

Social Due Diligence Report

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PS 7296- PRC: Municipal Waste to Energy Project

Jiangyin Waste-to-Energy Project (Phase II)

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Asian Development Bank
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Social Due Diligence Report
For Jiangyin Waste-to-Energy Project (Phase II)

EVERBRIGHT ENVIRONMENTAL ENERGY (JIANGYIN) LIMITED
MAY 2011

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WEIGHTS AND MEASURES

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

Abbreviation

Phase II expansion project (the Project)
Affected Persons (APs)
Asian Development Bank (ADB)
Affected Households (AHs)
Resettlement Policy (RP)
National Research Centre for Resettlement (NRCCR)

1 Basic Situation of the Project

1. In 2006, Jiangyin government selected China Everbright International Limited as the partner through the tender method. The Build-Operate-Transfer (BOT) mode will be adopted in the waste-to-energy project. The project is located in Jiangyin Yuecheng town and the project owner is Everbright Environmental Energy (Jiangyin) Ltd. The land area of the project is 57,611 m² (86.42 mu) in total. The investment of the project is RMB 593.34 million, and the capacity of the plant is 1,200 tonnes/day. Phase I of the project required an investment of RMB 388.47 million and has a capacity of 800 tonnes/day. The construction of the phase I project started on June 28, 2006, and in March 2008 it started operation.

2. In November 2009, the construction of Phase II expansion project (the Project) was started. The investment is RMB 205 million and the construction capacity of the plant is 400 tonnes/day. The public auxiliary facilities of the Project are based on the phase I project. The public auxiliary facilities of the phase I project are all designed and constructed according to the scope of 1,200 tonnes/day (3×400 tonnes/day incineration production line). The plant has been operational since December 2010.

2 Project Impacts

3. **Impacts of Phase II.** The Project will be constructed on reserved land which was acquired during the phase I project, hence, it did not entail any new land acquisition impacts. However, for environment, health and safety reasons an environmental protection area was set. This requires the relocation of one household comprised of 5 persons living in a shown in Figure 2-1 which has a total carpet area of 200 m².

4. By signing a rental agreement with this household, Qinhuang village committee has rented his house as a greening shelter forest management warehouse. So the village committee has not demolished the house and RMB 500 rent is paid to this household per month.



Figure 2-1 Affected House

5. **Impacts of Phase I.** The land acquisition area of the phase I project is 86.42 mu in total. This land was an abandoned quarry at south Qinwang Mountain. It is the state-owned land and no person was affected. In addition, the auxiliary waste transportation road of the project needed to demolish 10,637m² houses and affect 32 households with 132 persons. All the affected persons (APs) have been compensated and relocated based on the national, provincial policy and the local Yuecheng Town Compensation Method of House Demolition and Resettlement (Promulgated by No.11 of the Yuecheng town in 2006). Demolition work started in December 2006. Before the end of May 2008, all the APs have been relocated in WenHua compound which is planned and constructed by Yuecheng town government. The relocation of the 32 Affected Households (AHs) for the auxiliary waste transportation was undertaken prior to ADB financed project. According to the field survey and interview, the relocation has not affected their income and livelihood. Also, the AHs are very satisfied with the better living environment. As presented in the following figures, there is a primary school, a kindergarten, and a hospital near the relocation compound. It was confirmed that there are no outstanding issues or grievances with respect to the relocation. Everbright Environmental Energy (Jiangyin) Ltd paid RMB 13 million to Jiangyin government, including land acquisition fees, demolition and resettlement fees and land transfer fees.



Figure 2-2 Wenhu Compound



Figure 2-3 Primary School



Figure 2-4 Kindergarten



Figure 2-5 Hospital

3 Socioeconomic Surveys of the Affected Persons

6. The Project has affected one household with 5 persons. All APs are Han nationality and agricultural registered permanent residences. Among these 5 persons, there are 2 over age 60. The householder, Wang Zhiming is 71 years old, and his wife is 68 years old. His son is 42 years old and his daughter-in-law is 40 years old. His granddaughter is 17 years old and is in senior high school now.

