

Social Due Diligence Report

Project Number: 43901-01
May 2011

PS 7296- PRC: Municipal Waste to Energy Project

Jinan Waste-to-Energy Project

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**Asian Development Bank
Financed Project**

**Social Due Diligence Report
For Jinan Waste-to-Energy Project**

**EVERBRIGHT ENVIRONMENTAL ENERGY (JINAN) LIMITED
MAY 2011**

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ABBREVIATIONS

ADB	Asian Development Bank
AAOV	Average Annual Output Value
AHs	Affected Households
APs	Affected Persons
DMS	Detailed Measure Survey
EIA	Environmental Impact Assessment
Everbright	EB
HHs	Households
HD	House Demolition
LA	Land Acquisition
LAR	Land Acquisition and Resettlement
M&E	Monitoring and Evaluation
NRCR	National Research Center for Resettlement
PMO	Project Management Office

WTE	Waste-to-Energy
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WEIGHTS AND MEASURES

mu	Chinese area measure for land 1 mu = 0.0667 ha
m ²	Square meter

1 Basic Situation of the Project

1.1 Brief Introduction of the Project

1. In January 2009, Jinan City Appearance & Environmental Sanitation Administration Bureau selected China Everbright International Limited as the partner of Jinan City Waste-to-Energy (WTE) plant project (the Project) through the tender method. The Build-Operate-Transfer (BOT) mode will be adopted in the WTE project and the construction and operating unit of the Project is Everbright Environmental Energy (Jinan) Ltd (EB Energy (Jinan) Ltd).
2. The WTE plant is located in the south of Xianghuogaojia Village, Sungeng Town, Jiyang County, Jinan City. It is approximately 600m north from Xianghuogaojia Village, 32km south from Jinan City. The 104 National Road is located 1km west from the site. The plant occupies a total area of 7.9950 hectares of land.
3. The designed capacity of the WTE plant is 2,000 tonnes/day and 666,700tonnes/year. The annual generation capacity is about 270 million kWh .The total investment of the project is RMB 890.32 million. The rendering of the project is shown in Figure 1.
4. Land acquisition (LA) and house demolition (HD) for plant area and the connecting road to the plant was completed in March 2010, and the civil works and equipment installation works are under construction. The plant is expected to be operated in October, 2011.



Figure 1 Rendering of the project

1.2 Background of the Project

5. Jinan has a good location advantage, lying in the midwest of Shandong province. It is the gateway to connect East and North China and also an important hub for East and North China and central and western regions. The special location that locates in the

Bohai Economic Circle makes it to be the central city in the Yellow River Delta.

6. The Jinan governs six districts directly under the cities and three counties now. At the end of 2009, the total registered population of Jinan was 6.0327 million. The residential population was 6.6785 million. By 2010, the GDP of Jinan was RMB391.08 billion, with 12.7% growth, and the per capita annual disposable income of urban residents was RMB 25,321, with 13.3% growth in the “Eleventh Five-Year Plan” period. The average annual net income per capita of the rural people was RMB 8,903, with 13.1% growth in the “Eleventh Five-Year Plan” period.

7. Jiyang County is near to Jinan city, which is 30 kilometers from the central city. Sungeng Town is located in the north of Jinan and in the south west of Jiyang County. The land area is 10,300 hectares. National Highway 104 passes through the town. Jiyang town governs five agencies comprised of 71 village committees and has a total population of 52,000. In 2009, the GDP of the town was RMB 2 billion, and the local financial revenue was RMB 56.72 million.

2 Preparation Process of Social Due Diligence

2.1 Survey Methods

8. **Questionnaire Survey.** The questionnaire survey focused on affected villages, enterprises and households (HHs). The contents of the questionnaire include the situation of LA and demolition impacts, the production and living standards of the affected households (AHs) before and after the project, the participation and degree of satisfaction of the AHs.

9. **Face-to-Face Interview.** In order to have more information, face-to-face interviews were conducted with the AHs and representatives from the village committee.

10. **Fieldwork Method.** Field visits were conducted to the project area.

2.2 Technique Route

11. The technique route is shown below in Figure 2.

- The establishment of investigation team for Jinan WTE Project, the preparation of social due diligence framework.
- The design of the survey outline for social due diligence report, the questionnaire, the record card of typical household and the typical unit, the sampling program.
- Site investigation, including regional socio-economic status, resettlement agencies, the typical resettlement HHs, the affected villages.
- The establishment of a database, comparison, analysis, evaluation, and completing social due diligence report.

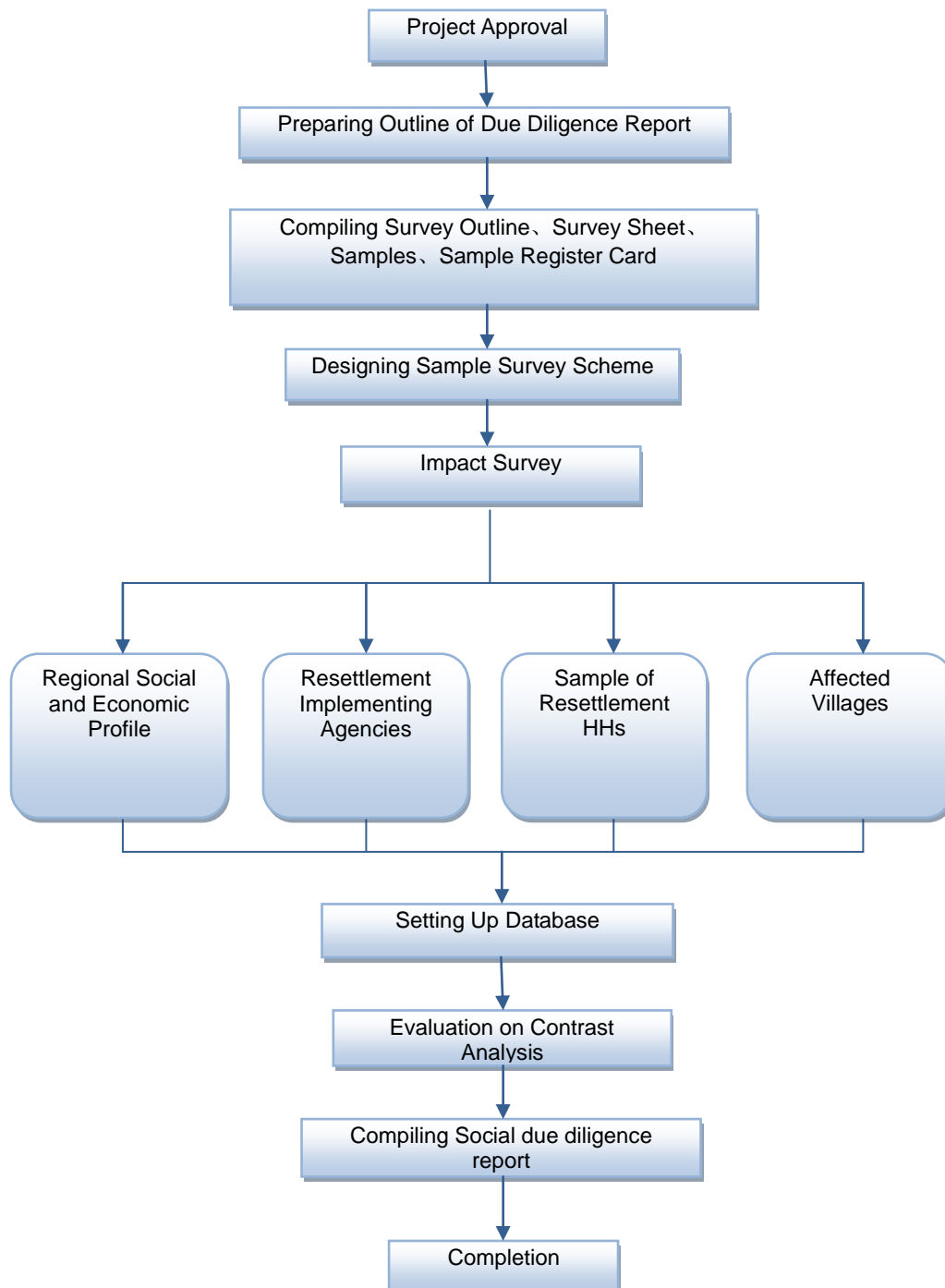


Figure 2 Technology Roadmap

2.3 Investigation Process

12. National Research Center for Resettlement (NRCR) of Hohai University accepted the commission from EB Energy (Jinan) Ltd to prepare the social due diligence report in March, 2011. With the cooperation from EB Energy (Jinan) Ltd and relevant agencies, NRCR team conducted a survey for the impacts of LA and HD of the project, the

economic and social impact of the affected areas, and the relocation and resettlement in March 2011.

13. During the project survey, the affected persons (APs) were all involved in the investigation. During this period, investigation team also collected opinions on the LA and resettlement from the village committees, the villagers, land management department, house demolition department, labor and social security department and relevant social organizations.

14. On 22 March and 23 March, 2011, the survey team visited EB Energy (Jinan) Ltd and interviewed the project leader for project construction, LA and resettlement progress to collect relevant information.

15. On 24-26 March, 2011, the survey team visited Jiyang County Land and Resources Bureau, Labor and Social Security Bureau, Civil Affairs Bureau, and conducted interviews with the project leaders in charge of LA and resettlement in these bureaus and collected related information.

16. On 27 and 28 March, 2011, the survey team visited the Sungeng Town government and the Xianghuogaojia Village Committee, interviewed the key leaders in charge of the issues such as LA, HD and compensation, and collected relevant information. Questionnaires and face-to-face interviews were conducted with the 20 HHs affected by LA and 4 HHs affected by HD in the 2 affected village groups. The list of people met in the bureaus for interviews is shown in Table 1, including all LA and resettlement agencies.



Figure 3 Interviews with AHs

Table 1 List of Persons Met

NO.	Unit	Position Title of the persons met
1	EB Energy (Jinan) Ltd	Director of the Headquarter
2	Jiyang County Land and Resources Bureau	Chief of the LA Division
3	Jiyang Labor and Social Security Bureau	Director
3	Jiyang County Civil Affairs Bureau	Director
4	Sungeng Town Government	Director

NO.	Unit	Position Title of the persons met
5	Xianghuogaojia Village	Director of the Village Committee
6	Zhangmiao Village	Director of the Village Committee
7	Xiaodujia Village	Director of the Village Committee
8	Bianjia Village	Director of the Village Committee

3 Project Impact

3.1 Permanent Land Acquisition

17. Construction of project plant and the connecting road totally acquired 11.945 hectares collective land, and four villages of Sungeng Town are affected.

