per day. During the peak period, this figure would be up to 300.

On the basis of statistics, the visitors to Qingxiushan Scenic Park reached 1, 700, 000 in 2008, increasing 15% over the previous year, which greatly promoted the commodity trade and economic development in the area and provided opportunities for affected villagers to engage in non-agricultural production activities.



Picture 1-3 Fengling Mansion (already completed)

## **2 Surveys and Analyses on Affected Villagers' Incomes**

Fengling Horticulture Farm and Dongfeng Horticulture Farm are affected by this project. The external monitoring and evaluation agency Guangxi University of Finance and Economics conducted interviews on various affected villages from June 12~18, 2009. The objects of the surveys, aging from 16~65, are permanent villagers affected by land acquisition and house demolition for this project. 150 villagers were surveyed, accounting for 65.79% of total affected population. The effectiveness of sampling is 96.7%.

### **2.1 90% of Affected Villagers Paying Attention to Land Acquisition and House Demolition Policies**

When asked “ are you familiar with related policies on land acquisition and house demolition? ” 91.15% of interviewees said they were familiar. According to the survey results, those who received relatively good education are more familiar with the policies than those were less educated. 92.2% of those who received college education and above are familiar with the policies, while 65.2% of those who received primary education only said they were familiar. The villagers who worked as migrant workers for longer period of time tended to be more familiar with the related policies. 94.56% of those who had worked as migrant workers for 5 years were familiar with the policies, while 10.25% of those who had worked as migrant workers for 1 year were familiar. Then the figures are compared with those in other districts.

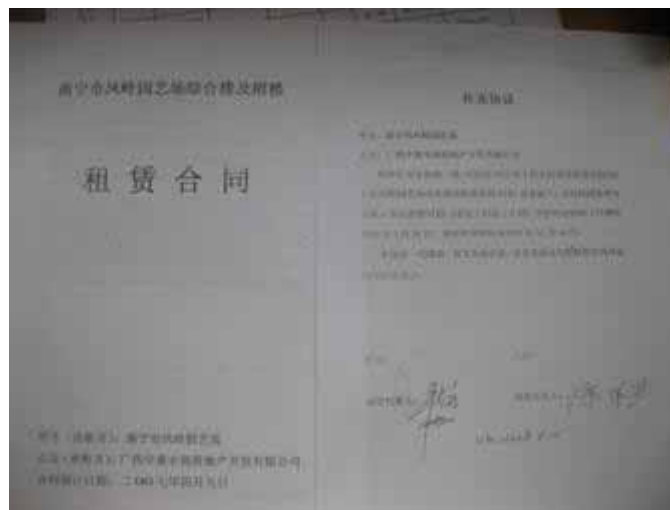
The survey results shows most villagers pay attention to the construction of this project and are familiar with related policies on land acquisition and house demolition.

### **2.2 60% of Interviewees Affected by Financial Crisis**

60% of Interviewees believed that they or their families were affected by the financial crisis, which were mainly represented in income reduction and more pressure in the employment. In terms of industries, those engaging in the service industries such as transportation, catering and hotels were more severely hit, while those engaging in public services such as environmental hygiene and park gardening were less affected by the financial crisis. In term of sources of income, the salary income from migrant work and the agricultural income were severely affected, while the dividend from the collective village remains relatively stable.

On the basis of survey results, under the circumstance of financial crisis, if their dividends from collective village were deducted, nearly all villager groups said their incomes were reduced. However, these vary for different villager

groups. Those with monthly income of less than RMB 1000 felt obviously they did not earn money by selling agricultural produce; those with monthly income of RMB 1001~ RMB 2000 said they felt more employment pressure and spent more expenses on consumption. Since the dividends from the collective village remain relatively stable, all the survey objects felt they benefited from the project. Firstly, the per capita lump sum compensation received by the affected villagers is RMB 128000. Calculated according to the per capita monthly expenses of about RMB 600 in the district, the compensations are sufficient to ensure their living standards from deteriorating. Secondly, the leasing contract of Fengling Mansion—built on their collective commercial land became effective (as shown in Picture 2-1). The rental was paid starting from November 16, 2008, and the first rental of RMB 6.005 million has been paid to the village, which has been distributed to every affected household with the standard of per capita of RMB 4000 per year. This greatly helps the affected villagers in resisting financial risks and ensuring stable family incomes.