7. In addition, the householder and his wife are junior high school levels, his son and his daughter-in-law are senior high school levels, and his granddaughter is in grade one of senior high school. The affected house area is about 200 m² in total. The structure of the affected two-storey building is brick and concrete and the simple house is brick and wooden. In the survey, we found that the affected household has refrigerators, air conditioners, electric fan, motorbikes and other property, and their standard of living is on average level in the locality.

8. The household has 2 mu land, but the land had been rented to plant trees and not been used to do agricultural productions. At present, Wang Zhiming and his wife are working in Senior Citizen Activity Center of Qinhuang village. They are responsible for boiling water, cleaning and guarding the entrance. Their wage is RMB 500 per month per person. Their son and daughter-in-law have moved out of the house several years ago and are now working and living outside of Jiangyin. Their granddaughter is living with her parents.

9. According to this survey, the total income of Wang Zhiming and his wife is RMB 16,000 in 2010, including wage income, pension income, land rental income and house rental income. Their son and daughter-in-law can earn RMB 36,000/year depend on their jobs. So their annual household income is RMB 52,000. At present, Wang Zhiming and his wife are resettled in Senior Citizen Activity Center, and they need not pay for electricity and water fees and rents.

4 Legal Framework and Policy

4.1 Applicable Laws, Regulations & Policies for Resettlement

10. Resettlement policies for the Project are mainly based on ADB and Chinese relevant laws and policies, including:

- ADB policies:

- (i) ADB's 1995 Involuntary Resettlement Policy; (ii) 2006 OMF2 on Involuntary Resettlement and (iii) the agreed Resettlement Framework (see http://www.adb.org/Documents/Resettlement_Plans/PRC/43901/43901-01-PRC)

-RP.pdf)

- Yuecheng town policies:

Yuecheng Town Compensation Method of House Demolition and Resettlement (Promulgated by No.11 of the Yuecheng town in 2006).

4.2 Resettlement Policies for the Project

11. According to the policy, there are two options, which are cash direct compensation and property exchange. By consultations and communications, the affected household (AH) selected property exchange for the affected house. The preliminary house demolition and compensation agreement was signed in January 2010, which include:

- The APs' relocation houses will be planned and constructed by the government;
- After selecting house types, householder or representative need firstly to determine the location by lottery, and next to determine the floors by lottery too. Finally, the notary will notarize and register the property under the owner's name on the spot.
- (1) The area standard of the relocation houses is 35 m² per person; (2) If the AH want to get more areas beyond the standard area, the price will be based on market price; (3) As the household have only one child who is under 18 years old, they can get another 20 m² as preferential treatment. So Wang Zhiming and his families can get 195 m² resettlement houses. And all family members are very satisfied with this.

5 Resettlement Effect Analysis

5.1 Income Restoration

12. Before commencing the Project, Wang Zhiming and his wife has no job due to the old age. Now, they are working in Senior Citizen Activity Center of Qinhuang village. This is a special benefit provided by the local government. Their son and daughter-in-law are working and living outside, so their jobs are not affected.



Figure 5-1 Qinhuang Village Senior Citizen Activity Center

5.2 House Relocation

13. According to the policies and agreement, Wang Zhiming can select the apartments in Wenhua Compound or Shuiyun Compound in Yuecheng town. At present, Wenhua Compound (phase III) and Shuiyun Compound are in construction, and the construction will be completed in 2011 July and the end of 2011 respectively.



Figure 5-2 Wenhua Compound (phase III) and Shuiyun Compound

14. According to the interview, we know that Wang Zhiming wants to get 2 houses and hopes to live on the 2nd to 3rd floors. Because there is no satisfied house types and floors in the finished apartments, Wang Zhiming and his wife prefer to select satisfied house after Wenhua Compound (phase III) and Shuiyun Compound are completed. According to the progress, Wang Zhiming can move into the resettlement houses before the end of this year. The new resettlement Compounds have convenient transportation and better infrastructure. The distance to the town center is only 500m, and around 800m of the compounds, there are schools, hospitals, supermarkets, parks and other ancillary facilities.