18. The plant acquired 7.995 hectares agricultural land in Xanghuogaojia Village, among which arable land was 7.7709 hectares. LA affected II, III and IV village group, as shown in Table 2.

19. The connecting road acquired 3.95 hectares land, including construction land and arable land of Sunmiao Village, Xiaodujia Village, Bianjia Village, and Gaojia Village, as shown in table 3.

Table 2 Collective LA Impacts of the Plant (unit: hectare)

Name of the affected village	Agriculture land				
	Total	Arable land	Other agricultural land		
		Irrigable land	subtotal	Rural road land	Water conservancy land
Xiao huo gao jia village in Geng Sun Town	7.995	7.7709	0.2241	0.1627	0.0614

Table 3 LA Impacts of the Connecting Road (unit: hectare)

Name of the affected village	Total	Agricultural land					waste land
		Sub total	Arable land	Other agricultural land			Wild grass ground
			Irrigable land	Rural road	Pond water	Water conservancy land	
Total	3.95	3.9083	3.7138	0.3535	0.2327	0.0954	0.0436
Gaojia Village	1.6643	1.6207	1.4402	0.0716	0.0313	0.0776	0.0436
Zhangmiao Village	0.0137	0.0137	0.0137				
Xiaodujia Village	2.2263	2.2263	2.0062	0.0009	0.2014	0.0178	
Biajia Village	0.0476	0.0476	0.0467	0.0009			

20. The arable land loss impacts for all villages are presented in Table 4. From the Table 4, we can find that the land loss impact is not significant and less than 5%.

Table 4 Land Loss Impacts Analysis at Village Level

Village	Arable land before LA (mu)	Per capita arable land holding before LA (mu)	Acquired arable land (mu)	Per capita arable land holding after LA (mu)	Arable land loss impact
Gaojia	3843.14	1.94	138.17	1.87	3.40%
Zhangmiao	586	1.56	0.21	1.56	0.13%
Xiaodujia	607.62	1.21	30.09	1.15	4.73%
Bianjia	566	2.04	0.70	2.03	0.32%

21. As indicated in Table 5, 125 HHs lost less than 10% of their land, and accounting for 82% of the total AHs.

Table 5 Land Loss Impacts Analysis at HH Level

	Less than 10%	11-30%	31-50%	51-70%	71-99%	Subtotal
Gaojia	96	4	14			114
Zhangmiao	2					2
Xiaodujia	25	5	5			35
Bianjia	2					2
Subtotal	125	9	19			153

3.2 Demolition of Rural Houses

22. There is no demolition of villagers' houses in project plant area. Construction of the connecting road partially affected the houses of 4 HHs in Xiaodujia Village, Sungeng Township. The area of HD is 1,023.34 m², as shown in table 6. Impacts on the house owners are minor since the affected parts of the houses were mainly comprised of storerooms, as shown in figure 4.

Figure 4 Affected Houses



Table 6 Project Housing Demolition Impacts

Project name	Township	Village	Householder	Demolition situation		
				Building type	Building structure	Building area (m ²)
Access road	Sungeng Township	Xiaodujia Village	Han Menghe	Southern house	brick-concrete	404.78
			Han Mengzhong	Southern house 1	brick-concrete	314.12
				Southern house 2	brick-concrete	68.59
			Han Mengxiang	Southern house 1	brick-concrete	50.59
				Southern house 2	brick-concrete	33.73
			Chen Feng	Northern house 1	brick-concrete	151.53
total						1,023.34

3.3 Ground Attachment

23. The project ground attachments mainly include arbor and fruit trees, as shown in table 7.

Table 7 Project-affected Trees

Arbor				Fruit tree			
<5cm	5-10cm	10-20cm	>20cm	Nursery stock	childhood	First fruit	Full fruit
2,876	2,922	1,995	90	0	118	2	0

3.4 Affected Populations

24. LA of the project plant affected 114 HHs and 380 persons in Gaojia Village and LA and HD for the connecting road affected 39 HHs and 156 persons. Totally, 153 HHs with 536 persons were affected, and there was no ethnic minority people affected.

3.5 Vulnerable Groups

25. Among the APs, there are 3 vulnerable people. Two people are disabled; the other one is receiving the minimum living subsidy.

Table 8 Vulnerable Groups

Township	Village	Group	Name	category
Sungeng Township	Gaojia Village	3	Gao Qian	Disabled person
			Gao Qigang	Disabled person
			Wang Fengcheng	Low-income family

4 Socio-economic Survey of Affected Households

4.1 Family Population and Age

26. The 20 sample households have a total population of 110, all of whom are Han people and belong to agricultural population, including 60 men, accounting for 54.54% of the total population, 50 women, accounting for 45.45%, and 88 laborers, accounting for 80%, of which 36 are women, accounting for 32.72% of the total labor force. See Table 9 for the population of the sample households.

Table 9 Population of Sample Households

Item	Nature of household registration		Sex		Labor force		Marital status	
	Agricultural	Nonagricultural	Male	Female	Total	Women	Married	Unmarried
Population	110	0	60	50	88	36	84	26
Percentage (%)	100%	0%	54.54%	45.45%	80%	32.72%	76.36%	23.63%

27. The 110 persons of the 20 sample households include 5 preschool children (less than 7 years old), accounting for 4.54%, 9 children of school age (8-16 years), accounting for 8.18%, 88 laborers (17-60 years), accounting for 80%, and 8 persons above 60 years, accounting for 7.27%. See Table 10 for the age distribution of the sample households.

Table 10 Age Distribution of Sample Households

Age	Population	Percentage
<7	5	4.54%
8-16	9	8.18%
17-60	88	80%
>60	8	7.27%

4.2 Educational Level

28. Among the 110 persons of the 20 sample households, except the 5 preschool children and the 9 children of school age, the remaining 96 persons include 8 illiterates, 28 persons have received primary school education, 60 have received junior school education and 14 have received senior school education. See Table 11 for the distribution of the sample households by educational level.

Table 11 Educational Level of Sample Households

Educational level	Population	Percentage
Illiterate	6	6.25%
Primary school	28	29.16%
Junior high school	48	50.0%
Senior high school	14	14.58%

Educational level	Population	Percentage
Junior college or above	0	0%

4.3 Main Household Properties

29. In 2009, among the sample households, the average possession of electric fans, television sets and telephones was high, while that of personal computers and air-conditioners was low. The total possession and average possession per household of properties of the sample households are shown in Table 12.

Table 12 Average Possession of Properties of Sample Households

Item	Unit	Total number	Average possession per household
Air-conditioner	/	2	10%
Bicycle	/	16	80%
Electric fan	/	34	170%
Radio recorder	/	7	35%
Washing machine	/	18	90%
Television set	/	20	100%
Personal Computer	/	4	20%
Refrigerator	/	13	65%
Tractor	/	1	5%
Motorcycle	/	16	80%
Car	/	0	0%
Telephone	/	26	130%
DVD/VCD	/	12	60%

4.4 Household Income

30. According to an income source analysis, the average gross income of the 20 sample households was RMB 56,325.71 in 2009, in which average agricultural income was RMB 18,572.25, accounting for 32.97%, stockbreeding income was RMB 1,046.11, accounting for 1.85%, employment income was RMB 35,428.79, accounting for 62.89% and being the principal income source, and other income was RMB 1,278.56, accounting for 2.26%. See Table 13 and Figure 5 for the income of the sample households.

Table 13 Income Sources of Sample Households in 2009

Item	Amount (RMB/year)	Percentage (%)
Agricultural income	18,572.25	32.97%
Stockbreeding income	1,046.11	1.85%

Item	Amount (RMB/year)	Percentage (%)
Employment income	35,428.79	62.89%
Other income	1,278.56	2.26%
Total	56,325.71	

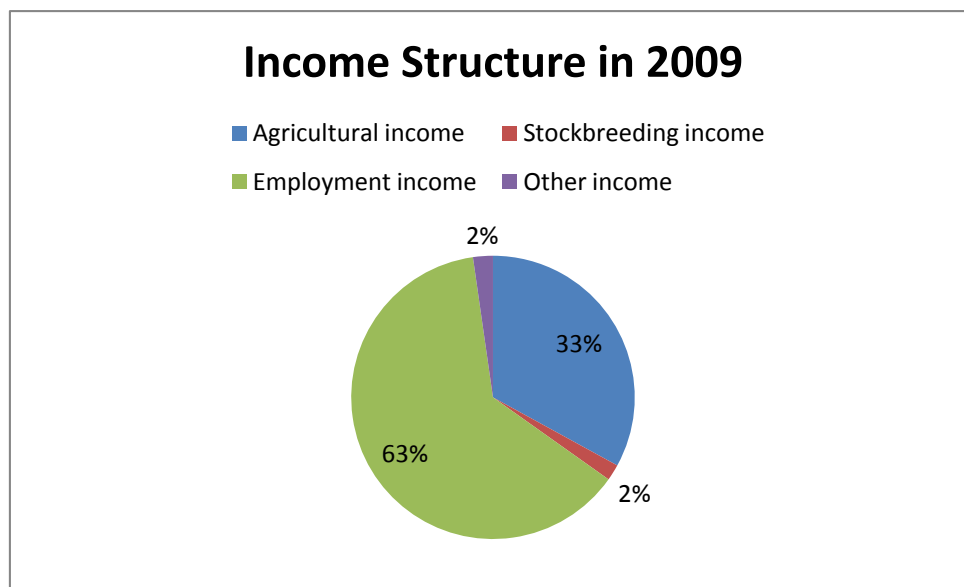


Figure 5 Income Structure of Sample Households in 2009

4.5 Household Expenditure

31. According to an expenditure analysis, the average gross expenditure of the 20 sample households was RMB 16,187.83, in which electricity costs were RMB 1,023.56, accounting for 6.32%, living expenses were RMB 4,318.02, accounting for 26.27%, clothing expenses were RMB 1,028.11, accounting for 6.35%, agricultural expenses were CNY 5,016.90, accounting for 30.99%, educational expenses were RMB 2,130.59, accounting for 13.16%, medical expenses were RMB 1,050, accounting for 6.48%, traffic expenses were RMB 1,145.04, accounting for 7.07%, tax expenses were RMB 50, accounting for 0.30%, and other expenses were RMB 425.61, accounting for 2.63%. See Table 14, Figure 6 for the expenditure of the sample households.