Picture 2-1 Leasing Contract between Fengling Horticulture Farm and Zhongjian Company

### 2.3 100% of Interviewees Supporting the Project

As the continuing progress of this project, the improvement of their living environment and the conversion of consumption habit and concepts make all the affected groups support the implementation of this project. The survey results further show that, when Fengling New Village is scheduled to complete and put into use by November 2010, a new apartment-style relocation residential community integrating with commerce, agricultural trade, kindergarten and entertainment center will be established. The new plan makes the affected villagers excited and pleased.

When asked “ Is there any conversion of living concept and consumption habit for you and your families after land acquisition and house demolition? ” , more than 60% of interviewees responded that they would, like the people living the city, decorate their new houses to be beautiful, wear more

fashionable clothing and go for traveling during the slack farming season. 18% of the young people said they would spend on some entertainment and sports. Less than 10% of villagers considered to buy a second private car.

When asked about their consumption plan for the year 2009, more than 60% of interviewees said they have specific consumption plan for the second half of 2009. Of which, 20.56% of households plan to buy vehicles (truck, tractor, car and electric bicycle); 16.84% of households plan to buy durable goods such as refrigerator, television and air conditioner; 10.54% of households plan to buy something else. To a certain extent, the national policy of subsidizing farmers' purchase of home appliances and automobiles<sup>1</sup> was fully implemented and greatly spurred the domestic demands.

## 2.4 70% of Interviewees Showing Confidence over the Next Year

According to the survey results, 70% of interviewees are confident of their income in the year 2010—70% of Interviewees believed that their income in 2010 would be at least the same as or more than that of 2009. Most affected villagers are fully confident of the effectiveness of the project implementation. 85% of interviewees believed their living standards would become further improved in the future.

There are mainly two reasons attributing to the affected villagers' confidence of their future production and living: first, over 80% of interviewees believed this project would bring them with more and more benefits; second, as the construction of consulate area for ASEAN nations as well as the business center in the area, the geographical advantages of this area is becoming more and more obvious. The house price in this area increases by 25% from 2008 to 2009. Their property-related incomes will also be greatly improved in the future.

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<sup>1</sup> An important measure by the central government to “benefit the farmers, enhance rural development, promote industrial development and spur domestic demands.”

### 3 Involuntary Resettlement Sampling Survey and Result Analyses

The external monitoring and evaluation agency Guangxi University of Finance and Economics conducted sampling surveys on various affected villages from June 12~18, 2009. The objects of the surveys, aging from 16~65, are permanent villagers affected by land acquisition and house demolition for this project. 150 questionnaires were distributed to the villagers, covering 65.79% of total affected population. The effectiveness of sampling is 96.7%.

The contents on the questionnaire cover the progress of resettlement implementation, implementation of resettlement policies, use of compensation capitals, grievance and complaints from affected villagers, and public participation. The effective sampling questionnaires received from various affected villages are shown in Table 3-1.

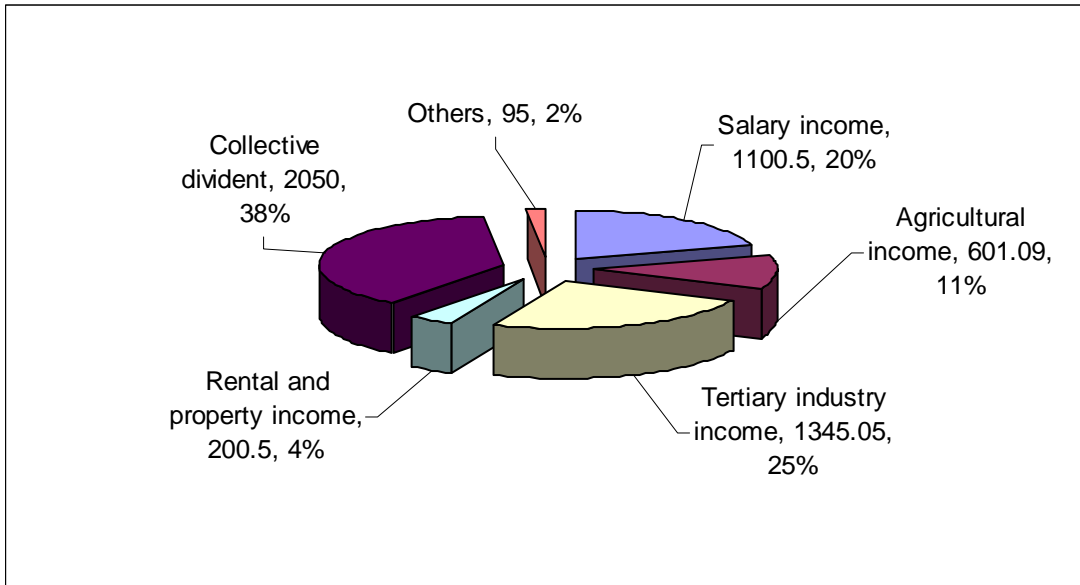
Table 3-1 The Sampling in Various Affected Villages