15. At present, according to his own desire, Qinhuang village committee provided him

2 houses about 50 m² in Senior Citizen Activity Center for transition, and they don't need to pay their electricity fee, water fee and house rent. Qinhuang village committee has also installed air conditioning and flush toilet for them, and bought them new bed and other living goods.



Figure 5-3 Air Conditioning

16. Their original house has been rented as a greening shelter forest management warehouse by Qinhuang village committee. Qinhuang village committee pays RMB 500/month rent to them. After the transitional period, the rent will not be paid to the AH.

17. During the transitional period, they have free houses and their yearly income of RMB 6,000 of the rental income will be added. Besides, they can have jobs in the Senior Citizen Activity Center. So Wang Zhiming and his wife are very satisfied with the Project and the resettlement policy.

6 Public Participation, Consultation and Grievance Redress

6.1 Grievance Redress Procedures

18. Wang Zhiming can redress through many kinds of ways, if he has some questions or grievances about demolition and other problems. The basic stages for grievance redress are:

- Step 1: APs can redress to Qinhuang village committee. The committee will reflect to high level governments;
- Step 2: APs can redress directly through the government specialized complaint letter and visit agencies.
- Step 3: APs can redress to the executive agencies which have jurisdiction to get arbitration according to the Administrative Procedure Law of the People's Republic of China. After receiving the arbitration decision if APs are still not satisfied with the arbitration decision, they can prosecute to the civil court according to Law of Civil Procedures.

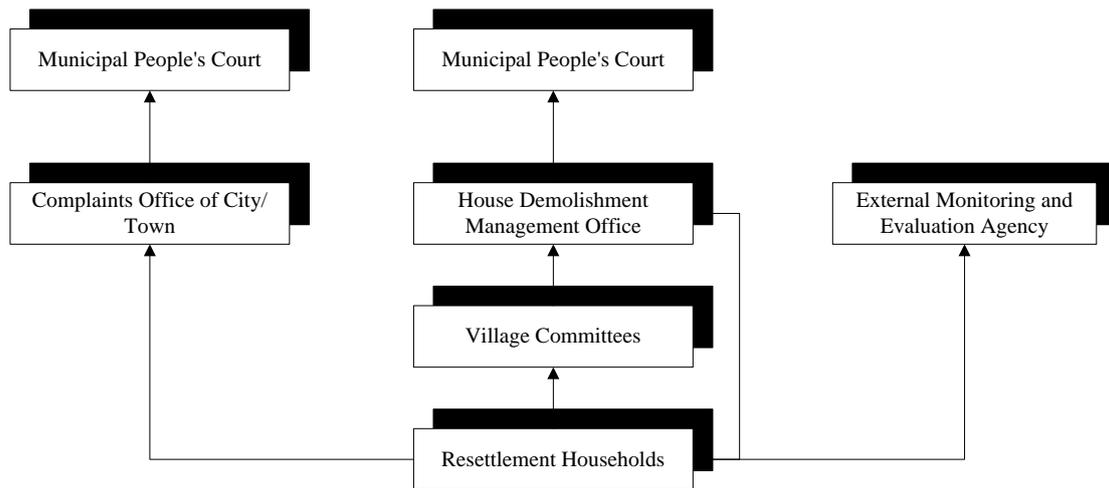


Figure 6-1 Grievance Redress Procedures

19. According to the survey, Wang Zhiming understands his rights and the procedures of redress. At present, he is satisfied with the resettlement and has no grievances.

6.2 Public Participation

20. During the preparation and implementation of the Project, Project units and related agencies have organized many symposiums to discuss the affections with Wang Zhiming, so that he could fully realize necessity and importance of the public welfare project. Wang Zhiming considers this is a public welfare project and benefits for the environment, so he supports the Project.

7 Institutional Organizations

21. The departments responsible for planning, implementation, management, and monitoring of Waste-to-Energy Project resettlement activities are:

- House Demolishment Management Office of Yuecheng Town
- Qinhuang Village Committee
- National Research Centre for Resettlement (NRCR) of Hohai University

22. House Demolishment Management Office of Yuecheng Town is responsible for physical investigations, following the plans to implement land acquisition and resettlement work helping deal with the problems arising in the demolition.