Table 14 Expenditure of Sample Households in 2009

Item	Amount (RMB/year)	Percentage (%)
Electricity costs	1,023.56	6.32%
Living expenses	4,318.02	26.27%
Clothing expenses	1,028.11	6.35%
Agricultural expenses	5,016.90	30.99%
Educational expenses	2,130.59	13.16%

Item	Amount (RMB/year)	Percentage (%)
Medical expenses	1,050	6.48%
Traffic expenses	1,145.04	7.07%
Tax expenses	50	0.30%
Other expenses	425.61	2.63%
Total	16,187.83	

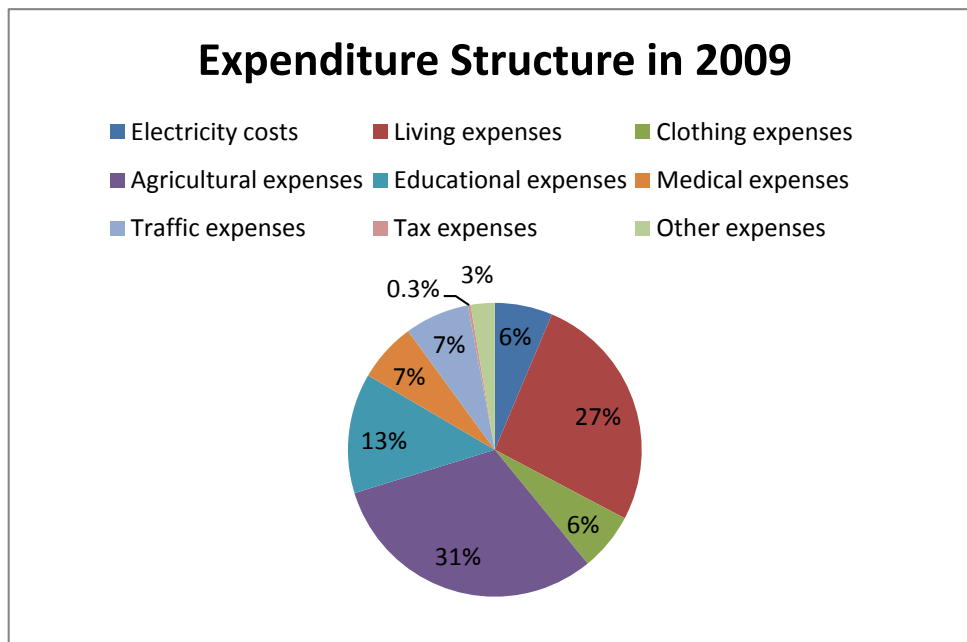


Figure 6 Expenditure Structure of Sample Households in 2009

5 Policies, Compensation & Resettlement

5.1 Legal Framework and Policies

32. Resettlement policy for this project are mainly based on ADB and Chinese relevant laws and policies, including:

A. ADB policies

- ADB's 1995 Involuntary Resettlement Policy
- 2006 OMF2 on Involuntary Resettlement
- The agreed Resettlement Framework (see http://www.adb.org/Documents/Resettlement_Plans/PRC/43901/43901-01-PRC-RP.pdf).

B. Laws and regulations of the PRC

- Land Administration Law of the People's Republic of China (effective from 1 January, 1999, latest version on 28 August, 2004)
- Regulations on Administration of the Housing Demolition and Relocation in Cities (promulgated by Decree No. 305 of the State Council of the People's Republic of China, and effective as of November, 2001)
- The State Council's Decision on Deepening Reform and Managing Strictly Land (State Council made [2004] 28) (effective as of 21 October, 2004)
- Guidelines on Improving the System of Land Acquisition Compensation and Resettlement (the Ministry of Land and Resources made) (effective as of 3 November, 2004)
- Real Rights Law of the People's Republic of China (No. 62 order of the President of the People's Republic of China, and effective as of 1 October, 2007).

C. Policies of Shandong Province

- Standards for Integrated Land Acquisition Prices in Shandong Province (promulgated by Document No.[2009] 20 of the General Office of the People's Government of Shandong Province, and effective as of 1 July, 2009)
- Notice on Adjustment for Output of Acquisition Land and Compensation Standard (promulgated by Document No.[2004] 51 of the General Office of the People's Government of Shandong Province made, and effective as of 1 June, 2004)
- Shandong Province Operational Methods of Basic Old-age Security for affected Farmers (promulgated by Document No.[2004] 15 of Shandong Provincial Labor and Social Security, and effective as of 5 April, 2004)

D. Policies of Jiyang County

- Views of Jiyang County People's Government on the Implementation of a More Active Policy of Employment and Re-employment (Jiyang government made (2009) 20, and effective as of 7 August, 2009)
- Jiyang Affected Farmers Attend Rural Social Endowment Insurance Interim Measures (Jiyang government made [2007] 48, and effective as of 1 January, 2008)
- Description of Jiyang County People's Government on the Legality of Land Acquisition Compensation Standard, the Feasibility of Land Acquisition and Resettlement Ways and the Procedures (Jiyang government made in 30 July, 2009)

5.2 Compensation and Resettlement of Rural Collective Land Acquisition

5.2.1 Compensation Standard

33. According to the "Notice about the Implementation of the Integrated Land Compensation Standard" (Lu Zheng issued [2009] 20) issued by the General Office of Shandong Provincial Government, the integrated land compensation rate in Sungeng Town, Jiyang County was RMB 32,000 per mu. The integrated land compensation fee includes the land compensation and resettlement subsidy.

34. In light of "Notice of Shandong Provincial People's Government Office on the Adjustment of Output Value and Compensation Standards for Acquisition Land", annual output value of land in the region is RMB 1,600 per mu, and this means that the compensation standard for land is 20 times of the Average Annual Output Value (AAOV).

5.2.2 Rehabilitation

35. **(1) Cash compensation plus land readjustment in village.** Xianghuogaojia Village, Zhangmiao Village, Xiaodujia Village and Bianjia Village affected by LA all held a village meeting, and it was agreed that all the villagers decided to adjust the land in the village and divide equally the land compensation.

36. Before land acquisition, per capita arable land holding in Xianghuogaojia Village was 1.94 mu. After land acquisition, this becomes 1.87 mu. In Xiaodujia Village, the per capita arable land holding is changed from 1.21 mu to 1.15 mu after land readjustment, and in Bianjia Village this is changed from 2.04 mu to 2.03 mu. In Zhangmiao Village, the per capita arable land holding after land readjustment is 1.56 mu and this is the same as before, because only 0.21 mu land was acquired.

37. **(2) Employment opportunities in construction period and operation period.** In the period of project construction, the affected farmers were provided priorities to get the temporary job opportunities, which included painting the factory plant and the average daily income was RMB 100-120. Some affected farmers were engaged in technical jobs and average daily income was RMB 150.

38. After the project is in operation, affected farmers will be provided such as cleaning, greening and other jobs. Every year, Jiyang Human Resources and Social Security Bureau and the Sungeng Town Government organizes professional skills training, and also provides employment information and employment opportunities to farmers to promote the employment of rural labor force.

Interview Case

Date: March 24, 2011

Place: Project site

Interviewee: Mr.Jiao,Deputy Project Manager of Zibo Construction Group

Question: Did the construction unit hire local villagers?

Answer: We started the construction in February 2009, and since that time, the construction headquarters are actively contact with Sungeng Town government to provide temporary job opportunities to local farmers, especially the farmers affected by land acquisition. Under the same conditions, the affected farmers have priorities to get job opportunities.

Question: Number of employees, type of work and wage?

Answer: In the year 2010, temporary workers were approximately 150. At present, the project construction comes to the end, and there are nearly 80 people are still working in the plant. Female workers account for 15%, and there are about 30 skilled workers. These workers come from several villages of Sungeng Town, especially Xianghuogaojia Village affected by land expropriation. Their wages are daily settled. Most of the un-skilled workers do the painting work for the plant building. Daily wage for un-skilled worker is in the range of RMB 100 to 120 and skilled workers have an income of RMB 150 per day. They are also provided lunch at the site.

Question: Are there ethnic minority workers? Are there any specific policies?

Answer: Currently there are about 10 minority workers recruited, all Hui Muslim. They come from some villages of Sungeng Town, and these villages are not affected by land expropriation, Their work and wages are the same with Hans. These ethnic workers go home to have lunch because they need Muslim food. Their home is not far away and also we provide some subsidy to them, so they are very satisfied with this.

39. To strengthen the employment and re-employment, Jiyang County government issued "Views of Jiyang County People's Government on The Implementation of a More Active Policy of Employment and Re-employment", and "Implementation Views on Strengthening Training Work of Employment". Affected farmers also can benefit from these policies. Government provides guidance to affected farmers to develop characteristic agriculture, agricultural processing and rural services, etc. The farmers were given skill training and training on starting businesses to enhance their abilities to get non-agricultural employment opportunities. The subsidy for the training on starting businesses is RMB 1,300. The farmer can get RMB 500 firstly after the training and the business plan is accepted by the experts. The remaining RMB 800 will be allocated when the farmer get the business license within one year. In addition, the farmers affected by LA can get RMB 260 employment training subsidies.

40. **(3) Social Pension Insurance of the Farmers Lost Land.** The affected farmers who received the land compensation fees and met the relevant conditions can also participate in social pension insurance.

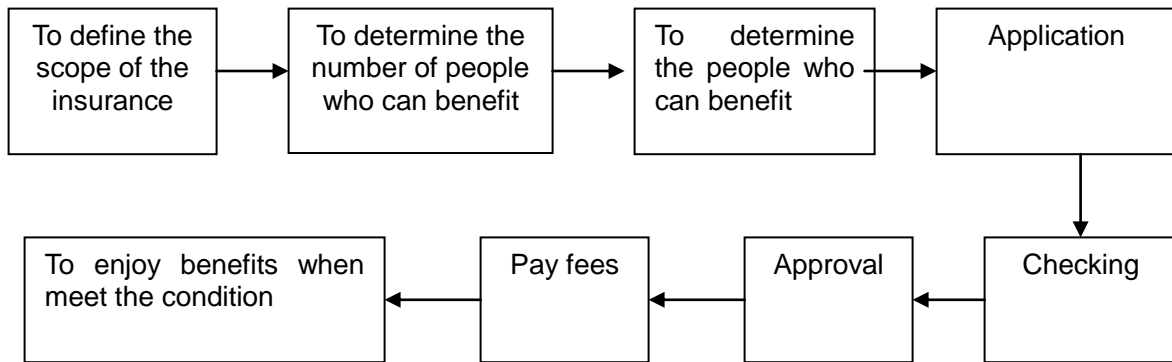


Figure 7 Procedures for the Social Pension Insurance

41. According to the Notice of General Office of Jinan City People's Government on Implementation Guideline of Rural Social Pension Insurance, a village meeting was held to discuss the specific persons who can be enrolled into the social pension insurance. The name list was finalized after publicity. This project involved a total of 15 people enrolled into the social pension insurance after finishing the procedures indicated in the Figure 6.