Affected Villages	Households Surveyed	People	Effective questionnaires received
Fengling Horticulture Farm	23	87	85
Dongfeng Horticulture Farm	14	63	60
Total	37	150	145

#### 3.1 Family Annual Incomes and Expenses

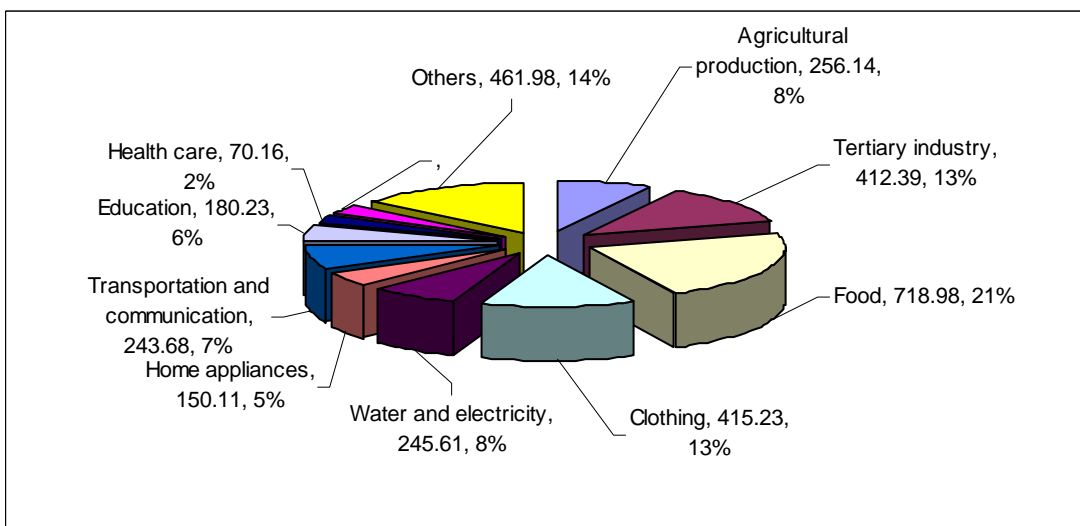
On the basis of statistic analysis on the questionnaires, the per capita income of affected villagers from January to June of 2007 was RMB 3679.03. From January to June 2009, this figure increased to be RMB 5392.14. Of which, the incomes from salary, agricultural production, rental and property showed a downtrend over the last three half-year periods after the financial crisis. However, the increases of income from tertiary industry and collective dividends make their overall income increase year after year. The details of various incomes and their proportions are shown in Picture 3-1

From the perspective of incomes, the villagers' income sources are diverse and varied. Important sources of incomes include salary income, agricultural income, incomes from tertiary industry, and rental & property-related income. The dividend from the collective village, in particular, becomes an important source for villagers. Based on the survey results, the incomes of villagers showed increase year after year.



Picture 3-1 Components of Incomes

From the perspective of expenses, the expenses increased by 8.24% and 11.47% respectively over the previous year in 2008 and 2009. The per capita expense of affected villagers from January to June of 2009 is RMB 3252.51. The productive and operational expenses account for a small proportion (20.55%). The biggest proportion of expenses remains as food consumption, being RMB 718.98 (22.10%). The details of their expenses are shown in Picture 3-2.