23. Qinhuang village committee is responsible for assisting in the investigation confirmation of physical indicators in land acquisition and resettlement, assisting in the work of land acquisition and resettlement, and the resolution of problems/issues arising in the resettlement process. In addition, convene the villagers' congress to publicly announce land acquisition and resettlement situation.

24. NRCR is the external monitoring and evaluation agency.

8 Monitoring and Evaluation (M&E)

25. The purpose of independent monitoring is to provide an evaluation of land acquisition and resettlement by an independent organization. The Independent Monitoring Institution will periodically monitor and evaluate the implementation of the Resettlement Policy (RP). It is NRCR to undertake the independent external monitoring and evaluation. The contents of independent monitoring are.

- The progress of implementation and compensation for land acquisition, demolition and resettlement.
- The survey of APs' production and living standards.

26. The Independent Monitoring Institution will follow the resettlement activities to evaluate whether the goals of resettlement are being achieved through observing:

- The application of the laws of P.R.C. concerning resettlement.
- Compliance with the ADB's 1995 Involuntary Resettlement Policy;.

27. The independent monitoring agency will provide suggestions to the land acquisition and resettlement implementation agency, so that any problems encountered in the implementation can be resolved in a timely manner.

8.1 Procedures and Tasks

28. The procedures will be as follows:

- (1) Compiles an outline for monitoring and evaluation.
- (2) Develops a resettlement monitoring and evaluation information system.
- (3) Prepares a survey outline, questionnaire and recording card for resettlement residents and affected villages.
- (4) Survey design: The Project affects less demolition, so the survey scales are all APs.
- (5) Carries out a baseline survey on the residents and institutions affected by land acquisition to obtain basic data about their living standards and production condition (including living, business and income).
- (6) Establishes a monitoring and evaluation information system to store resettlement data.
- (7) Conducts monitoring surveys on:
 - The evaluation of resettlement implementation organization on its ability and efficiency.
 - The progress of resettlement, compensation standard, payment.
 - Impact of land acquisition and resettlement.
 - Typical demolition household monitoring on: cash compensation funds to urban residents, the implementation of resettlement housing and relocation, income restoration situation, resettlement quality, housing construction schedule, the compensation funds to cash, housing quality,

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- etc.
- Monitors public consultation on participation in compiling RP and APs' activities during implementation, the effects of participation.
 - Monitors complaint and grievance procedures and outcomes in terms of the mechanism and its efficiency.
- (8) Arranges monitoring data, establishes a database.
- (9) Conducts a comparative analysis.
- (10) Prepares monitoring and evaluation reports according to the monitoring plan.
- In March 2011, set up an independent monitoring and evaluation team. Prepare work plan.
 - In March 2011, did preparatory work of the resettlement independent monitoring and evaluation, including: the preparation of outline and survey forms, the establishment of a monitoring system, a clear mandate, the select of monitoring points.
 - In June 2011, submit No. 1 M&E report (Conducting baseline survey).
 - In December 2011, submit No. 2 M&E report.
 - In June 2012, submit No. 3 M&E report.

8.2 Monitoring Indicators

- Rural residents affected by the demolition: rate of disbursement of compensation funds, the progress and quality of resettlement house building (system built households), the resettlement satisfaction (location of settlements, infrastructure facilities, room type, construction quality).
- Participation: the number, content, the influence of participating in the implementation of the project.

9 Conclusions

29. Resettlement progress:

(1) Detailed impact survey by House Demolishment Management Office of Yuecheng Town was finished in November 2009;

(2) The demolition agreement with AH was signed in January 2010;

(3) Up to now, the two resettlement compounds are in construction. The AH has chosen to wait until the two compounds have been constructed before making the final decisions. The resettlement houses will be delivered to AH as soon as possible based on good quality guarantee. Meanwhile, the AH is living at the Senior Citizen Activity Center, receiving rental fees for their affected house as well as salary from their jobs at the center.

30. All compensation and relocation measures are implemented based on effective public participation. And the grievance redress mechanism is also working as well. There are no outstanding grievances and all resettlement measures are in line with ADB's Involuntary Resettlement Policy.