42. The cost of the farmers lost land pension cost was paid by the individuals, village collectivity and the government. The government took 30% of the total cost, and the government's part came from the income of selling the land. The individuals and the village collectivity paid 70%, subtracting from the land compensation fees and resettlement fees. The total cost for the 15 people was RMB 313,200, and was included into the total LA costs.

43. The payment and receiving mode is introduced in table 15. When man is 60 years old and woman is 55 years old, they can start to get the pension.

Table 15 Payment and Receiving Mode Table

Degree of land loss	Total cost for the pension	The amount paid by individual and village collective	The amount paid by government	Standard of receiving pension benefits per month	
				Required fee is fully paid	Required fee is not fully paid
Partial loss land farmers	The monthly local minimum living standard of urban residents on the date of approval of LA program x contribution years x12 (months)xindividual acquired land proportion	The monthly local minimum living standard of urban residents on the date of approval of LA program x contribution years x12 (months) x individual land loss proportion x 70%	The monthly local minimum living standard of urban residents on the date of approval of LA program x 12 (months) x individual land loss proportion x 30%	Local monthly minimum living standard of urban residents x accumulated individual acquired land proportion x 110%; increasing 5% per year from the second year to receive pensions; adjust on January 1 each year	Local monthly minimum living standard of urban residents x accumulated individual land lost proportion x 110%

5.3 Housing Compensation and Relocation for Rural Residents

5.3.1 Compensation Standard

44. In accordance with the principle of replacement value and consultation with the APs, the following compensation standards for demolished houses were adopted.

Table 16 Housing Compensation Standards of Rural Residents

Num	Name	Class Specifications	Compensation Standard	Remark
1	Housing	Steel-concrete structure	RMB 750-1,100 /m ²	1. The compensation standard for simple shed and housing is RMB 100/m ² . 2. The compensation for door is the same as the housing structure standard.
		Brick-concrete structure (storied house)	RMB 600-900 / m ²	
		Brick-concrete structure (bungalow)	RMB 450-600 / m ²	
		Half-timbered	RMB 450-500 / m ²	
		Simple structure	RMB 200-250 / m ²	
2	Enclosure	Height of brick wall of basic rocks > 2.5m	RMB 120-150 /m	
		Height of brick wall of basic rocks > 2-2.5m	RMB 90-130 /m	
		Height of brick wall of basic rocks > 1-2m	RMB 80-120 /m	
		Height of brick wall of basic rocks > 1.5-2.5m	RMB 50-70 /m	
3	Floor	Cement floor	RMB 20-30 / m ²	
		Field floor	RMB 15-20 / m ²	
		Cement floor	RMB 40-60 / m ²	

5.3.2 Implementation Procedure

45. The Jiyang county government implemented the HD based on the following procedures:

- Jiyang government issued the demolition notice in March 2010, including the purpose of the demolition, red line, affected areas, and policies. And the notice was disclosed in the village.
- Housing value assessment was undertaken by a real estate appraisal and surveying company in March 2010.
- The house's owner signed to confirm the compensation value and got the compensation in March 2010. The signed table for HD is shown in appendix 2.

5.3.3 Relocation

46. For the affected 4 HHs, their housings were just partially demolished, and the demolished houses were not for living, so the 4 residents' production and living was not affected.

47. Local government has consulted the villagers, and all 4 HHs preferred to get cash compensation. And all the houses didn't need to be reconstructed.

5.4 Compensation for Ground Attachment

48. The Jiyang government gave compensation for ground attachments to the villagers, according to "The reply of Shandong Provincial Price Bureau, Shandong Provincial Department of Finance on the Adjustment of Land Acquisition Compensation for Ground Attachments and Young Crops Approved Standards of Jinan City and Other Two Cities", and "Ground Attachments and Young Crops Compensation for Land Acquisition Standards of Jinan City". Specific compensation standards are set out in the table below. All compensation standards are based on replacement cost or market value.

Table 17 Table Compensation Standards of Ground Attachments

No.	Name	Class Specification	Compensation Standard	Remark
1	Arbor	Breast-height diameter < 5cm (young tree, pine tree < 3cm)	RMB 2-6 /each	Trees were returned back to their owners.
		Breast-height diameter 5-10cm (pine tree 3-6cm)	RMB 20-40 /each	
		Breast-height diameter 10-20cm (pine tree 6-10cm)	RMB 40-50 /each	
		Breast-height diameter > 20cm (pine tree > 10cm) standing timber	RMB 50-60 /each	
		First-fruit period		
		Full-fruit period		
2	Fruit tree	Nursery stock	RMB 2-4 /each	1. Including apple, apricot, peach, pear, jujube, persimmon, hawthorn, cherry, chestnut, etc. 2. Fruit trees were planted in accordance with the scientific principles. There are less than 120 trees per mu. 3. Trees were returned to their owners.
		Juvenile stage (Distinguish between species)	RMB 20-40 /each	
		First-fruit period (Distinguish between species)	RMB 160-260 /each	
		Full-fruit period (Distinguish between species)	RMB 300-600 /each	
		Old-fruit period (Distinguish between species)	RMB 120-260 /each	

5.5 Vulnerable Groups

49. The following measures were provided to the affected 3 vulnerable persons:

- In the process of land adjustment, they had priorities to select location of the land;
- Job opportunities were provided to the family members.

50. In the operation period, they can have priorities to get job opportunities, especially the unskilled job.

5.6 Entitlement Matrix

Table 18 Entitlement Matrix

Type of Impact Category	Area Affected	Affected People	Policy of Compensation and Resettlement	Standard
Collective Land Acquisition	11.945 hectares	153 HHs, 536 persons	<ul style="list-style-type: none"> ● Received area integrated compensation fee, which include land compensation fees and resettlement subsidies; ● compensation fees of young crop and ground attachments were paid to their owner; ● Adjusted the land in the village group; ● According to application, public notice, 15 APs were enrolled into the rural pension insurance system; ● Provided skill training by local government; ● Priority to get job opportunities during construction and operation period. 	RMB 32,000 per mu
Rural Residential Housing Demolition	1,046.94m ²	4 HHs, 15 persons	Received house compensation at replacement cost.	Table 16
Ground Attachments		Owner	The compensation for ground attachments was paid at replacement cost.	Table 17

6 Compensation Funds

6.1 Amount of the Funds

51. The total cost of this project for LA and resettlement is RMB 8,280,077. The LA compensation is RMB 7,959,954, as shown in Table 19.

Table 19 Land Compensation Cost of the Project (Unit: RMB)

Item		Cost	Total	
LA	Land Compensation and Resettlement Subsidy	3,837,600	4,361,880	7,959,954
	Compensation for Standing Crops	261,074		
	Compensation for Ground Attachments	263,206		
Tax and Fee	Management Fees for LA	120,089	3,284,474	
	Land Reclamation Fee	1,165,635		
	Cultivated Land Occupation Tax	1,998,750		
Social Security Cost		313,200	313,200	

52. The total compensation for demolition for four HHS is RMB 322,074. The houses were evaluated by Jiyang Hengtong Real Estate Appraisal Firm Co., Ltd. The specific compensation of each household is shown in Table 20:

Table 20 Housing Compensation Cost (Unit: RMB)

No.	Head of the Household	Compensation
1	Han Menghe	129,236
2	Han Mengzong	119,682
3	Han Mengxiang	26,855
4	Chen Xiang	46,301
Subtotal		322,074

6.2 Process for Paying Funds

53. The funds for this project were paid to the Land and Resources Bureau of Jiyang County by the headquarters of this project. In the implementation process, the compensation for LA and demolition was paid to the affected villages and individuals in accordance with the agreement made between the AHs and Land and Resource Bureau of Jiyang County and Sungeng Town Government on the basis of the compensation standards. The compensation fees for LA of this project had been paid in July-August, 2009. And the demolition compensation had been paid in March, 2010.

7 Public Participation, Consultation and Information Disclosure

54. Before and during the process of implementing LA and demolition, Jinan City Appearance & Environmental Sanitation Administration Bureau, Land and Resources Bureau of Jiyang County, Sungeng Town Government, Xianghuogaojia Village and other relevant units held a number of public participation activities.

7.1 Public Participation during Project Preparation Period

(1). Organized Hearing about Adjusting Programs of General Land Using

55. On September 23, 2008, Land and Resources Bureau of Jiyang County held a hearing about adjusting the programs of general land using for the Jinan City Second Domestic Waste Comprehensive Treatment Plant (waste-to-energy plant). Among the 13 participants, there were 5 representatives of government departments, and 3

officers were from Sungeng township government, and there were 5 villagers from affected Xianghuogaojia village. The county land resource bureau posted the notice of the hearing in Xianghuogaojia Village on August 23, 2008 and also sent the hearing materials to representatives 10 working days ahead of the hearing was held. All participants had full civil capacity, and they knew this project. 13 representatives had no objections to the project itself and the land adjustment plan, and they agreed the projects to be implemented.

(2) Organized Hearing about Environmental Assessment



Figure 8 Notice of Environmental Assessment Hearing on Jinan Government Website

56. On February 20, 2009, a public participation meeting was held in the conference room of Jiyang County Government about environmental impact assessment of the Project. Before the meeting, the public participation notice had been posted on the website of Jinan municipal government, as shown in Figure 8. There were totally 36 representatives participated in the meeting, and they were from Jiyang County Government, Jinan City Environmental Protection Bureau, Jinan City Sanitation Bureau, Jiyang County Development and Reform Commission, Jiyang County Environmental Protection Bureau, Jiyang County Planning Bureau, Jiyang County Construction Bureau, Jiyang County Land Resource Bureau, Jiyang County Water Resource Bureau, Sungeng Town Government, Environmental Development Center of Ministry of Environmental Protection, Xianghuogaojia Village, Wanxing Village, Zhangmiao Village, Xiaodu Village, Bianjia Village, Sungeng Street and Xiyang Village. After listening to the Environmental Impact Assessment (EIA) reports, the representatives expressed their opinions from the angle of sector management. The construction unit and EIA unit answered the questions raised by the representatives of the villagers.

(3) Organized the Villagers to Visit the WTE Plants in Operation

57. To make villagers further understand the operating process of WTE plant and the feasibility and security of the Project, and to dispel the misgivings on environmental impacts, EB Energy (Jinan) Ltd organized representative of the affected villagers to visit the WTE plant which were built in Shanghai, Tianjin and Suzhou on January 14, 2008, and they answered the villagers' questions on-site. This practice was accepted by the local villagers, and eliminated the villagers' misunderstanding to the plant in some degree.