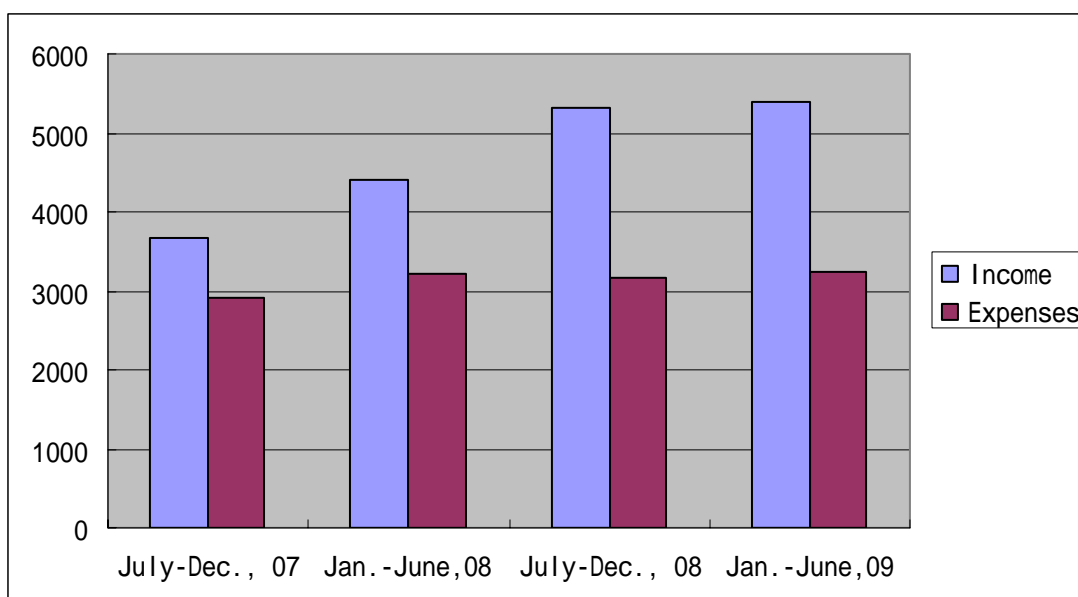
Picture 3-2 Components of Expenses

Based on the data obtained from the previous surveys, the external monitoring and evaluation agency made comparisons and analyses on the

incomes and expenses of affected villagers every half a year, as shown in Table 3-2. The comparisons of incomes and expenses of every half a year is shown in Picture 3-3. For the comparison of the data, we divide the annual collective dividend in half so as to avoid calculation error. Compared with the first half of 2008 (January ~ June), the income of the first half of 2009 increased by RMB 975.06 to be RMB 5392.14, and the expense over the same period increased by RMB 41.31 to be RMB 3252.51. There is more increase in incomes than that in expenses.

Table 3-2 Incomes and Expenses Analyses on Sampling Surveys

Item	Unit	2007	2008	2008	2009
		June-Dec.	Jan.-June	July-Dec.	Jan.-June
<b>. Incomes</b>	<b>RMB</b>	<b>3679.03</b>	<b>4417.08</b>	<b>5304.23</b>	<b>5392.14</b>
1. Salary income	RMB	1215.16	1300.26	1150.5	1100.5
2. Agricultural income	RMB	708.28	650.89	550.89	601.09
3. Income from service industry	RMB	890.89	1110.67	1223.34	1345.05
4. Rental and property-related income	RMB	213.81	286.02	200.5	200.5
5. Collective dividend	RMB	600.89	1010	2090	2050
6. Others	RMB	50	60	89	95
<b>II. Expenses</b>	<b>RMB</b>	<b>2917.87</b>	<b>3211.2</b>	<b>3158.43</b>	<b>3252.51</b>
(I) Production and operating expenses	RMB	460.59	489.79	509.46	668.53
1. Agricultural production expenses	RMB	210.46	221.56	241.34	256.14
2. Service industry operating expenses	RMB	250.13	268.23	268.12	412.39
(II) Living expenses	RMB	2094.87	2231.7	2196.84	2122
1. Food	RMB	750.36	816.75	723.3	718.98
2. Clothing	RMB	356.29	458.75	423.01	415.23
3. Water and electricity	RMB	210.1	223.1	235.1	245.61
4. Home appliances and daily necessities	RMB	150.96	165.32	170.5	150.11
5. Transportation and communication	RMB	150.98	198.15	254.68	243.68
6. Culture and education	RMB	275.68	169.16	210.13	180.23
7. Medical care	RMB	100.5	100.5	80.12	70.16
8. Others	RMB	100	100	100	98
(III) Other expenses	RMB	362.12	489.67	452.13	461.98