7.2 Public Participation During of Land Acquisition Implementation

58. (1) Information Distribution. Before approving LA according to the law, Land and Resources departments of Jiyang County distributed the information about the usage, location, compensation standard for LA and resettlement way to the affected rural collective economic organizations and farmers in written form.

59. (2) Confirmation of the result of the detailed measure survey (DMS). Land and Resources departments of Jiyang County surveyed the ownership, type, area of the acquired land and the ownership, kind and quantity of attachments, and the results of the survey were all confirmed by the affected rural collective economic organizations, farmers and people who have property rights to ground attachments.

60. (3) Organized LA hearing. According to the procedures and requirements of 'the Hearing Provisions of Land Resources', the written notification of LA hearing was submitted to the Xianghuagaojia village to inform them a hearing of the project LA program can be held. According to the internal discussion by the village committee and the representatives of the affected farmers, they thought that (1) LA of this project was consistent with the national and provincial and municipal laws; (2) the RMB 32,000 per mu of integrated acquisition price met the legal requirements and local conditions, so they decided to give up to participate the hearing.

61. (4) Identified the vulnerable groups. Sungeng Town Government and Xianghuogaojia Village held several village meetings to identify and confirm the vulnerable group of the project-affected areas, and took full account of the needs of the vulnerable groups and offered proper care.

8 Grievance Redress Mechanism

62. In order to address issues effectively, and ensure the successful implementation of project construction and LA, a transparent and effective grievance redress mechanism has been established, as shown in Figure 9. The basic means of appeal is as follows:

63. Stage 1: If any displaced person is dissatisfied with the resettlement implementation, he/she can report this to village committee orally or in writing. In case of an oral appeal, the village committee shall make a disposition and keep written records. Such appeal should be solved within 2 weeks;

64. Stage 2: If the displaced person is dissatisfied with the disposition of Stage 1, he/she may file an appeal to the township government after receiving such disposition, which shall make a disposition within 2 weeks;

65. Stage 3: If the displaced person is dissatisfied with the disposition of Stage 2, he/she may file an appeal to the Jinan City Land and Resources Bureau or Jiyang County Government after receiving such disposition, which shall make a disposition within 30 days;

66. Stage 4: If the displaced person is still dissatisfied with the disposition of Stage 3, he/she may apply for administrative reconsideration with the Jinan City Government or file an administrative action in the people's court in accordance with the Civil Procedure Law of the PRC after receiving such disposition.

67. Displaced persons may file an appeal on any aspect of resettlement, including compensation rates, etc. The above means of appeal, and the names, locations,

persons responsible and telephone numbers of the appeal accepting agencies have been communicated to the displaced persons at a meeting, through an announcement, so that the displaced persons know their right of appeal.

68. All agencies will accept grievances and appeals from the affected people for free, and costs so reasonably incurred will be disbursed from the contingency costs. During the whole construction period of the Project, these appeal procedures will remain effective to ensure that the affected people can use them to address relevant issues.

69. As shown in Table 21, persons in charge of handling grievances and complaints of APs are listed.

Table 21 Persons in Charge of Handling Grievances and Complaints

No.	Location	Name	Unit	Position
1	Jiyang County	Li Xincheng	Project Headquarters	Head of LA and HD Group
		Section chief Chen	LA Section of Land and Resources Bureau	Section Chief
		Ma Ke	Bureau of Civil Affairs	Deputy Director General
		Dong Chengjie	Bureau of Human Resources and Social Security	Office Director
2	Sungeng Town	Wang Shuzeng	Government of Sungeng Town	Deputy Director of Township Government
3	Gaojia Village	Gao Jianmin	Gaojia Village	Village Secretary

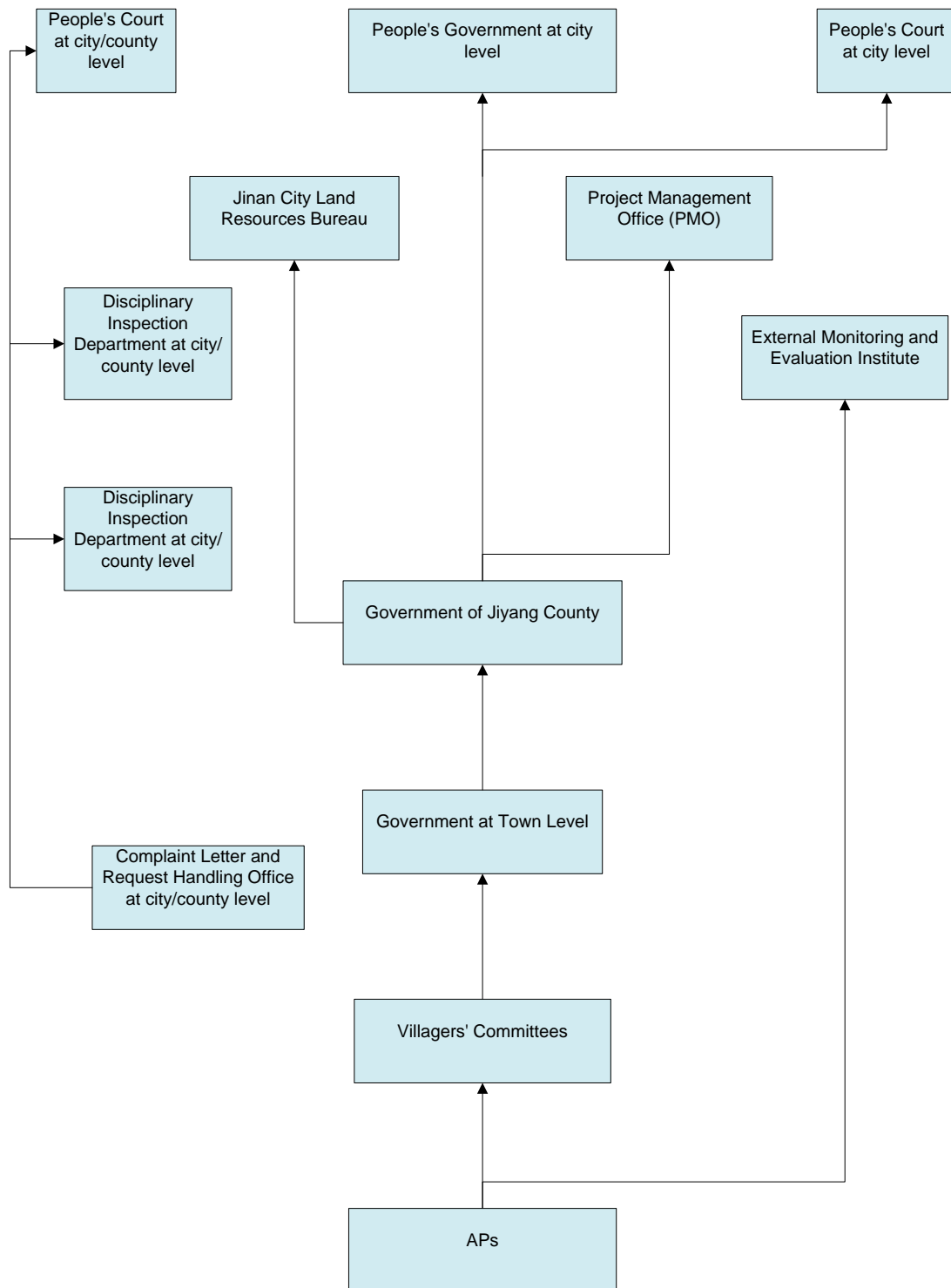


Figure 9 Grievance Redress Procedures

9 Institutions

9.1 Relevant Institutions of Land Acquisition and House Demolition

70. The departments responsible for planning, implementation, management, and monitoring of the Jinan ADB loan project component resettlement activities are:

- Site PMO
- Land Resource Bureau of Jiyang County
- Human Resource and Social Security Bureau of Jiyang County

- Government of Sungeng Town
- Village Committee of Xianghuogaojia Village
- National Research Center for Resettlement (NRCR)

71. Site PMO

- Studying relevant policies of LA; formulate relevant plans of LA and HD and compensation for young crops.
- Demolishing unlicensed constructions in the project area, freeze, sound out, evaluate, remove and resettle the villagers' houses, and go through the formalities of HD and LA;
- Organizing the management meeting of LA and demolition, handle problems during the process; examine the policy implementation;
- Examining and verify compensation funds;
- Handling problems during LA and demolition of buildings and constructions, listen to public opinions and greet the visits.

72. Land and Resources Bureau of Jiyang County

- Going through the formalities, examine, approve and coordinate the management, supervision and arbitration, distribute the compensation.

73. Human Resources and Social Security Bureau of Jiyang County

- Handling rural social old-age pension insurance for land-loss peasants, organize professional technical training for affected peasants, provide channels and information of employment.

74. Government of Sungeng Town

- Assisting in specific matters, deal with problems during the process, sign agreements of LA with affected villages, sign agreements of HD with AHs, assist the distribution of the compensation.

75. Villagers' committee of Xianghuogaojia Village

- Assisting in the survey and confirmation of the construction scale and survey, assist in LA and demolition and resettlement, assist in dealing with problems during the process, get the villagers' representatives together to publicize the situation.

76. NRCR

- Carrying out external monitoring and evaluation of LA and demolition and resettlement.

9.2 Capacity Strengthening of Institutions

77. In order to strengthen the capacity of resettlement institutions, relevant institutions mainly have taken measures as follows:

(1) Defined the responsibilities and scope of duty of all resettlement agencies, and strengthen supervision and management;

(2) Improved the strength of all resettlement agencies gradually, especially technical strength; all staff must attain a certain level of professional proficiency and management level; improve their technical equipment, such as PC, monitoring equipment and means of transportation, etc.;

(3) Selected staff strictly, and strengthen operations and skills training for management and technical staff of all resettlement agencies to improve their professional proficiency and management level;

(4) Appointed women officials appropriately, and give play to women's role in resettlement implementation;

(5) Established a database and strengthen information feedback to ensure a smooth information flow, and leave major issues to the Leading Group;

(6) Strengthened the reporting system and internal monitoring, and solve issues timely;

(7) Established an external Monitoring and Evaluation (M&E) mechanism and an early warning system.

10 Monitoring and Evaluation

78. In order to ensure that acquisition and demolition were implemented in accordance with the relevant policies of ADB and resettle APs appropriately, based on the relevant policies and requirements of ADB, its implementation is being monitored and evaluated regularly in the project.

79. The external monitoring agency will conduct follow-up M&E of resettlement activities periodically, monitor resettlement progress, quality and funding, and give advice. It shall also conduct follow-up monitoring of the displaced persons' production level and standard of living, and submit M&E reports to ADB.

10.1 Scope and Methodology of External Monitoring and Evaluation

80. Baseline survey. The external monitoring agency will conduct a baseline survey of the affected villages and villager teams affected by LA to obtain baseline data on the monitored displaced households' production level and standard of living. The production level and standard of living survey will be conducted annually to track variations of the displaced persons' production level and standard of living. This survey will be conducted using such methods as panel survey (sample size: 20% of the households affected by LA and HD, 50% of the affected villages which will be sampled randomly), random interview and field observation to acquire necessary information. A statistical analysis and an evaluation will be made on this basis.

81. Periodic M&E. The external monitoring agency will conduct periodic follow-up resettlement monitoring by means of field observation, panel survey and random interview:

- Payment and amount of compensation funds;
- Training;
- Support for vulnerable groups;
- Restoration and rebuilding of infrastructure and special facilities;
- Production resettlement and restoration;
- Compensation for lost properties;
- Compensation for lost working hours;
- Timetables of the above activities (applicable at any time);
- Resettlement organization;
- Use of compensation fees for collective land and income of displaced persons;
- Income growth of labor through employment.

82. Public consultation. The external monitoring agency will attend public

consultation meetings held during resettlement implementation to evaluate the effectiveness of public participation.

83. Grievance redress. The external monitoring agency will visit the affected villages periodically and inquire the township governments, village committees and resettlement agencies that accept grievances about how grievances have been handled. It will also meet complainants and propose corrective measures and advice for existing issues so as to make the resettlement process more effectively.

10.2 Reporting of External Monitoring

84. The external monitoring agency will submit a monitoring or evaluation report to ADB based on the table 22.

Table 22 Resettlement Monitoring and Evaluation Timetable

	Resettlement report	Date
1	Socioeconomic Baseline Survey	June 2011
2	Monitoring Report No.1	July 2011
3	Monitoring Report No.2	July 2012
4	Monitoring Report No.3	July 2013

11 Conclusion

85. LA and Resettlement Progress:

All domestic land approval procedures were finished in June 2009.

- The DMS was implemented in April 2009; the LA agreement was signed in July 2009; all land compensation was paid before the end of August 2009.
- All compensation and procedures are consistent with ADB and PRC policies.
- All APs were satisfied with the compensation standards, and the external M&E agency will further pay attention to the income restoration of the APs.

86. In conclusion, (i) the project (the plant and the road) did not have a significant impact on livelihoods of affected people in all the villages, (ii) the rehabilitation program being implemented by the local government is adequate, and there isn't a need for the the Project Company to implement prepare and implement a livelihoods restoration plan in addition to the activities being done by the local government.

87. House Demolition and Compensation:

The HD agreements were signed in March 2010 and all compensation were paid to the AHs in March 2010 before demolishing the houses. It was confirmed that there were no outstanding issues or grievances with respect to the compensation.

88. Public Participation:

During the period of preparation and implementation, the project unit has organized several public participation activities aiming at matters that the APs are caring for, such as environmental influence, specific quantity measuring, compensation standards and the payment of compensation.

89. Grievance and Complaint:

Grievance and complaint channels are smooth and the APs are aware of the means by which they can air their grievance.

Appendix 1: Relevant Regulations

The Relevant Regulations in *Land Administration Law of the People's Republic of China*

Ownership of Land and Rights to the Use of Land

Article 8 Land in the urban areas of the cities is owned by the State.

Land in rural and suburban areas is owned by peasant collectives, except for those portions of land which belong to the State as provided for by law; house sites and private plots of cropland and hilly land are owned by peasant collectives.

Article 10 Land owned by peasant collectives that belong lawfully to peasant collectives of a village shall be operated and managed by collective economic organizations of the village or by villagers committees; land already owned by different peasant collectives that belong to two or more different collective economic organizations in the village shall be operated and managed by the rural collective economic organizations in the village or by villager's groups; land already owned by a peasant collective of a township (town) shall be operated and managed by the rural collective economic organization of the township (town).

Article 11 Land owned by peasant collectives shall be registered with and recorded by people's governments at the county level, which shall, upon verification, issue certificated to confirm the ownership of such land.

Land owned by peasant collectives to be lawfully used for non-agricultural construction shall be registered with and recorded by people's governments at the county's level, which shall, upon verification, issue certificates to confirm the right to the use of land for such construction.

State-owned land to be lawfully used by units or individuals shall be registered with and recorded by people's government at or above the county level, which shall, upon verification, issue certificates to confirm their rights to the rights to the use of such land to be used by central or State organs shall be determined by the State Council.

Ownership or the right to the use of forest land or grassland and the right to the use of water surfaces or tidal flats for aquaculture shall be confirmed respectively in accordance with the relevant provisions of the Forestry Law, the Grassland Law and the Fisheries Law of the People's Republic of China.

Article 12 Any change to be lawfully made in land ownership, in the right to the use of land or in the purpose of use of land shall be registered.

Article 13 The lawfully registered ownership of land and right to the use of land shall be protected by law and may not be infringed upon by any units or individuals.

Article 14 Land owned by peasant collectives shall be operated under a contract by members of the economic organizations of the peasant collective for crop cultivation, forestry, animal husbandry or fishery. The duration of such contract is 30 years. The party that gives out a contract and the party that undertakes it shall sign a contract in which to stipulate the rights and obligations of both parties. A peasant who undertakes to operate a piece of land under a contract shall have the obligation to protect the land and rationally use it in conformity with the purpose of use provided for in the contract. The rights of a peasant to operate land under a contract shall be protected by law.

Within the duration of the contract for operation of land, any appropriate readjustment of the land between individual contractors shall be made with the agreement of at least two-thirds of the members of the villagers assembly or of the representatives of

villagers and the matter shall be submitted to the township (town) people's government and the agriculture administration department of the people's government at the county level for approval.

Overall Plan for Land Utilization

Article 19 Overall plan for land utilization shall be drawn up in accordance with the following principles:

- (1) strictly protecting the capital farmland and keeping land for agriculture under control lest it shall be occupied and used for non-agricultural construction;
- (2) increasing the land utilization ratio;
- (3) making overall plans for the use of land for different purposes and in different areas;
- (4) protecting and improving ecological environment and guaranteeing the sustainable use of land; and
- (5) Maintaining balance between the area of cultivated land used for other purposes and the area of land developed and replaced.

Article 22 The area of land to be used for urban construction shall conform to the norm set by State regulations. Attention shall be paid to making full use of the existing land earmarked for construction and using little or no land earmarked for agriculture. The overall plans of cities and the plans of villages and towns shall be dovetailed with the overall plan for land utilization, and the area of land to be used for construction fixed in the former shall not exceed the area fixed in the latter for the cities, villages and towns.

Article 24 People's governments at all levels shall exercise close supervision over the plans for land utilization and keep control over the total area of land to be used for construction.

Article 26 Any revision of an approved over all plans for land utilization shall be subject to approval by the organ that originally approved the plan; without such approval, no change may be made in the purposes of land use as defined in the overall plan for land utilization.

Where a change needs to be made in an overall plan for land utilization to meet the demand for land for the construction of such large infrastructure projects as energy, communications or water conservancy projects that have been approved by the State Council, it shall be made in accordance with the document of approval issued by the State Council.

Protection of Cultivated Land

Article 31 The State protects cultivated land and strictly restricts conversion of cultivated land to non-cultivated land.

The State applies the system of compensation for use of cultivated land for other purposes. The principle of "reclaiming the same area of land as is used" shall be applied to any unit that, with approval, uses cultivated land for construction of non-agricultural projects, that is, the unit shall be responsible for reclaiming the same area and quality of the cultivated land it uses. If conditions for such reclamation do not exist or if the reclamation in accordance with the regulations set by people's governments of provinces, autonomous regions and municipalities directly under the Central Government, and the money shall exclusively be used for reclamation.

Article 32 Local people's governments at or above the county level may require the units that wish to use cultivated land to move the cultivated layer of cultivated

land to the reclaimed land or to land of inferior quality, or to other cultivated land for improving soil.

Article 33 People's governments of provinces, autonomous regions and municipalities directly under the Central Government shall strictly implement the overall plans and yearly plans for land utilization and take measures to ensure that the total area of cultivated land within their administrative regions remains unreduced. Where the total area of cultivated land is reduced, the State Council shall order the government concerned to reclaim land, within a time limit, of the same quality and area as is reduced, and the land administration department together with the agriculture administration department under the State Council shall inspect the land reclaimed before acceptance. Where individual governments of provinces or municipalities directly under the Central Government, for lack of land reserves, cannot reclaim enough land to make up for the cultivated land they used for additional construction projects, they shall apply to the State Council for approval of their reclaiming less or no land within their own administrative regions and of their reclaiming land in other regions.

Article 36 In non-agricultural construction, attention shall be paid to economizing on the use of land. Where wasteland can be used, no cultivated land may be used; where land of inferior quality can be used, no land of superior quality may be used.

Article 41 The State encourages land revitalization. County and township (town) people's governments shall make arrangements for rural collective economic organizations to conduct, in accordance with overall plans for land utilization, all-round improvement of the fields, water conservancy, roads and forests and development of the villages in order to improve the quality of the cultivated land, increase the efficient area of cultivated land and better the conditions of agricultural production and the ecological environment.

Local people's governments at all levels shall take measures to transform the medium and low-yield fields and improve idle and waste land.

Article 42 Land users that cause damage to land as a result of digging, subsiding or crumbling under heavy weight shall be responsible for recultivating the land in accordance with the relevant regulations of the State. Where conditions do not permit such recultivation or the land recultivated does not meet the requirements, the user shall pay charges for recultivation, which shall exclusively be used for the purpose. The land recultivated shall first be used for agriculture.

Land to Be Used for Construction

Article 43 All units and individuals that need land for construction purposes shall, in accordance with law, apply for the use of State-owned land, with the exception of the collective economic organizations and peasants of such organizations that have lawfully obtained approval of using the land owned by peasant collectives of these organizations to build township or town enterprises or to build houses for villagers and the units and individuals that have lawfully obtained approval of using the land owned by peasant collectives to build public utilities or public welfare undertakings of a township (town) or village.

"The State-owned land" mentioned in the preceding paragraph includes land owned by the State and land originally owned by peasant collectives but expropriated by the State.