Picture 3-3 Comparisons of incomes and expenses every half a year

### 3.2 Use of Compensation Capitals

The external monitoring and evaluation agency continues to focus on the changes of compensation capitals use (as shown in Table 3-3). According to the survey results, after another half a year, every household remains cautious and has planning on the use of their compensation capitals from this project, showing no obvious change. The changes of use of compensation capitals between this monitoring survey and the previous monitoring survey are shown as follows: the proportion of their bank savings in their total compensation capital decreased by 3.9%; their expenses on daily living decreased by 4.68%; while the proportion of buying vehicles in their total compensation capital increased by 2.34%, and their operational expenses increased by 1.55%.

Table 3-3 Use of Compensation Capitals

Item	Household average in the previous survey (RMB 10,000)	Household average in this survey (RMB 10,000)	Ratio in the previous survey (%)	Ratio in this survey (%)	Comparison between the previous survey and this survey (%)
<b>Compensation Capitals</b>	<b>12.81</b>	<b>12.81</b>	<b>0</b>	<b>0</b>	<b>0</b>
Used or to be used for:					
1. Saving in the bank	8	7.5	62.45	58.55	-3.9
2. Daily living expenses	1.8	1.2	14.05	9.37	-4.68

(/household/year)					
3. Buying big durable goods	0.5	0.8	6.25	6.25	0
4. Agricultural production	0.2	0.3	1.56	2.34	0.78
5. Operational expenses (processing and sales costs)	0.8	1	6.25	7.8	1.55
6. Building and refurbishing houses	0	0	0	0	0
7. Educational expenses	0.4	0.5	3.12	3.9	0.78
8. Medical care	0.01	0.01	0.08	0.08	0
9. Buying vehicles	0	0.3	0	2.34	2.34
10. Loan repayment	0.3	0.3	2.34	2.34	0
11. Others	0.8	0.9	6.25	7.03	0.78

## 4 Interview Record

The external monitoring and evaluation agency Guangxi University of Finance and Economics conducted interviews on various affected villages from June 12~18, 2009. Extracts of interview records are as follows:

Question: Have you received the compensation capitals after the land acquisition and house demolition for this project?

Answer: The compensation capitals were received at the beginning of last year.

Question: Did you spend your compensation capitals in investment?

Answer: Few villagers with concept of investment invest in doing some small business such as running a store. Most villagers chose to save the compensation capitals in the bank for interest income.

Question: After land acquisition, what is the source of income for your living if the compensation capitals were used in investment?

Answer: After land acquisition, some villagers engaged in cleaning or housekeeping in the neighboring real estate construction site or residential communities. Massive construction is underway in the neighboring area, and thus a large number of labors are needed. It is very easy for the villagers to find jobs in the local area.

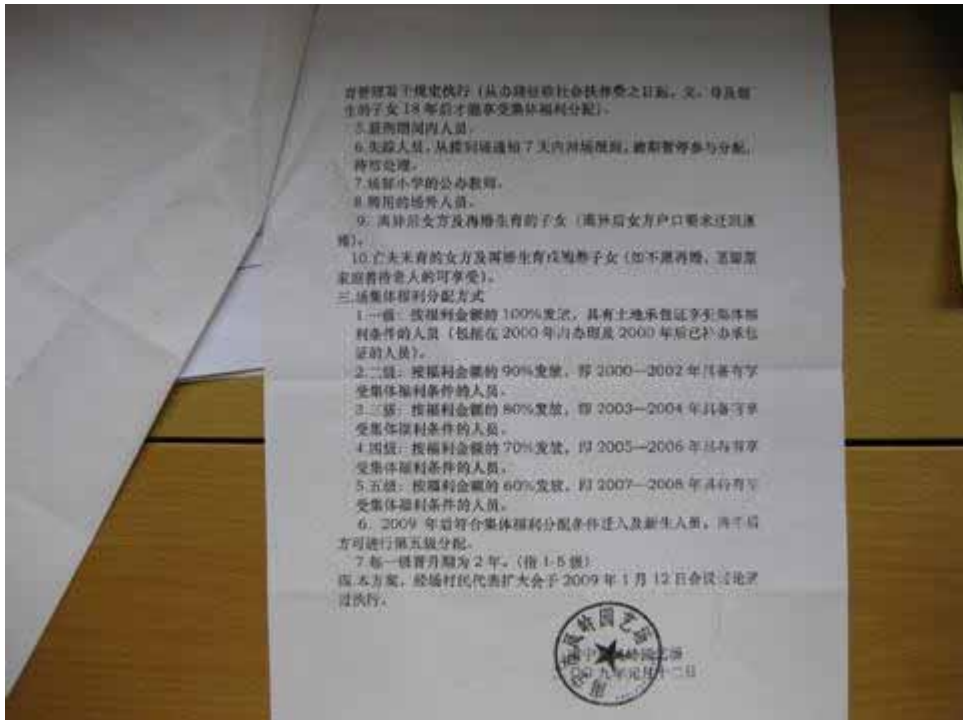
Question: What is the monthly income for working in the neighboring area? Is it enough for living?