Article 44 Where land for agriculture is to be used for construction purposes, the formalities of examination and approval shall be gone through for the conversion of

use.

Where land for agriculture is to be converted to land for the construction of road, pipeline or large infrastructure projects, for which approval has been obtained from people's governments of provinces, autonomous regions and municipalities directly under the Central Government, or for the construction of projects for which approval has been obtained from the State Council, the conversion shall be subject to approval by the State Council.

Where land for agriculture is to be converted to land for construction of projects in order to carry out the overall plan for land utilization within the limits of the area of land fixed in the plan for construction projects of cities, villages or towns, the conversion of use of land shall, in accordance with the yearly plan for land utilization, be subject to approval in batches by the organ that originally approved the overall plan for land utilization. Land to be used for construction of specific projects within the limits of the area of land for agriculture, conversion of the use of which has been approved, may be subject to approval by people's governments of cities or counties.

Where land for agriculture is to be converted to land for construction projects other than what is provided for in the second and third paragraphs of this Article the conversion shall be subject to approval by people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 45 Acquisition of the following land shall be subject to approval by the State Council:

(1) Capital farmland;

(2) Cultivated land, not included in capital farmland, that exceeds 35 hectares;

Acquisition of land other than that provided for in the preceding paragraph shall be subject to approval by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government and be submitted to the State Council for the record.

Land for agriculture shall be expropriated after conversion of use of the land is examined and approved in accordance with the precisions in Article 44 of this law. Where conversion of use of such land is subject to approval by the State Council, acquisition of the land shall be examined and approved at the same time, and there is no need to go through the formalities of examination and approval for the acquisition separately. Where conversion of use of land is subject to approval by people's governments of provinces, autonomous regions and municipalities directly under the Central government within the limits of their approval authority over the acquisition of land, acquisition of the land shall be examined and approved at the same time, and there is no need to go through the formalities of examination and approval for the acquisition separately; if the land to be expropriated is beyond the limits of their approval authority, it shall be examined and approved separately in accordance with the provisions of the first paragraph in this Article.

Article 46 Where land is to be expropriated by the State, the acquisition shall, after approval is obtained through legal procedure, be announced by people's governments at or above the county level, which shall help execute the acquisition.

Units and individuals that own or have the right to the use of the land under acquisition shall, within the time limit fixed in the announcement, register for compensation with the land administration department of the local people's government by presenting their certificates of land ownership or land-use right.

Article 47 Land expropriated shall be compensated for on the basis of its original purpose of use.

Compensation for expropriated cultivated land shall include compensation for land, resettlement subsidies and compensation for attachments and young crops on the acquired land. Compensation for expropriated cultivated land shall be six to ten

times the average yearly output value of the expropriated land, calculated on the basis of three years preceding such acquisition. Resettlement subsidies for expropriated cultivated land shall be calculated according to the agricultural population needing to be resettled. The agricultural population needing to be resettled shall be calculated by dividing the area of expropriated cultivated land by the average area of the original cultivated land per person of the unit the land of which is expropriated. The standard resettlement subsidies to be divided among members of the agricultural population needing resettlement shall be four to six times the average yearly output value of the expropriated cultivated land calculated on the basis of three years preceding such acquisition. However, the maximum resettlement subsidies for each hectare of the expropriated cultivated land shall not exceed fifteen times its average yearly output value calculated on the basis of three years preceding such acquisition.

Rates of land compensation and resettlement subsidies for acquisition of other types of land shall be prescribed by provinces, autonomous regions and municipalities directly under the Central Government with reference to the rates of compensation and resettlement subsidies for acquisition of cultivated land.

Rates of land compensation and resettlement subsidies for acquisition of other types of land shall be prescribed by provinces, autonomous regions and municipalities directly under the Central Government with reference to the rates of compensation and resettlement subsidies for acquisition of cultivated land.

For acquisition of vegetable plots in city suburbs, the land users shall pay towards a development and construction fund for new vegetable plots in accordance with the relevant regulations of the State.

If land compensation and resettlement subsidies paid in accordance with the provisions of the second paragraph in this Article are still insufficient to enable the peasants needing resettlement to maintain their original living standards, the resettlement subsidies may be increased upon approval by people's governments of provinces, autonomous regions and municipalities directly under the Central Government. However, the total land compensation and resettlement subsidies shall not exceed 30 times the average yearly output value of the expropriated land calculated on the basis of three years preceding such acquisition.

The State Council may, in light of the level of social and economic development and under special circumstances, raise the rates of land compensation and resettlement subsidies for acquisition of cultivated land.

Article 48 Once a plan for compensation and resettlement subsidies for acquisition of land is decided on, the local people's government concerned shall make it known to the general public and solicit comments and suggestions from the collective economic organizations, the land of which is acquisitioned, and the peasants.

Article 49 The rural collective economic organization, the land of which is expropriated, shall accept supervision by making known to its members the income and expenses of the compensation received for LA.

The compensation and other charges paid to the unit for its land expropriated is forbidden to be embezzled or misappropriated.

Article 50 Local people's governments at all levels shall support the rural collective economic organizations, the land of which is acquisitioned, and the peasants in their efforts to engage in development or business operation or to start enterprises.

Article 51 The rate of compensation for acquisition of land to build large or medium-sized water conservancy or hydroelectric projects and the measures for resettling relocated people shall be prescribed separately by the State Council.

Article 52 During the feasibility study of a construction project, land administration

department may, in accordance with the overall plan for land utilization, the yearly plan for land utilization and the standard area of land for the use of construction, examine the matters related to land for construction and offer its comments and suggestions.

Article 53 Where a construction unit needs to use State-owned land for construction of an approved project, it shall apply to the land administration department of the people's government at or above the county level that has the approval authority by presenting the relevant documents as required by laws and regulations. The said department shall examine the application before submitting it to the said people's government for approval.

Article 54 A construction unit that wishes to use State-owned land shall get it by such means of compensation as assignment. However, land to be used for the following purposes may be allocated with the lawful approval of a people's government at or above the county level:

- (1) For state organs or military purposes;
- (2) For urban infrastructure projects or public welfare undertakings;
- (3) For major energy, communications, water conservancy and other infrastructure projects supported by the State; and
- (4) Other purposes as provided for by laws or administrative regulations.

Article 55 A construction unit that obtains right to the use of State-owned land by such means of compensation as assignment shall, in accordance with the rates and measures prescribed by the State Council, pay, among other charges, compensation for use of land such as charges for the assignment of land-use right, before it can use the land.

Beginning from the date of implementation of this Law, 30 percent of the compensation paid for the use of additional land for construction shall go to the Central Government and 70 percent to the local people's governments concerned, both of which shall exclusively be used for developing cultivated land.

Article 56 A construction unit that uses State-owned land shall do so in agreement with the stipulations of the contract governing compensation for the use of land such as the assignment of the land-use right or with the provisions in the documents of approval for allocation of the land-use right. Where it is definitely necessary to change the purposes of construction on this land, the matter shall be subject to agreement by the land administration department of the people's government that originally approved the use of land. Where the land the purposes of use of which need to be changed is located in the area under city planning, the matter shall be subject to agreement by the city planning administration department concerned before it is submitted for approval.

Article 57 Where land owned by the State or by peasant collectives needs to be used temporarily for construction of projects or for geologic prospecting, the matter shall be subject to approval by the land administration department of a people's government at or above the county level. However, if the land to be temporarily used is located in the area covered by city planning, the matter shall be subject to agreement by the city planning administration department concerned before it is submitted for approval. The land user shall, depending on who owns the land and who has the land-use right, enter into a contract for the temporary use of the land with the land administration department concerned, or the rural collective economic organization, or the villagers committee, and pay compensation for it in accordance with the provisions of the contract.

The temporary land user shall use the land for purposes stipulated in the contract for temporary use of the land and may not build permanent structures on it. Generally, the period for temporary use of land shall not exceed two years.

Article 58 Under any of the following circumstances, the land administration department of the people's government concerned may, with the approval of the people's government that has originally approved the use of land or that possesses the approval authority, take back the right to the use of the state-owned land;

- (1) The land is needed for the benefits of the public;
- (2) The use of the land needs to be readjusted for renovating the old urban area according to city planning;
- (3) At the expiration of the period stipulated in the contract for use of the land by such means of compensation as land assignment, the land user has not applied for extending the period or, if he has, the application is not approved;
- (4) The use of the originally allocated State-owned land is terminated because, among other things, the unit that uses the land is dissolved or moved away; or
- (5) The highways, railways, airports or ore fields are abandoned with approval.

The user granted with the land-use right shall be compensated appropriately when its right to the use of State-owned land is taken back according to the provisions of subparagraphs (1) and (2) in the preceding paragraph.

Article 61 Where land is to be used for the construction of township (town) or village public utilities or public welfare undertakings, the matter shall be subject to examination and verification by the township (town) people's government, which shall submit an application to the land administration department of the local people's government at or above the county level for approval by the said people's government within the limits of its approval authority as defined by the province, autonomous region or municipality directly under the Central Government. However, if land or agriculture is to be used for the purpose, the matter shall be subject to examination and approval in accordance with the provisions in Article 44 of this Law.

Article 62 For villagers, one household shall only have one house site, the area of which may not exceed the limits fixed by provinces, autonomous regions and municipalities directly under the Central Government.

Villagers shall build residences in keeping with the township (town) overall plan for land utilization and shall be encouraged to use their original house sites or idle lots in the village as much as possible.

Land to be used by villagers to build residences shall be subject to examination and verification by the township (town) people's government and approval by the county people's government. However, if land for agriculture is to be used for the purpose, the matter shall be subject to examination and approval in accordance with the provisions in Article 44 of this Law.

Applications for other house sites made by villagers who have sold or least their houses shall not be approved.

Article 63 No right to the use of land owned by peasant collectives may be assigned, transferred or least for non-agricultural construction, with the exception of enterprises that have lawfully obtained land for construction in conformity with the overall plan for land utilization but have to transfer, according to law, their land-use right because of bankruptcy or merging or for other reasons.

Article 64 No buildings or structures built before the overall plan for land utilization is drawn up and at variance with the purposes defined in such a plan may be rebuilt or expanded.

Article 65 Under any of the following circumstances, a rural collective economic organization may, with the approval of the people's government that originally approved the use of land, take back the land-use right:

- (1) The land is needed for constructing township (town) or village public utilities or public welfare undertakings;
- (2) The land is used at variance with the approved purposes; or
- (3) The use of land is terminated because, among other things, the unit concerned is dissolved or moved away,

The user granted with the land-use right shall be compensated appropriately when the land owner by the peasant collective is taken back according to the provisions of sub-paragraph (1) of the preceding paragraph in this Article.