Answer: The monthly income ranges from RMB 800 ~RMB 1000 for working in the neighboring area. There are other sources of income such as dividend from the collective village. After the Fengling Mansion was leased out, each villager received RMB 4000 dividend per year. Compared with that before land acquisition, their living standards are improved.

Question: Is the collective production and operation plan discussed by the villagers?

Answer: Important decisions have to be discussed by the villagers' conference, including the bylaw and regulations on autonomous management of the farm. (Related documents are shown in Picture 4-1 and Picture 4-2)





Picture 4-3 Related Document of Fengling Horticulture Farm

Question: What are the components of the villagers' representative conference? (For the head of the farm Mr. Wei)

Answer: There are total 1180 villagers in the village. The villagers' representative conference, totaling 829 villagers, is composed of 27 representatives of villagers elected by the villagers, all the Communist Party of China members in the village, as well as the members of the villagers' committee.

Question: What the construction progress of Fengling Mansion? (For the chairman of Zhongjian Company Mr. Huang)

Answer: After the building was leased out to Zhongjian Company, it was modified to a 5-star hotel from the original a 3-star hotel. The building, with a total estimated investment of RMB 130 million (including floating capital of RMB 15 million) and a total area of 3900 m<sup>2</sup>, consists of 300 rooms, 50 sauna rooms, 38 KTV rooms, 25 Chinese food dining-rooms and 25 Western food dining-rooms. It also has 4 presidential suites, with each having 700 m<sup>2</sup> and being of different styles. The hotel is scheduled to be in operation in this October before the 2009 China-ASEAN Expo.

Question: The hotel is a high end hotel in Nanning, are you confidence that it will be profitable?

Answer: The hotel is located close to the consulate areas of ASEAN nations and the Langdong Passenger Station. Nanning city still lack such a high end hotel of this kind. I am confidence we will make profits from the hotel.

Question: Besides Fengling Mansion, are there any other properties for the collective village?

Answer: The collective village has another 80 mu of commercial land waiting for development. We are seeking for investors for its cooperative development. The investment is estimated to be RMB 400 million for the new project. We expect to find an investment partner as soon as possible with your help.

### Interviews with the villagers





## 5 Conclusions and Suggestions

### 5.1 Conclusions

By the end of June 2009, half of the resettlement had been completed for this project. The project implementation moves forward smoothly. All the compensation capitals for land acquisition and house demolition have been paid to affected villagers. The compensation standards for this project, which are higher than the standards set in the *Resettlement Plan*, are up to the compensation standards set in the *New Compensation and Resettlement Methods for Acquisition of Collective Land and House Demolition in Nanning City* newly promulgated in February 2008, which accord with the related requirements of China, Guangxi and Asian Development Bank as well as the *Resettlement Plan*.

Based on the survey, the land acquisition and house demolition for this project do not pose much impacts on the production and living of the villagers. Their production and living restorations are in good shape, and their incomes keep increased. In addition, their living and production environments are also markedly improved.

During public participation, the information is released through public media, and professional agency is commissioned to conduct public consulting meetings and questionnaire surveys. During the process of land acquisition and house demolition for this project, effective channels for complaint and grievance are set up according to the *Resettlement Plan*. So far, no complaint and grievance are received from the affected villagers.

### 5.2 Suggestions

(1) Speed up the development of undeveloped commercial land and enhance the supervision and management on the leased collective commercial building so as to ensure and increase the villagers' incomes.

(2) Speed up the project implementation progress and reduce affecting the production and livelihood of people living in the neighborhood.