ADB Policy on Involuntary Resettlement

The three important elements of the involuntary resettlement policy are (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. Some or all of these elements may be present in a project involving involuntary resettlement. For any ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following basic

1. Involuntary resettlement should be avoided whenever feasible.
2. Where population displacement is unavoidable, it should be minimized by providing viable livelihood options.
3. Replacing what is lost. If individuals or a community must lose all or part of their land, means of livelihood, or social support systems so that the project can proceed, they will be compensated and assisted through replacement of land, housing, infrastructure, resources, income sources, and services, in cash or kind, so that their economic and social circumstances will be at least restored to the pre-project level. All compensation is based on the principle of replacement cost.
4. Involuntary resettlement is conceived and executed as part of a development project or program. ADB and executing agencies or project sponsors, during project preparation, assess opportunities for affected people to share project benefits. The affected people need to be provided with sufficient resources and opportunities to reestablish their livelihoods and homes as soon as possible, with time-bound action in coordination with the civil works.
5. The affected people are to be fully informed and closely consulted. Affected people are to be consulted on compensation and/or resettlement options, including relocation sites, and socioeconomic rehabilitation. Pertinent resettlement information is to be disclosed to the affected people at key points, and specific opportunities provided for them to participate in choosing, planning, and implementation options. Grievance redress mechanisms for affected people are to be established. Where adversely affected people are particularly vulnerable groups, resettlement planning decisions will be preceded by a social preparation phase to enhance their participation in negotiation, planning, and implementation.
6. Social and cultural institutions. Institutions of the affected people, and, where relevant, of their hosts, are to be protected and supported. Affected people are to be assisted to integrate economically and socially into host

communities so that adverse impacts on the host communities are minimized and social harmony is promoted.

7. No formal title. Indigenous groups, ethnic minorities, pastoralists, people who claim for such land without formal legal rights, and others, who may have usufruct or customary rights to affected land or other resources, often have no formal legal title to their lands. The absence of a formal legal title to land is not a bar to ADB policy entitlements.
8. Identification. Affected people are to be identified and recorded as early as possible in order to establish their eligibility through a population record or census that serves as an eligibility cutoff date, preferably at the project identification stage, to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits.
9. The Poorest. Particular attention must be paid to the needs of the poorest affected people, and vulnerable groups that may be at high risk of impoverishment. This may include those without legal title to land or other assets, households headed by females, the elderly or disabled and other vulnerable groups, particularly ethnic minority groups. Appropriate assistance must be provided to help them improve their socio-economic status.
10. The full resettlement costs are to be included in the presentation of project costs and benefits. This includes costs of compensation, relocation and rehabilitation, social preparation and livelihood programs as well as the incremental benefits over the without-project situations (which are included in the presentation of project costs and benefits). The budget also includes costs for planning, management, supervision, monitoring and evaluation, land taxes, land fees, and physical and price contingencies. Where loans include subprojects, components or investments prepared only after project approval and loans through financial intermediaries that are likely to cause involuntary resettlement, sufficient contingency allowance must be allocated for resettlement prior to approval of the loan. Similarly, resettlement plans should also reflect the timeframe for resettlement planning and implementation.
11. Eligible costs of compensation. Relocation and rehabilitation may be considered for inclusion in ADB loan financing for the project, if requested, to assure timely availability of the required resources and to ensure compliance with involuntary resettlement procedures during implementation.

Shandong Provincial Government's Policy on Integrated Area-chip Price

1. The comprehensive LA price is the collection of general agricultural land compensation fees and resettlement subsidies, other lands based on standards of comprehensive LA adjust in the following coefficient: basic farmland-1.2; construction land-1.0; 1.0; unused land-0.8. Without the approval, any unit or individual shall not raise or lower the standard.
2. According the "notice of Office of Shandong Provincial Government on the adjustment of output value and compensation standards for LA", ground attachments and young crops compensation standards, are formulated by municipality (involve arrondissement) government and submitted to the Provincial Price Bureau, Department of Finance and Executive Office of Land and Resources. After the consent of these units, the standards can come into force.
3. Related to collection and use of rural collective land, the various construction projects should strictly enforce the standards of comprehensive LA price. In the same area, the same types of land compensation price should be same, do not

vary from project to project.

4. The "Standard of Comprehensive LA Price in Shandong Province " has been carried out since July 1, 2009. If past provisions about the land requisition compensation are different from this one, this circular shall prevail.
5. With the continuous development of economy and society, standards would be adjusted once every 3 years, the Land and Resources Department and the Provincial Department of Finance, Agriculture Department, Statistics Bureau, Price Bureau proposed adjustment programs, to submit to the provincial people's government, and promulgated for implementation after approval.

Appendix 2: Relevant Land Examination and Approval Documents

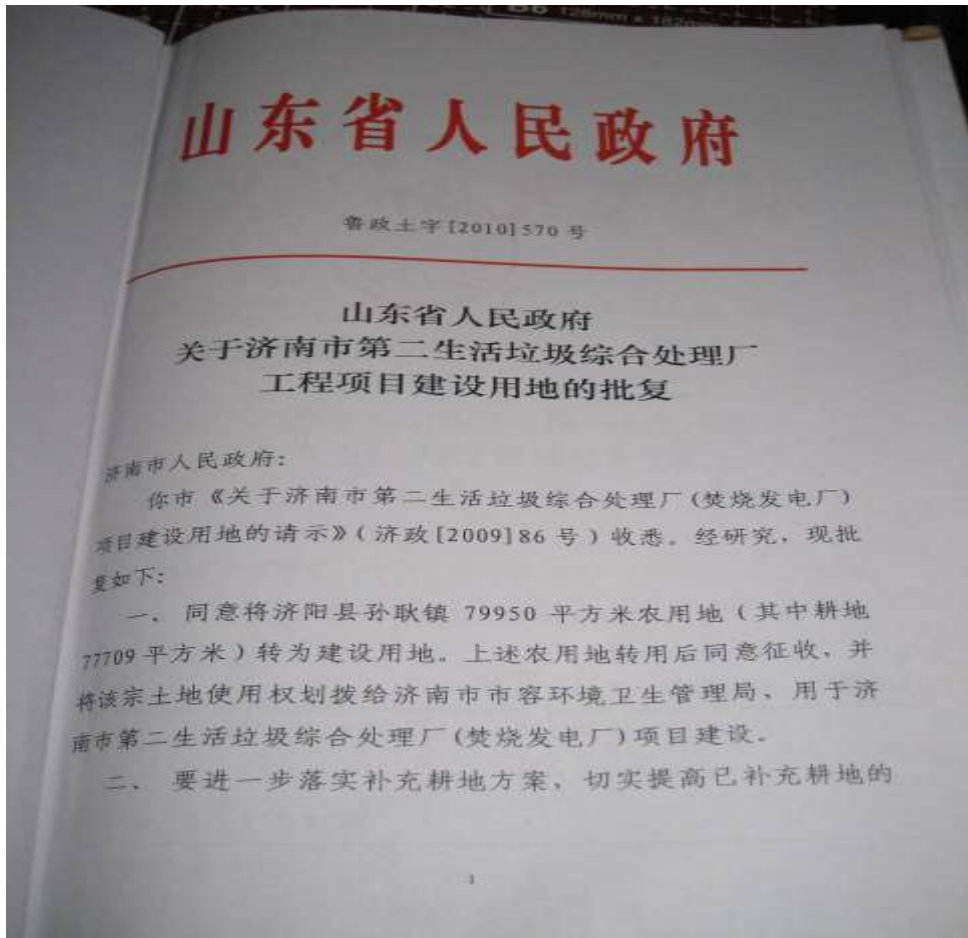


Figure 10 Written Reply of Construction Land

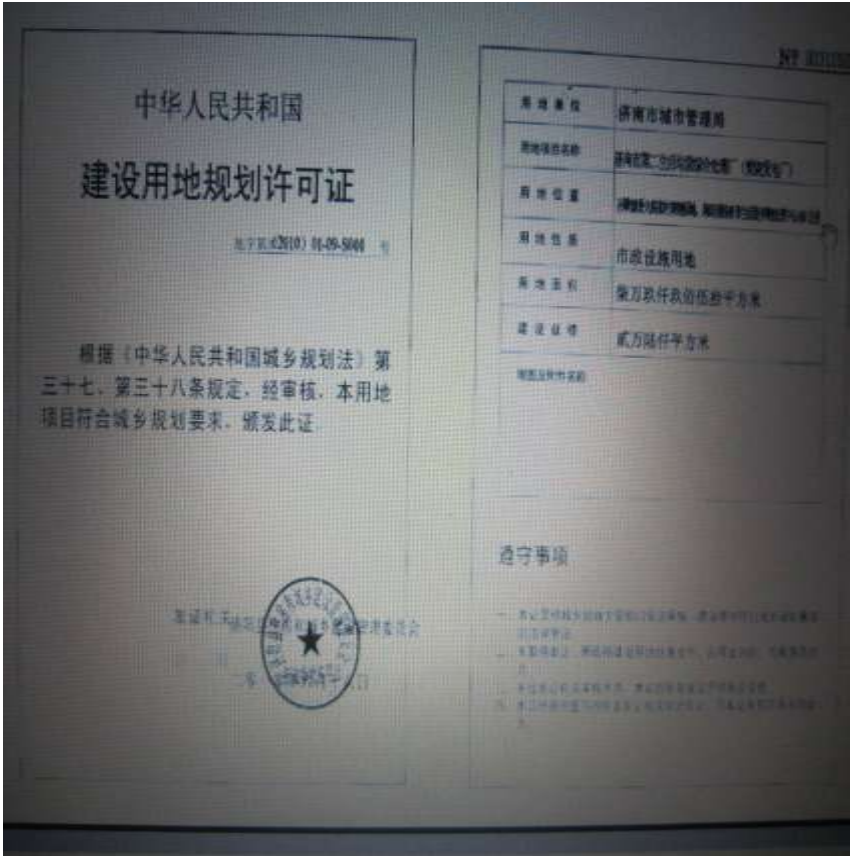


Figure 11 Construction Land Planning License



Figure 12 State-owned Land Use Certificate

小杜村房屋补偿发放表

户主姓名	原评估价格	补充估价	合计	领款人签名
韩孟河	129236		129236	韩孟河
韩孟忠	119161	521	119682	韩孟忠
韩孟祥	26855		26855	韩孟祥
陈峰	45271	1030	46301	陈峰
合计	320523	1551	322074	

2010.03.22

Figure 13 Signed Table for House Demolition